Change Management Office

2013 Annual Report

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I. Executive Summary

The main goal of the Change Management Office in 2013 was to coordinate the Effectiveness and Efficiency (E&E) Initiative which was launched in 2012. The E&E Initiative focuses on three streams of work: (i) improving transactional efficiency inside and outside of VISION; (ii) simplifying business processes; and (iii) making Headquarters functions more effective. The E&E Initiative supports the achievement of organisational output M1 in the 2012-2013 Institutional Budget (E/ICEF/2011/AB/L.2) which calls for “effective leadership and executive direction for implementing results outlined in the strategic documents.”

Work on improving transactional efficiencies throughout 2013 led to the decision by the Executive Director to implement a single Global Shared Service Centre (GSSC). After careful review of the options – based on the views of the E&E Steering Committee, the Staff Association, other analysts, and the Division of Human Resources (DHR) – the Executive Director said that a single centre would offer the greatest savings and the highest quality, efficient work. It was estimated that UNICEF could save around $20 million annually with the implementation of a GSSC, after a one-time set-up cost of $29 million.

Important progress was also made in the area of business process simplification. By the end of 2013, a number of “quick wins” were approved for implementation, including: improvements to facilitate low-cost travel, higher thresholds to write-off of small unliquidated HACT/DCT, allowing temporary overrides of grants to facilitate payroll cost-distribution, revising the duration of mandatory breaks in service for non-staff workforce, simplification of PCA and SSFA requirements, the consolidation of guidance for the CPD, CPMP and Institutional Budget processes, and adopting a payment card approach for low value services and consumables. A series of “medium term” proposals were also identified for additional analysis and development.

The Change Management Office continued to work with Regional and Country Office to explore measures that could be taken at the local level to increase the effectiveness and efficiency of UNICEF business through the efficient use of VISION.

The Change Management Office supported the efforts of Headquarters Divisions to review Headquarters functions and propose recommendations for improving cost-effectiveness, within the overall goal of making organisational programmes and operational practices more effective and efficient. In total, 20 Common Proposals were identified and assigned a senior-level convener who was tasked to develop options for proposal implementation.

The Change Management Office continued to support Organisation-wide efforts to strengthen Enterprise Risk Management (ERM), and led the Regulatory Framework Initiative which focused on defining and developing the parameters for a risk-informed Organizational framework of policy, procedure and guidance.

Throughout 2013, the Change Management Office endeavoured to provide senior management and Business Owners with the cross-functional change management support required to lead the organisational improvement process. These functions – leading change and organisational improvement; planning, coordination, monitoring and reporting and communication – contribute to the overall effectiveness and efficiency of corporate governance and systems.

The Change Management Office worked to ensure the effective management of the investment project resources allocated to the Effectiveness and Efficiency Initiative. Of a total $1,946,709 allocated towards the Investment Project in 2013 $1,892,859 were spent, indicating a utilization rate of 97%. This was achieved through close coordination and planning with Conveners and careful management of the numerous contracts with consulting firms retained to support the Effectiveness and Efficiency Working Groups.

The 2014-2017 Office Management Plan of the Change Management Office builds on the strengthens and lessons learned of the on-going Organizational improvement approach to support the realization of Effectiveness and Efficiency goals in a risk informed manner.
II. Key Divisional Targets and Strategies

The main goal of the Change Management Office in 2013 was to coordinate the Effectiveness and Efficiency (E&E) Initiative which was launched in 2012. The E&E Initiative focuses on three streams of work: (i) improving transactional efficiency inside and outside of VISION; (ii) simplifying business processes; and (iii) making Headquarters functions more effective. These streams of work contribute to the achievement of three broader strategic results planned in the Change Management Office OMP:

- The Organisation benefits from more cost-effective and efficient programmes and operations based on a review of programme and operations business practices. (PCR 100)
- Organisational work processes are simplified, coherent and risk-informed, strengthening Risk Management throughout the Organisation. (PCR 200)
- Organisational improvements are achieved through the cross-functional support of the Change Management Office, and effective and efficient governance and systems. (PCR 300)

