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**For information**

## **Update on the Organizational Improvement Initiatives at UNICEF**

### *Summary*

In accordance with Executive Board decision 2008/11, this conference room paper outlines the organizational improvement initiatives undertaken by UNICEF to address the strategic shifts recommended by the organizational review of UNICEF, an update of which was provided to the Executive Board at the second regular session of 2007.

### **I. Introduction**

1. At the second regular session of the UNICEF Executive Board, in September 2007, the *Update on the organizational review of UNICEF* (E/ICEF/2007/CRP.16) was presented. The document summarized measures being taken by UNICEF to address recommendations from the organizational review. It highlighted the rationale for proposed changes and set out the expected impact these changes will have on UNICEF's work. While most of the proposed changes were undertaken through the 2008-2009 biennium support budget process, dedicated initiatives were required to address some of the key organizational improvements required.

2. In the last quarter of 2007, UNICEF launched a series of improvement initiatives to achieve the strategic shifts recommended by the organizational review.

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\* E/ICEF/2009/1.

3. These initiatives include the following:

- Consolidation of an Accountability System, which establishes a framework for accountability and oversight at all levels of the organization;
- Development of a risk management framework to empower managers and staff to make risk-informed decisions in meeting their accountabilities;
- Revision of programming policies and practices to make UNICEF programmes more dynamic, strategic and responsive to the rights and priority needs of children in national development contexts;
- Strengthening of organizational performance management tools, mechanisms, and key performance indicators for assessing, measuring and evaluating efficiency and results of programmes at all levels;
- Launching of new recruitment, individual performance management, and capacity development strategies and tools to identify new and emerging talent, and further strengthen existing human resources across the organization;
- Development of a strategy for knowledge and content management with the systems and tools to capitalize on knowledge resources and help position UNICEF as the global knowledge leader for children;
- Strengthening of internal communication systems to improve effective communication with and between staff to promote a shared understanding of the organization's vision and staff engagement in the achievement of results for children;
- Formulation of a global strategy for collaborative relationships and partnerships to reinforce UNICEF's capacity to engage in and leverage these interactions to achieve greater results for children;
- Improvement of business processes to streamline and simplify the way UNICEF does its work; and
- Design and implementation of a single Enterprise Resource Planning (One ERP) software application system to provide UNICEF with an organization-wide platform to manage its business processes, as well as to incorporate changes to UNICEF policy and processes necessary to streamline its approach for the implementation of the International Public Sector Accounting Standards (IPSAS).

4. ***Governance, coordination and oversight.*** Each improvement initiative established an Implementation Team to oversee progress and ensure the realization of project objectives on a day-to-day basis. Implementation team members represent UNICEF offices with a stake in the area of improvement addressed by the initiative. Initiatives and their implementation teams are managed by the headquarters office assigned with ownership for the project. Some initiatives employed external consultants to provide the technical expertise and industry knowledge of good practices to move forward the initiatives more efficiently and effectively.

5. The improvement initiatives directly engage field staff through field reference groups. Improvement initiative management have also capitalized on corporate meetings -- including regional management team, deputy representative, operations advisor and sector-specific meetings -- to present initiative issues, identify needed improvements, and get feedback and inputs.

6. The *Improve 360°* website on the UNICEF Intranet serves as an information resource for all staff to learn about developments and progress in each of the organizational improvement initiatives. Monthly briefing notes and other documentation emerging from the initiatives, including concept papers and notes for the record from key meetings, are also posted on the *Improve 360°* site for access by staff at all levels of the organization.

## II. Organizational Improvement Initiatives

### A. Accountability Initiative

7. **Goals and objectives.** The Accountability Initiative aims to clarify the understanding of accountability in UNICEF, to outline the various components of a comprehensive accountability system, and to identify and address gaps or areas that require strengthening.

8. The objectives of the Accountability Initiative are twofold:

(i) To develop an improved Accountability System for approval by the Executive Board which describes the frameworks established in UNICEF for accountability and oversight; and

(ii) To carry out a review of functions, roles and responsibilities at all levels of the organization in order to enhance understanding and implementation of organizational accountability and oversight.

9. **Achievements in 2008.** The Accountability Initiative began with a series of informal consultations with industry experts, interagency partners, and senior leadership in order to identify best practices and lessons learned on accountability and oversight issues within the United Nations System and in the public and private sectors. These consultations served as an opportunity to discuss concepts of accountability in UNICEF and the wider UN system; to position these in the context of challenges and opportunities facing UN agencies, including UN coherence efforts and the changing aid environment; and to identify next steps in sharpening accountability objectives in UNICEF.

10. Further recognizing the importance of developing a shared and coherent understanding of accountability across the UN System, the Accountability Initiative also carried out a desk review of accountability-related documentation emerging from the UN Secretariat and other agencies, most notably the Secretariat's accountability framework (February 2008) and the follow-up report by the Advisory Committee on Administrative and Budgetary Questions (September 2008), the Joint Inspection Unit Report on Delegation of Authority and Accountability (2004), and the UNDP and UNFPA reports to their Executive Board on the UNDP/UNFPA Accountability System (2008).

11. UNICEF also participated in the 2008 Global Accountability Report assessment carried out by the London-based think tank One World Trust. The Global Accountability Report is an annual assessment that ranks intergovernmental organizations, international non-governmental organizations, and transnational corporations by their accountability characteristics. UNICEF

ranked third overall among the thirty organizations assessed in 2008. The assessment served to highlight UNICEF's strength in the areas of evaluation, participation and stakeholder engagement; and contributed to the self-analysis being carried out through the Accountability Initiative, pointing out areas of weakness to be addressed.

12. In November 2008, the Accountability Initiative presented the first draft of the document *Report on the accountability system of UNICEF* to the Executive Board through a series of informal consultations. The draft report is aligned with the accountability systems of other United Nations agencies, most notably UNDP and UNFPA, but maintains the characteristics unique to UNICEF. The document sets forth the strategic framework for accountability and oversight in UNICEF. Executive Board members provided written and verbal feedback to the draft report.

13. **Accountability Initiative in 2009.** The *Report on the accountability system of UNICEF* is expected to be presented to the Executive Board in 2009. UNICEF will subsequently undertake a review of functions, roles and accountabilities at all levels of the organization to further enhance understanding of organizational accountability and oversight. The review will result in a detailed description of accountabilities at country, regional and headquarters levels, and it will be complemented by a comprehensive assessment framework to measure progress made against the Accountability System. In addition, links will be strengthened between the Accountability Initiative and other improvement initiatives focused on enhancing organizational management – including the Enterprise Risk Management, Organizational Performance, and the One ERP.

## **B. Dynamic Programming Approaches**

14. **Goals and objectives.** The Dynamic Programming Approaches initiative aims to design a lighter and more strategic country programming process that is flexible, risk-sensitive, evidence-based, open to innovation, and geared towards sharpening the programme focus. The programme approach emerging from this initiative will:

(i) Help to identify UNICEF's strategic position in key countries through a collective Strategic Moment of Reflection exercise involving Country, Regional and Headquarters participation and thinking;

(ii) Embody a longer-term perspective, with greater emphasis placed on strategic intent, expected results and the role of UNICEF as a cooperating partner;

(iii) Promote a lighter and more flexible planning process, focused on well-defined results linked to relevant national, regional and global development frameworks, that also contributes strategically to the United Nations Development Assistance Framework (UNDAF) and national programmes of each country;

(iv) Adopt a multi-year rolling plan approach based on national budget cycles;

(v) Orient programmes with a strengthened contextual understanding through support to a rolling Situation Analysis, national child research agenda and a periodic stocktaking of

lessons learned that will facilitate dialogue and knowledge sharing around effective interventions and successful cooperation approaches; and

(vi) Enable UNICEF to more effectively engage in national and sector programme-based approaches and contribute to long term national and sector policies and strategies.

15. ***Achievements in 2008.*** The initiative, led by the Division of Policy and Practice, spearheaded a series of consultations at headquarters, regional and country levels to identify the key characteristics of a more dynamic country programming process. Three streams of work were launched under the initiative:

16. *Programming in different country situations.* This component of the Dynamic Programming initiative aims to make country programmes more focused and responsive to emerging trends, shifts and opportunities in national contexts. It includes addressing current and emerging trends in the situation of children and women through a well-developed local knowledge agenda, which includes a revitalized Situation Analysis. The renewed programming approach would also give country programme partners the flexibility to proactively change the relative weights of the strategic components of their cooperation to better adapt to changes in development contexts.

17. Guidelines to carry out a *Strategic Moment of Reflection* have been developed to support programme planning. This process helps to strategically position UNICEF to remain relevant, maintain a sharper programme and advocacy focus, and adopt a forward-looking and longer-term strategic intent/vision in order to provide more effective support to achieving sustained results for children. The process has been successfully piloted in one UNICEF country office and with one sub-region, with headquarters and regional office participation.

18. Revised *Guidance for Conducting Situation Assessment and Analysis of Children's and Women's Rights* was issued to UNICEF offices in 2008 in an effort to revitalize this process as the foundation of UNICEF's support to national child-focused research and analysis. The guidance assists UNICEF offices, as members of the UN Country Teams and within the wider development environment, to step up support to upstream policy development on issues affecting children and women. A prerequisite for this is evidence-based policy analysis and advocacy, in a human rights perspective. The guidelines reaffirm that support to national capacity for knowledge generation and acquisition focusing on children and women is a core function of UNICEF cooperation in all countries.

19. *Lightening and simplifying the country programme process.* This stream of work aims to make UNICEF more results-oriented by putting in place a flexible, lighter and shorter work planning process and simpler country programme structure, which seeks greater harmonization and coherence with UN common country programming and national development processes. This entails reducing the hierarchy and multiplicity of results; continuing to synchronize the country programme process with government budget cycles; and allowing for strategic shifts based on the UNDAF Annual Reviews with national partners.

20. In its efforts to simplify the country programme process, UNICEF has been advocating with other UN Development Group organizations for a lighter UN common country programming process. Issues addressed so far include simplifying the Harmonized Approach to Cash Transfers approach; the option of common Country Programme Action Plans (CPAPs); and the simplification of the Common Country Assessment (CCA) and UNDAF guidelines, with a focus on strengthening links between the Millennium Development Goals and other internationally agreed development goals, including the Millennium Declaration, and national development frameworks.

21. *Rolling multi-year work planning.* The third component focuses on the implementation of improvements to the country programme process. This includes the design of a renewed programme planning structure based on multi-year and rolling work plans; alignment with UN Country Team and national planning processes; and strengthened monitoring, evaluating and reporting on progress, overall results and contributions to national results for development and child rights.

22. Work to determine the new country programme planning structure and the rolling multi-year work plans is being carried out in close collaboration with the Organizational Performance Management, Business Process Improvements, and One ERP initiatives. These initiatives capitalize on a shared field reference group, interdivisional working groups and Project Board to nurture an ongoing consultative process to develop the new programme planning structure and contribute to the design of the One ERP – the enterprise resource planning application system that will support programme planning and management at all levels of the organization. Consultations have been carried out in 2008 with staff from all levels of the organization to identify programme planning and structure needs, business process requirements, and programme performance management and reporting needs, and help determine how these will be integrated into the single application system.

23. *Dynamic Programming Approaches in 2009.* A simplified programme planning and management structure will be finalized by the end of the first quarter of 2009 for validation by senior management and for integration into the design of the One ERP.

24. Guidelines for the *Strategic Moment of Reflection* will be refined based on feedback from additional piloting exercises planned in early 2009. The guidance will be rolled out to regional and country offices by the third quarter of 2009. Additional *Programme Directives* will be issued throughout 2009 providing guidance on dynamic programming improvements on specific issues as these are developed. All improvements will be reflected in the next update of the Programme Policy and Procedure Manual, and in related programme and policy learning and development efforts.

25. Discussions will also continue within the UN Development Group context to simplify the common country programme process, including the development of guidelines for the option of a Common Operational Document.

### **C. Enterprise Risk Management**

26. **Goals and objectives.** The Enterprise Risk Management Initiative was launched to develop a Risk Management Framework, which enables managers to identify risks, assess their likelihood and impact, and treat them in accordance with organizational risk tolerance. The framework provides policy guidance and tools enabling managers to better manage risks in the achievement of organizational objectives -- increasing the efficiency and effectiveness of UNICEF operations and the achievement of results for children.