The E&E Initiative supports the achievement of organisational output M1 in the 2012-2013 Institutional Budget (E/ICEF/2011/AB/L.2) which calls for “effective leadership and executive direction for implementing results outlined in the strategic documents.” By increasing the effectiveness and efficiency of UNICEF business practices and processes, the Organisation will have greater capacity to meet organisational targets and key performance indicators detailed in the results matrices to the 2014-2017 Strategic Plan, as well as the overall objectives of UNICEF 3.0 and UNICEF 4.0.

Under the oversight of the E&E Steering Committee, and the leadership of the Deputy Executive Director for Management, the Change Management Office is coordinating the Initiative by employing four key strategies to ensure that all efforts are:

- **Evidence-based**, where all recommendations made and decisions taken are substantiated by data and analysis which support the cost-effectiveness and efficiency of each improvement agreed upon.
- **Experience-driven**, where the Initiative capitalises on the knowledge and experience of staff members in relation to transactions, business processes and Headquarters functions, in reviewing and proposing potential improvements.
- **Participatory**, where all sectors of the Organisation are represented. Towards this end, the governance mechanisms of the Initiative have been designed to convene all Headquarters Divisions, representation from Regional and Country Offices, and Staff Representatives across all levels of UNICEF.
- **Transparent**, where staff at all levels are continuously and consistently informed of the work being undertaken through the Initiative, and expectations about the Initiative’s aims are managed through accurate, timely and transparent communication.

These strategies are to support the E&E Initiative in identifying recommendations and proposals on evidence-based strategies to capture efficiencies from all sources in UNICEF, toward consideration by the GMT and decisions by the Executive Director on proceeding to implementation.
III. Analysis of Strategic Results

Overview
In 2013, the Change Management Office supported the achievement of three strategic results:

- The Organisation benefits from more cost-effective and efficient programmes and operations based on a review of programme and operations business practices. (PCR 100)
- Organisational work processes are simplified, coherent and risk-informed, strengthening Risk Management throughout the Organisation. (PCR 200)
- Organisational improvements are achieved through the cross-functional support of the Change Management Office, and effective and efficient governance and systems. (PCR 300)

While PCRs 100, 200 and 300 were planned for in the 2012-2013 Office Management Plan, PCR 500 was defined through the E&E Initiative as the E&E Investment Project in 2012.

Programme and Operations Business Practices (PCR 100)
The Change Management Office continued to support the efforts of Working Group 2 (WG2) to review Headquarters functions and propose recommendations for improving cost-effectiveness, within the overall goal of making organisational programmes and operational practices more effective and efficient (IR 100/101). This work was facilitated by a consulting firm selected by WG2 in late 2012.

Headquarters Functions Self-Assessment
PricewaterhouseCoopers (PwC), the firm selected to support WG2, began work to develop the assessment methodology to assist the Divisions in the review of their functions in January 2013. PwC consultants met with the E&E Steering Committee, WG2 members, and with individual Headquarters Divisions to refine the assessment methodology and tools; support each Division in assessing its functions; and facilitate the validation and sign-off of these functions by each Division Director. This preparatory phase culminated with a training event on 5 February 2013 where representatives from all Headquarters Divisions were trained on the application of the final methodology and tools that would be used to assess the Headquarters functions that had been identified. An update on the methodology and approach was also delivered at the February 2013 GMT Meeting.

PwC consultants continued to support Headquarters Divisions as they undertook the assessment of their functions. The exercise aimed to empower Headquarters Divisions to make more informed decisions on how to become more effective and efficient. Based on the terms of the contract, each Division was allocated a set number of hours of support. The E&E Steering Committee agreed that additional time allocations would be considered upon request, making clear that PwC would only play a supporting role and that Divisions were expected to undertake their own self-assessments.