27. **Achievements in 2008.** The Enterprise Risk Management initiative was led by the UNICEF Office of Internal Audit (OIA) and facilitated by PricewaterhouseCoopers. The development of the risk management framework was based on knowledge of industry best practices and the unique characteristics of the UNICEF context. The initiative built on the data obtained through a risk culture survey in which over 300 staff members participated. The risk survey highlighted UNICEF strengths in current awareness and practices in risk management, and noted that improvements could be made particularly in the areas of staff management and communication about risk management. The results of the survey were further validated by the OIA team through consultations in the Egypt and Morocco UNICEF country offices, in a session with the Panama Regional Management Team and a meeting of operations managers of the Central and Eastern Europe and Commonwealth of Independent States region. Field studies were undertaken by PricewaterhouseCoopers in Bangladesh, Brazil and Ethiopia to identify key risks which field offices feel affect the achievement of programme and operational objectives. Extensive interviews were also carried out with informants at headquarters, regional and country office levels.

28. The Enterprise Risk Management Initiative has produced a final draft of the Risk Management Framework, which defines the UNICEF risk management philosophy, a common risk language and definitions, and responsibilities for risk management. It also includes a step-by-step risk management guide, an organizational risk profile and a risk and control library. The overall Risk Management Framework and its supporting tools are under final review.

29. **Enterprise Risk Management in 2009.** The Risk Management Framework, the risk reference guidance and the risk and control tools will be further socialized across UNICEF, leading gradually to the regularization of risk management practices. This will be done in coordination with the wider Organizational Improvement implementation efforts. A dedicated function will be created within the Change Management Team to direct the roll-out of the Risk Management Framework – particularly in recognition of the importance risk management has for accountability and overall programme and operations business process improvement. Roll-out of the Risk Management Framework will be integrated into the communications, training and deployment strategies developed in the Organizational Improvement implementation process.

#### **D. Global Framework for Collaborative Relationships and Partnerships**

30. **Goals and objectives.** This initiative aims to develop a global framework for collaborative relationships and partnerships that will address the rapidly evolving external landscape of international development cooperation aiming to make aid systems more effective. The initiative will help UNICEF identify the most efficient mechanisms to achieve results for children in cooperation with or through others, and to leverage resources. It will bring focus and

clarity to UNICEF's engagement with its external partners and will guide the organization regarding its strategic engagement in future collaborative relationships and partnerships. The Framework will provide guidance for UNICEF's strategic engagement in future collaborative relationships and partnerships, ensuring that:

- (i) collaborations and partnerships, individually and collectively, are making the maximum possible contribution to achieving outcomes for children;
- (ii) children are consistently at the centre of the national and international socio-economic policy and development agendas; and
- (iii) UNICEF efforts can scale up interventions and leverage resources for children.

31. The Global Framework for Collaborative Relationships and Partnerships will empower UNICEF to strategically manage its broad spectrum of partnerships.

32. *Achievements in 2008.* The development of the Global Framework for Collaborative Relationships and Partnerships builds on consultations launched before the organizational improvement process began in 2008. A notable example was the consultation process between UNICEF and non-governmental organizations on enhancing dialogue for emergency cooperation. This consultation process culminated in a global meeting held in Geneva in January 2008 with the participation of more than 30 national and international civil society organizations and implementing partners, as well as other UN agencies, working with UNICEF in the area of humanitarian response.

33. *Reviews and evaluations.* The Global Partnership Framework is being informed by a series of reviews and evaluations launched in 2008:

(i) The *Global Programme Partnership Evaluation* assessed UNICEF's role in global programme partnerships, such as GAVI and UNAIDS, where UNICEF is an official stakeholder with other UN agencies, foundations, international NGOs, and bilateral organizations. The evaluation included country studies in Indonesia, Kenya, Mali, and Thailand, as well as consultations with UNICEF regional offices in Bangkok and Dakar. Interviews with programme partners were also carried out in Geneva, London, Washington, DC and New York. Preliminary findings emerging from the evaluation indicate that UNICEF is often active in the partnership governance mechanisms, and that the organization plays a variety of roles, including partnership convenor, secretariat, technical advisor and observer. The evaluation found that these programme partnerships do lead to the achievement of greater results for children. Some UNICEF partners also believe that the organization should assume a leading role more often, given its strong track record as a norm setter, its presence on the ground, and its technical knowledge;

(ii) A *survey on corporate alliances* was carried out among all corporate partners, as identified through UNICEF country offices and National Committees. The survey found that the main areas of interest for corporate partners were Child Health and Education programmes, as well as Child Protection- and HIV/AIDS-related initiatives. Most corporate partners assessed

UNICEF's partnership management as above average; they particularly valued UNICEF's strong brand, global presence and technical expertise. However, corporate partners also struggled with UNICEF's bureaucratic and administrative structure. A majority of corporate partners want to continue focusing on financial and in-kind contributions to UNICEF, but many are also interested in moving into new forms of engagement, including cooperation with UNICEF on improving business practices; and

(iii) The *Civil Society Review* provided a mapping of civil society partnerships. The exercise included an analysis of UNICEF expenditure with civil society partners; a series of interviews with staff in country and headquarters offices and National Committees, as well as with civil society partners; and a review of programme partnership documentation. The review stressed the need to develop an effective information management system that provides up-to-date information on UNICEF's ongoing civil society partnerships with a breakdown of type of engagement – for example by geographic location, focus area, key results, and financial and/or in-kind support.

34. *Consultations.* The Global Framework for Collaborative Relationships and Partnerships has also benefited from a series of consultations with various stakeholders:

(i) A concept note highlighting the preliminary characteristics of the Global Partnership Framework was presented at the annual session of the Executive Board in June 2008. Informal discussions continued with Executive Board members based on the presentation of a draft annotated outline for the framework document in October 2008. Issues highlighted in the consultations with the UNICEF Executive Board included the need to develop tools to analyze the capacities of partners and to assess the risks and opportunities of specific partnerships; the importance of common understanding with partners on issues such as accountabilities and expected outcomes; and the need for UNICEF to simplify administrative procedures that may hamper relations with partners;

(ii) Consultations were also undertaken with National Committees to assess their perspectives on UNICEF's engagement in global partnerships. The meeting of National Committee Executive Directors, which took place in Vilnius, Lithuania in October 2008, helped to identify expectations for the Global Partnership Framework, guiding principles for UNICEF engagement and areas for improvement in the way UNICEF takes on partnerships. In addition, National Committees participated in an in depth on-line survey to address specific partnership issues;

(iii) Global Partnership Framework consultations with country and regional offices included dedicated sessions at the Regional Management Team meetings for the Middle East and North Africa, the Eastern and Southern Africa and West and Central Africa regions; another online survey addressing the partnership issues of UNICEF offices; and interviews with targeted programme staff;

(iv) Young people were invited to provide their inputs on partnership issues for the development of the Global Framework for Collaborative Relationships and Partnerships through participatory Internet-based websites such as Voices of Youth and Speak Africa. Consultations

were also held with six youth organizations with which UNICEF works, including the Scouts Movement.

35. ***Global Partnership Framework in 2009.*** The first draft of the Global Framework for Collaborative Relationships and Partnerships will be prepared for review and discussion by the Project Board and the Office of the Executive Director in early January 2009. Project management is also organizing a meeting of the framework *Sounding Board* in late January 2009 to discuss the first draft of the framework. The Sounding Board is composed of 12 international experts on partnerships for development officially invited to advise UNICEF on the development of the Global Partnership Framework. Sounding Board members have already contributed to the framework development process through individual interviews.

36. The final draft of the framework will be shared with the UNICEF Executive Board for review by the end of March 2009. A collection of case studies describing good practice in partnerships will be prepared when the final Global Partnership Framework is presented at the annual session of the Executive Board in June 2009.

37. Project Management for the Global Framework for Collaborative Relationships and Partnerships initiative will work closely with the Change Management team and other project managers to ensure that implementation of framework recommendations is carried out in a coherent and integrated manner with other organizational improvements. A communication and roll-out strategy for the Global Partnership Framework will be developed accordingly.

## **E. Internal Communication Initiative**

38. ***Goals and objectives.*** The Internal Communication Initiative aims to strengthen tools, processes and resources for timely, relevant and regular information dissemination to all staff. This includes facilitating information flow and communication at all levels to help build a shared understanding of the organization's vision, values, priorities and culture. The Internal Communication Initiative will enhance senior management communication with the rest of the organization; strengthen communication among headquarters, regional and country offices; ensure that staff are informed on breaking news and issues of importance to UNICEF; and create channels for staff feedback in order to keep a 'finger on the pulse' of the organization.

39. ***Achievements in 2008.*** An Internal Communication Unit was created through the 2008-2009 Biennium Budget Submission dedicated to managing UNICEF's internal communication needs. A plan was developed to provide more structure for communication within the organization in an attempt to streamline communication channels and better target audiences for more effective and efficient information-sharing. This plan was developed based on research on best practices to better understand what can be achieved through improved internal communication, and case studies profiling thinking on internal communication in nine global organizations. The development and implementation of the Internal Communication plan has been facilitated by the creation of a reference group representing headquarters, regional and country offices and the advisory role of the Global Communication Management Team, which represents headquarters offices, all regions and National Committees. The Internal

Communication plan has also been validated through presentations to the Global Management Team.

40. *Internal Communication Innovations.* Improvements in Internal Communication mechanisms in 2008 have included a revamping of the Executive Director's message page on the Intranet which has increased readership by 30%; the creation of a global Bulletin Board on the Intranet to streamline and rationalize the use of Global Message Broadcasts via email; and the development of a personalized, multilingual mailing system for Executive Global Broadcasts. A WebEx tool has been endorsed for desktop conferencing and virtual meetings; user guidelines for the WebEx tool have also been developed.

41. A new design for the UNICEF Intranet has been developed, stressing the need for simplicity and flexibility; mechanisms implementing all appropriate ways to reduce communication clutter; and empowering each part of the organization to manage its own content. A new Intranet start-up page has been designed – providing staff members Intranet access through the email system and allowing for customized easy access to information resources most frequently used. The Internal Communication initiative is working closely with the Knowledge and Content Management initiative to ensure that the revamped UNICEF Intranet can also meet knowledge management and information-sharing needs at all levels of the organization.

42. A draft terms of reference was created to detailing governance of the new internal communication structure. The proposed terms of reference establishes governance mechanisms for the UNICEF Intranet, interpersonal communication, and other online and offline channels of communication. The Internal Communication governance mechanism will include participation from all offices and will oversee the implementation of internal communication activities and the content disseminated through organizational communication tools.

43. *Internal Communication and the Improvement Initiatives.* The Internal Communication Unit is working closely with the project managers of the organizational improvement initiatives and the Change Management team to develop an internal communication strategy for each of the initiatives. The strategy will include the use of multi-media tools accessible to all staff to broadcast interviews with key stakeholders on the organizational improvements and the impact these improvements will have on the way UNICEF works.

44. *Global Staff Survey.* The first UNICEF Global Staff Survey was launched in May 2008 in an effort to strengthen communication between staff and management at all levels. Over 50% of staff participated in the survey, providing important insights on issues impacting day-to-day work life. The survey found that over 90% of UNICEF staff are proud and motivated to work for the organization, they have a strong understanding of organizational goals, a firm understanding of their responsibilities, and are positive about relationships and the quality of work produced in their offices. However, respondents highlighted that improvements could be made in the areas of internal communication; office efficiency, transparency and accountability; management of work/life balance; performance management; and career advancement opportunities.

45. Global Staff Survey results for each UNICEF office were posted on the Intranet, and the Executive Director hosted an All Staff Meeting -- launching a dialogue and analysis of the findings at all levels of the organization. Survey results were also presented at the September 2008 Global Management Team meeting followed by a discussion on appropriate follow-up measures. It was noted that the Improvement Initiatives would help to address many of the concerns raised by staff members in the survey, particularly with regard to the efficiency of business processes, internal communication and talent management. Recommendations for possible follow-up actions were developed after consultation with other organizations that use staff surveys regularly to inform organizational policy and practice, notably UNDP and the World Bank. Offices organized sessions with staff to discuss their individual survey results and to identify solutions to areas of weakness identified. A feedback mechanism was created on the UNICEF Intranet for staff to comment directly and anonymously on Global Staff Survey findings. Focus groups were also organized with specific categories of staff to explore the sources of dissatisfaction and perceptions on career advancement opportunities.

46. ***Internal Communication in 2009.*** The Internal Communication Unit will continue to move forward the plan developed to strengthen internal communication in UNICEF, especially with the launch of the new Intranet home page through the email system in January 2009. The Global Management Team is expected to approve the internal communication governance structure in February 2009, which will facilitate the timely sourcing and scheduling of internal communication content and management of internal communication activities. The Internal Communication Unit will also introduce a new corporate calendar accessible to all staff through the UNICEF Intranet. Work will continue with the Change Management Team and improvement initiative project managers to develop a strategy to communicate progress and implementation of the organizational improvement process.

47. A mapping of follow-up actions will be taken across the organization in response to the Global Staff Survey findings. A briefing on this analysis will be provided to senior management and inform the decision-making process on additional measures to be taken and the appropriate timing for the next Global Staff Survey.

## **F. Knowledge and Content Management**

48. ***Goals and objectives.*** The Knowledge and Content Management initiative aims to create a knowledge management system that organizes, integrates, shares and delivers knowledge from experience and research, links staff to internal and external knowledge centres, and helps to establish UNICEF as a leading knowledge centre on child and adolescent rights and development issues. The initiative endeavours to achieve this by improving access to existing knowledge on child and adolescent rights and development issues; improving organizational knowledge-sharing around key topics; and encouraging innovation and the sharing of new ideas for improved outcomes.

49. ***Achievements in 2008.*** The Information and Knowledge Management unit was created through the 2008-2009 Biennium Budget submission, to strengthen UNICEF's knowledge management capacity. Information and Knowledge Management staff have been active throughout 2008 in developing and advocating the use of numerous knowledge management and

information-sharing tools such as organization-wide databases, communities of practice and electronic information management systems.

50. *Lessons Learned and Good Practice.* The Information and Knowledge Management unit led the process to develop and launch the *In Practice* database and site on the UNICEF Intranet in May 2008. *In Practice* showcases examples of innovations, lessons learned and good practices from country-level programmes and operations. The site provides guidance and templates to assist UNICEF Offices in identifying and documenting country-based and local innovations, lessons learned and good practices. The *In Practice* also includes links to similar databases and resources hosted by other development agencies. The *In Practice Newsletter* highlighted and shared these knowledge resources more widely. An internal compendium of innovations and lessons learned has also been completed and disseminated.

51. The Information and Knowledge Management unit is also collaborating with the Evaluation Office to more efficiently use the *Evaluation and Research Database*. Efforts are being made to simplify the process of submitting and reviewing evaluation reports, and to ensure that evaluation results are more effectively communicated through the database.

52. *Communities of Practice.* The Communities of Practice concept was formally introduced in UNICEF in 2008 as a key knowledge management and sharing method. A concept note and draft manual, including a set of modular presentations, were developed to explain the Communities of Practice approach, including how it works, the benefits expected and the resources required based on best practices from the private and public sector. The manual includes practical steps involved in setting up communities within UNICEF and will serve to mainstream the use of Communities of Practice, increasing understanding of their potential. This Communities of Practice orientation package is available to all staff on the *In the Know* site of the Intranet. New software tools and collaborative platforms were piloted to facilitate community member interaction and support the main functional needs identified for community networking and information sharing. The ongoing testing of the tool will allow UNICEF to scope out more firmly the functionality required to support communities effectively across the organization. Building on these pilots, UNICEF will develop a more robust system that can be scaled up for organizational use at a later stage.

53. A pilot Community of Practice was launched on *social budgeting* to enable members of the UNICEF Social Budgeting network to connect with each other, learn from sharing knowledge, experience and ideas, and reflect on work practices to improve them. The Social Budgeting network comprises more than 470 staff members worldwide. The Community of Practice produces a newsletter and maintains an Intranet knowledge base containing key internal and external reference materials as well as a collection of materials on country experience on social budgeting. E-discussions on social budgeting were also launched. The work of the social budgeting Community of Practice was informed by a knowledge audit, which served to document UNICEF's country-level experience in social budgeting and to map key internal resources and expertise in this area. Based on the social budgeting pilot, similar Communities of Practice are being initiated in the areas of knowledge management, evaluation and education.

54. *Electronic Information Management.* Working in close collaboration with Information Technology counterparts, the Knowledge and Content Management initiative is exploring improvements for electronic document and information management. Software platforms are being studied and piloted at headquarters and field levels to identify an appropriate system for more effective document management and collaboration in UNICEF. Discussions are also ongoing to better define the scope of the organization's needs in this area, including the possibility of remotely accessible shared document libraries, team sites and more efficient and effective means for collaboration on documents.

55. The Information and Knowledge Management unit is working closely with Communication colleagues to develop a taxonomy or controlled vocabulary to facilitate organizational access to materials, as well as to improve search capabilities on the UNICEF Intranet. This effort would build on similar work already begun for the UNICEF website on the Internet. Meetings were also organized with Google to discuss how to improve the current Intranet search function, which is powered by the Google appliance.

56. A portal for development professionals entitled *DevPro Research Centre: About Children and International Development* has been created on the UNICEF website. The portal offers easy access to UNICEF publications, data, statistics and research materials on issues relevant to children and development. The site also features *microsites* on specific themes.

57. *Supply and Knowledge Management.* The Supply Knowledge Management unit was also created in 2008 and has been developing knowledge management and information-sharing tools to service the Supply Community. Tools include a Supply Community Newsletter, communities of practice dedicated to discussing the nutrition supply chain, and *UniTrack*, a warehousing software system for country offices, and a *Supply Chain Community Discussion Forum*. The supply-related innovation site called *Innovate for Children* was also created on the UNICEF Intranet; the site helps to harness UNICEF's expertise, networks and experience to more quickly facilitate the assessment and development of product innovations for children.

58. In October 2008, the Knowledge and Content Management initiative supported the Supply Community in the development of *Supply Faces*, a social networking tool designed to help facilitate internal networking and identification of supply and logistic expertise through interactive staff profiles. "Supply Faces" provides an important support to community-building within the Supply function, and furnishes a practical Community of Practice example from which lessons learned can be derived to feed into the overall organizational approach.

59. ***Knowledge and Content Management in 2009.*** The Knowledge and Content Management initiative will focus on moving forward the efforts begun in 2008 in the areas of lessons learned and good practices, communities of practice, and electronic information management. The Knowledge and Content Management initiative will also continue to support Supply Knowledge Management efforts and will concretize results achieved to date in an organizational knowledge and content management strategic framework. This framework will include guidance for country offices on the management of the knowledge function and the important role of knowledge management in country programme preparation, implementation, monitoring and evaluation.

60. The first series of *Field Notes* will be launched in 2009, highlighting important lessons learned and good practices in selected thematic areas, for dissemination to UNICEF internal and external audiences.

61. Work carried out to date within the social budgeting Community of Practice will feed into a consultation on social budgeting planned in early 2009. One of the objectives of the consultation will be to establish the priorities and working methods of the community, to help develop a plan to address some of the issues identified through the knowledge audit, and to share promising country experiences identified through the audit. A Community of Practice for education issues will also be created in 2009, beginning with work in the area of educational reform. Another community of practice is planned on monitoring and evaluation; this community will pilot a new platform for knowledge-sharing and collaboration.

## **G. Organizational Performance Management**

62. ***Goals and objectives.*** The Organizational Performance Management initiative aims to further strengthen the results-based management approach of the organization by devising tools, oversight mechanisms and key performance indicators for assessing, measuring and evaluating efficiency and results of programmes, operations and management at all levels. The initiative will also introduce performance management elements for individual performance and link them with organizational performance. The initiative will develop a framework to strengthen and improve organizational performance management, including Key Performance Indicators that can adequately map organizational performance for use by senior managers and management teams at global, regional and country levels.

63. ***Achievements in 2008.*** Preliminary work on the development of the organizational performance framework was based on the achievements of the mid-term review of the UNICEF medium-term strategic plan (MTSP), which provided the revised programme and operations indicators on which the framework for monitoring performance and reporting will be based.

64. The Organizational Performance Management initiative has carried out extensive consultations throughout 2008 at headquarters, regional and country levels to review existing methodologies for performance-monitoring, tools such as MTSP Info, and indicators already in use. As a result of these consultations, the initiative has begun to identify core tools and indicators that will form part of the organizational performance management framework and will allow for systematic and consistent performance monitoring and reporting at all levels of the organization. These include a standard set of reports used by all offices and common regional performance management indicators.

65. The Organizational Performance Management initiative has also worked closely with the Dynamic Programming Approaches, Business Process Improvement and One ERP initiatives to identify essential performance management components to be integrated into the new UNICEF enterprise resource planning application being developed. In a joint workshop organized in August 2008 with the participation of experts from headquarters and field offices, 12 basic indicators were identified to measure the efficiency of offices at all levels. A taskforce has been

created under the Organizational Performance Management initiative to accelerate the review of performance monitoring and reporting tools available in current resource planning applications used in UNICEF – ProMS, Cognos and FLS/SAP. The taskforce will assess monitoring and reporting needs, and prioritize and identify indicators and performance measures that will be integrated into the One ERP.

66. Consultations were also undertaken with other agencies, notably UNDP and UNFPA, to learn from their organizational performance management mechanisms, including the use of *scorecards*. Concepts for a UNICEF *dashboard* are being discussed, including links to baseline data in resources such as DevInfo and MTSPInfo, and with possible links to the One ERP. Discussions among UNICEF, UNDP and UNFPA are also moving forward on the harmonization of organizational performance measurement; the three agencies have agreed to identify at least one common indicator per common core organizational function.

67. The work carried out through the Organizational Performance Management initiative in 2008 has been essential to the development of the management plan, annual report and budget submission guidelines. The latest guidance issued to headquarters, regional and country offices for the preparation of Office Management Plans and Country Programme Management Plans include the strengthened results-based performance management standards and indicators identified to date. Guidelines for the 2008 headquarters and country office Annual Reports and Regional Office Analysis Reports also reflect these improvements in performance management monitoring and reporting. The data emerging from these strengthened performance management mechanisms will serve to establish baselines for new indicators introduced, especially those emerging from the mid-term review of the MTSP.

68. ***Organizational Performance Management in 2009.*** The Organizational Performance Management initiative will continue to strengthen performance management, monitoring and reporting mechanisms in 2009, leading to the finalization and roll-out of an organizational performance management framework. A review of draft 2010-2011 Office Management Plans and Biennium Support Budget submissions in the first half of 2009 will facilitate efforts to consolidate and streamline performance criteria for headquarters and regional offices, which will be integrated into the framework. Current internal Programme Information Database coding will be revised and refined to accommodate performance measurement improvements, particularly changes to targets and indicators emerging from the mid-term review of the MTSP.

69. Collaboration with the Dynamic Programming Approaches, Business Process Improvements and One ERP initiatives will be strengthened to ensure that management, programme and operational performance components are integrated into the design of the new ERP application. Work to strengthen the links between organizational performance and individual performance will also move forward in 2009, particularly with the evolution of the new e-Performance Assessment System and the development of the One ERP. Engagement with the Accountability and Enterprise Risk Management initiatives will also increase in 2009 in light of the implications these will have on organizational performance management issues once the accountability, oversight and risk management frameworks are adopted.

## **H. Talent and Leadership Development and Management**

70. **Goals and Objectives.** UNICEF has embarked on a strategic talent management initiative with a view to identifying and developing talent to meet the organization's current and future needs. This initiative entails the development of several elements:

- (i) A sustainable talent management programme that strategically sources, identifies, recruits, develops, mentors and coaches a cohort of high potential internal and external talent for UNICEF to meet staffing demands;
- (ii) Succession planning methodology within the context of its dynamic environment;
- (iii) A learning strategy that is relevant and aligned with organizational goals; and
- (iv) A system for effective individual and team performance management.

71. The initiative will use both external outreach and management and leadership development approaches to fill current and projected gaps in functional areas; meet gender and diversity goals; address demographic issues affecting the organizational talent pool; and build a pipeline of talent for senior positions within the organization. Both approaches emphasize merit- and performance-based mobility.

72. **Achievements in 2008.** The Talent and Leadership Development and Management initiative has progressed on several key fronts in 2008, described below.

73. **New and Emerging Talent (NETI).** The NETI programme focuses on attracting, selecting, developing and retaining new and emerging external talent to meet UNICEF's staffing needs at entry and mid-career levels. Nine candidates were selected from an initial pool of 600 through a phased review and assessment process taking into account academic qualifications, experience, language proficiencies, gender and diversity.

74. This first NETI cohort joined the organization in September 2008. The nine candidates underwent an induction programme and were assigned to work with a headquarters office for two months. In November 2008, NETI participants were deployed to begin their 10-month assignments in regional and country offices. NETI candidates are evaluated throughout their assignments, and have access to a coaching programme that provides effective support to strengthen behaviours related to core competencies.

75. Recruitment for the second cohort of NETI candidates began in November 2008. Over 3,000 applications were received as a result of a broad media campaign and facilitated by an online application system. Of these, 385 have been selected for the second phase of review, which resulted in a short list that has been submitted to the NETI Selection and Assessment Centre in order to identify the final list of candidates.

76. **Organizational Learning Strategy.** UNICEF is developing an organizational learning strategy that takes a tiered approach to internal capacity-building ranging from core learning and basic knowledge to management and leadership training, and functional and technical learning.

A key objective of the learning strategy is to enhance the linkages between the three curricula. In 2008, a Learning Advisory Board and an Organizational Learning Reference Group were established to provide guidance and oversight for learning activities.

77. The UNICEF Organizational Learning Strategy includes the following essential components:

(i) The *Management Assessment and Development Centre (MADC)*, a methodology implemented at senior leader level that aims to identify individual strengths and development needs. Assessments contribute to the professional evolution of senior staff and inform placement decisions on the readiness of senior staff to take on higher-level responsibilities and positions. Thirty-two staff members were assessed in three MADC sessions held in November 2008. Staff were provided feedback after the assessment and were supported with a half-day session to create their *Individual Development Plans*;

(ii) The *Leadership Development Initiative*, which serves to identify and develop the internal pool of high-potential mid-management staff members who will be able to lead change and the future vision for UNICEF. To date, 40 mid-level staff members have graduated from the Initiative, and an additional 65 are undertaking the year-long programme.

78. *Performance Assessment.* UNICEF is working to develop a new electronic performance assessment system which will significantly improve the organization's human resource performance management capacity. *e-PAS*, which will be an SAP-based system directly linked to the One ERP being developed, will help to strengthen links between individual and organizational performance.

79. In 2008, project efforts focused on developing the blueprint for the electronic performance assessment module. Work is ongoing to design and support the implementation of a revised paper-based performance assessment system that reflects the e-PAS blueprint. Project management is taking into consideration experiences and lessons learned from other organizations, including UNHCR. In October 2008, UNICEF participated in a Performance Management Benchmarking Symposium in which an interagency benchmarking analysis was completed as part of wider efforts to harmonize performance assessment systems across the UN. Outputs from the interagency analysis are being incorporated into UNICEF's developing performance assessment system.

80. *E-Recruitment.* UNICEF is in the process of developing an electronic recruitment system which will facilitate the recruitment process and allow for more effective talent pool development. E-recruitment will be an SAP-based application and is being developed in close collaboration with the One ERP. It is envisioned that all internal and external application and selection processes will be managed through the system.

81. Testing of the E-Recruitment system was undertaken in late 2008, and validation sessions provided positive feedback from human resources experts. Training materials for end-user orientation and usage have also been developed; preliminary training sessions were held with human resources network members representing 14 regional and country offices.

Communications and advocacy materials are being developed and disseminated – including brochures and videos – to familiarize management and staff with the new system, which will be officially launched in February 2009.

82. *Competency Framework.* Recognizing that competencies evolve over time to meet changing organizational needs, including demands created by UN coherence, programmatic shifts connected with MTSP priorities and organizational improvements, UNICEF is reviewing its competency framework. The Competency Framework project aims to refine staffing profiles, competency definitions and behavioral indicators, and ensure that competencies are integrated into human resources systems through the creation of appropriate tools.

83. The final draft of the Competency Framework was delivered in September 2008. Application of the framework has been ongoing through the integration of revised competencies into generic job profiles, the development of a competency rating system, and competency-based interview training and the post classification process. The Competency Framework has also been integrated into the design of the Management Assessment and Development Centre, including the development of a customized 360° review tool, and the development of the qualification catalogue, which will support the future performance assessment system. Work has begun on the development of internal communication, training, roll-out and support strategies for the revised framework.

84. *Talent and Leadership Development and Management in 2009.* The initiative will continue moving forward the extensive progress made in strengthening systems for talent management, learning and professional development in UNICEF. The NETI programme will launch its mentorship component in February 2009 – in which candidates will have the opportunity to select mentors, and mentors will receive appropriate training to assume the role. The NETI Selection and Assessment Centre will also be strengthened with the addition of psychometric tests and other assessment tools. The second cohort of 26 NETI candidates is expected to be on board in the second quarter of 2009.

85. Communication on the Management Assessment and Development Centre will be improved and expanded, and guidelines for participation will be strengthened. Efforts will be made to enhance the Leadership and Development Initiative by reinforcing the coaching component and scaling up efforts to identify greater numbers of qualified staff members for nomination to the learning programme. A new *Senior Leaders Curriculum* will be rolled out in 2009 as part of the management and leadership component of the Learning Strategy.

86. In 2009, a policy on the performance assessment system will be drafted to cover both the paper-based system and the future e-PAS system. Consultations on the system and its tools will be expanded to country and regional levels. A feasibility evaluation will also be carried out to determine the appropriate timing for the roll-out and implementation of the e-PAS system to all staff. Competency Framework efforts will be focused on communication, training, and roll-out. Training on the framework will be integrated into other human resources-related capacity-building efforts, including the introduction of the revised performance assessment system and organizational coaching efforts.

## I. Business Process Improvement and the One ERP

87. **Goals and objectives.** The Business Process Improvement and One ERP initiative aims to put in place a fully integrated single enterprise resource planning system that will enable UNICEF to improve its capacity to plan interventions, define results, manage resources, monitor and report on performance, as well as to incorporate changes to UNICEF policy and processes necessary to streamline its approach for the implementation of IPSAS. The initiative will simplify and enhance business processes to assist the organization in responding to the changing aid environment and to more effectively convert resources into tangible and sustainable results for children. The fully integrated One ERP application system will be established in all UNICEF locations to manage UNICEF business worldwide, driven by key programme requirements of UNICEF business users.

88. **Achievements in 2008.** Extensive consultation was carried out with senior management, programme and operations experts to determine the scope of the Business Process Improvement and One ERP initiative. Consultations were informed by the findings of the Business Process Review which was carried out in 2006; by briefings with industry experts and advisers on the intricacies of successfully developing and implementing an enterprise resource planning system; and lessons learned from other UN agencies – notably UNDP, WFP and WHO – which had recently undergone similar processes.

89. The scope of the initiative was concretized in two project charters signed by Project Board members. The charters reflected the decision to incorporate other SAP-based innovations with the development of the One ERP in order to ensure the highest level of integration of the applications on the same software platform. This meant that key business processes – including Supply Customer Relations Management, Procurement Services, Web Catalogue management, Human Resources Customer Relations Management, E-Recruitment, e-PAS, and payroll – would be managed through the same platform, with efficiencies thereby strengthened among the various processes.

90. Dedicated staff members were assigned to work with counterparts from the Dynamic Programming Approaches and Organizational Performance Management initiatives to identify programme and performance structures and processes to be integrated into the One ERP. Three key workshops took place in New York in March, August and November 2008, bringing together staff members from all levels of the organization to help identify priorities for a more dynamic programme structure, a more effective organizational performance system, and requirements for the One ERP. As noted earlier, these initiatives also share a field reference group, an interdivisional working group and Project Board to nurture an ongoing consultative process to develop the new programme structure and contribute to the design of the One ERP.

91. A *Business Integration Team* was created, with staff representing selected headquarters offices and business owners, to review and streamline business processes that would be integrated into the design of the One ERP. Business processes were reviewed and improved in the areas of human resources, supply, grants management, finance and administration. The Business Integration Team will develop the final *blueprint* of business processes, which will be

incorporated into the One ERP design with the assistance of the Technical Integration Team based in the IT Solutions and Services division.

92. An essential component of the Business Process Improvement and One ERP initiative is to ensure that the system captures the changes in policy and processes necessary to transition to IPSAS and enable IPSAS compliance to be achieved in a streamlined and integrated manner.

93. A dedicated team was established to put in place the systems and processes required to make UNICEF IPSAS-compliant by 31 December 2010. A streamlined consultative approval process was created to ensure that appropriate policy decisions are made in a timely manner. A gap analysis was carried out to assess areas of major impact, and policy papers were developed on key issues that will be affected when IPSAS compliance comes into effect. Pro forma IPSAS-compliant financial statements have been drafted and circulated to key stakeholders for their inputs.

94. The IPSAS compliance process also includes an organization-wide communication effort to inform offices of impending changes and their impact on business processes. A progress report on IPSAS adoption by UNICEF was issued to the Executive Board at its second regular session in 2008 (E/ICEF/2008/AB/L.10). The UNICEF Comptroller issued a launch memo to headquarters Directors, Regional Directors, Representatives and Deputy Representatives in September 2008. Briefings on IPSAS adoption were held with internal and external stakeholders, including the China National Audit Office, the Audit Advisory Committee, UNICEF Regional Management Teams, Regional Chiefs of Operations and Operations Officers, Deputy Representatives, and headquarters offices. Case studies on IPSAS compliance were also developed and shared with all regions.

95. ***Business Process Improvement and the One ERP in 2009.*** The design of the dynamic programme structure and programme performance components for integration in the One ERP will be finalized in the first quarter of 2009, paving the way for a complete One ERP blueprint.

96. The second half of 2009 will be dedicated to constructing the One ERP, based on the finalized blueprint, through the work of the Technical Integration Team and with the support of external SAP experts as needed. During this time, communication, training and deployment strategies and tools will also be developed in preparation for the full roll-out and implementation of the One ERP system – in close coordination with other organizational improvements emerging from related initiatives.

97. The IPSAS component of the initiative will move forward within the One ERP development process, ensuring that system changes necessary to effect a streamlined and integrated approach to IPSAS implementation are adequately reflected in the One ERP design. During 2009, all IPSAS-compliant policies will be concluded, implementation requirements agreed upon and disseminated to enable UNICEF offices globally to implement the changes necessary. This work will be supported through dedicated IPSAS communication resources developed in collaboration with the Internal Communications initiative and through IPSAS-specific training for UNICEF staff that will be needed to implement the changes to UNICEF's business processes.

### III. Conclusion

98. One year into the organizational improvement process, the initiatives have taken significant steps towards sharpening UNICEF's strategic focus. These improvement initiatives continue to move forward in reshaping organizational policies, practices and procedures to more effectively and efficiently achieve results for children. As the initiatives enter into more substantive phases of development and as concrete organizational improvements are identified for implementation, these efforts will have an impact on the design, structure, and content of UNICEF's programmes of support, enhancing opportunities to sustain positive outcomes for children.

99. The Organizational Improvement process will build on existing monitoring and review mechanisms to take a more systematic and qualitative approach to assessing and evaluating progress made in the improvement initiatives. A results monitoring framework will be developed to measure progress made. Reporting on all progress and achievements in the coordination of the organizational improvement process will be carried out through the standard organizational mechanisms, including the provision of updates to the Executive Board when requested. A comprehensive streamlined improvement work plan and timeline will be developed, reflecting the increased integration of organizational improvement efforts, and facilitating monitoring and evaluation of progress and achievement of results. The organizational improvement communication strategy will include a reporting schedule to ensure that progress and achievements in the improvement initiatives are communicated to management and staff across the organization, at least quarterly.

100. From 2010, a number of the improvements will be mainstreamed into the work plans of the respective headquarters offices. Initiatives such as the One ERP will continue beyond 2009 because of their system-wide impact and longer implementation timeline.

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