Based on the self-assessment of functions, Headquarters Divisions were requested to develop a series of proposed functions they believed could be consolidated and streamlined within their Offices; functions that could be carried out more effectively and efficiently by another part of UNICEF; and functions that could be off-shored or out-sourced. These proposals were analysed and validated by PwC and subsequently shared with Regional Directors, the E&E Steering Committee and the E&E Field Reference Group (FRG) for comment.

May 2013 Armonk Workshop
These proposals served as the basis for the HQ Functions Self-Assessment Workshop which took place from 1 to 2 May 2013 in Armonk, New York. The workshop included the participation by the three Deputy Executive Directors, all Headquarters Directors and an additional representative from each Division, two members of the Global Staff Association and the chairs of E&E WG1 and WG2. The Executive Director, opening the workshop via videoconference, stressed that achieving greater efficiency and effectiveness was key to meeting UNICEF’s mission to children and to reinforcing the trust of donors and partners. He also highlighted that organizational leadership should be prepared to make difficult decisions for the good of UNICEF rather than being driven by the interest of individual Offices.

The HQ Functions Self-Assessment exercise had resulted in over 70 recommendations on how to improve Headquarters functions, which were further reviewed and categorized by WG2. Recommendations deemed possible to be addressed unilaterally by the Headquarters Division concerned would be further explored by the Division Director. Proposals recommending that a function be
transferred from one Headquarters Division to another would be explored bilaterally by the two Division Directors. Recommendations of a more transactional or business process nature were passed to WG1.

Workshop participants were asked to focus on 16 overarching “common proposals.” These were identified by WG2 through a consolidation of approximately 50 recommendations emerging from the HQ Functions Self-Assessment Exercise. The common proposals focused on functions in the areas of:

- Operations;
- Integrated Planning and Decision-making;
- Information Sharing and Management;
- Humanitarian Action;
- Technical Collaboration around Programmes;
- Staff Development;
- Fundraising and Contribution Management; and
- Communications, Brand, and Advocacy.

PwC introduced another set of proposals which were extrapolated from the HQ Functions Self-Assessment Exercise which aimed to challenge workshop participants to think more boldly about how HQ functions could be strengthened and made more effective. These proposals included to more routinely apply performance management practices in UNICEF’s work; invest in greater customer relationship management (CRM) for donors and Field Offices; and to explore “matrix management” models across HQ, Regional and Country Offices.

Participants discussed the proposals, recognizing an inherent hierarchy and interdependency among them and the need to review the proposals in the context of other on-going corporate initiatives. Some proposals emphasized the need for the Organization to address long-standing challenges over accountability, division of labor, and the need to strengthen management capacity in order to improve HQ functions.

Workshop participants were given an opportunity to identify new opportunities and common proposals that could be added to the preliminary list. Regional Directors were also given the opportunity to provide feedback on preliminary proposals, offering a regional perspective on HQ functions and emphasizing the centrality of the Country Programme in UNICEF’s work.

In total, workshop participants identified 20 Common Proposals, each of which was assigned a senior-level convener who was tasked to develop options for proposal implementation within an agreed timeline. Each Common Proposal was also categorized by level of agreement among stakeholders (green/yellow/red) and by level of priority (low/medium/high) as agreed on by workshop participants. The 20 Common Proposals were:

1. Service Procurement: Procurement of goods & services at all HQ locations (excluding programme supplies)
2. Common Services Unit for NYHQ
4. Business Transaction Continuity: Implement the lessons learned from the Haiti earthquake experience
5a. Corporate Governance: Corporate Governance, decision-making and strengthen and improve management practice and behaviors
5b. Resource Allocation: Principles and processes for resource allocation
6. Tacit Knowledge Sharing: Establish corporate tacit knowledge sharing strategy to amplify collaboration and the leadership
7. Information & Records Management: Use modern systems for documents archiving, strengthening institutional memory
8. Information flows to/from OED via greater forecasting, quality assurance and feedback
9. Humanitarian Strategy: Define UNICEF’s humanitarian action priorities and align resources and roles to them
10. Surge and Emergency HR: Clarify and strengthen surge support roles, planning and capacity for humanitarian assistance in emergencies
12. Talent Management: Recruitment, training, and talent management
13. Integrated Resource Mobilization Strategy: Establish global resource Mobilization strategy and division of labor to adapt to the changing donor organization
14. Integrated Contribution Management: Create a vertically-integrated contribution management unit to streamline donor cash reporting and cash management
15. Communications, Brand & Advocacy: Articulate global communication, brand and advocacy strategies to harmonize roles and plans across the organization
16. Communications Workflows: Clarify communication collaboration models and workflows to integrate plans and improve consistency of messaging
17. Application Development & Maintenance: Relocate parts of applications technical development and maintenance (ADM) to lower locations and leverage proximity and global ICT resources for ICT for Programme initiatives
18. ICT Infrastructure & Cloud: Remodel the global ICT infrastructure to improve services, by adopting Cloud computing revamping Disaster Recovery and Business Continuity Infrastructure, managing offices remotely, and enabling a new dimension of global agility
19. ICT Customer Services: Relocate parts of customer services (eg: Service Desk) to lower cost UNICEF locations
20. Matrix and performance management

Common Proposal Development
The Conveners were asked to further develop their Common Proposals in preparation for a Side Meeting of the next GMT which would take place on 24 June 2013. Conveners were brought together in a Kick-Off Meeting facilitated by PwC colleagues to discuss next steps and tools to explore options for their Common Proposals. The tools included Terms of Reference which provided guidance on identifying a problem statement and objectives of the Common Proposal, and bringing together a team of inter-divisional stakeholders – including Staff Association representatives – to further explore options for implementation. As the proposals were further elaborated, the Conveners were also provided with standard presentation templates to ensure consistency in the way proposals were developed and later discussed at the Side Meeting of the GMT.

The E&E Steering Committee offered Conveners three types of support to explore options for their Common Proposals: Intern support for evidence- and data-collection to support problem statements and options; specialized support for technical issues related to exploring and costing proposal options that could be provided by an individual consultant, UNICEF retiree or external consulting firm; or dedicated support from PwC. In total, Conveners requested $429,500 to support the development of the Common Proposals over the remainder of 2013.

E&E Side Meeting of the June 2013 GMT
The GMT Side Meeting on Common Proposals from HQ Divisions was an important opportunity for GMT members to review the outcomes of the May 2013 Armonk Workshop and to gauge the Conveners’ progress to date. The meeting also served to ensure that the Common Proposals were in line with other corporate initiatives discussed in the main GMT meeting on 22 June 2013, including UNICEF 3.0 and UNICEF 4.0, as well as issues related to Other Resources (OR) and Technical Assistance (TA). GMT members validated problem statements, potential options for implementation and proposed next steps.

Four of the Common Proposals were discussed more in depth because of their complexity and potential impact on corporate management and governance (5A and 20), principles and process for resource allocation (5B), global technical collaboration (11) and recruitment, training, and talent management (12). GMT members divided into groups to discuss each Common Proposal, redefine the problem statement, identify potential solutions, and determine a realistic timeline for implementation and what evidence and data resources would be required for accurate costing of options.

PwC colleagues, who facilitated the Side Meeting, presented their own perspectives on leading successful enterprise transformations including industry good practices and methodologies for change, processes and structures for governance and matrix management, and the success factors and lessons learned for “making change stick.” PwC furnished examples from other organizations in the public and private sectors.

The GMT Side Meeting on Common Proposals from HQ Divisions served to provide the Conveners and GMT members with a clearest possible direction for the elaboration of the Common Proposals. It was agreed that refined Common Proposals would be presented at subsequent GMT meetings, based on the priority and schedule accorded, for validation by GMT members and decision by the Executive Director.
September 2013 GMT

A full day of the September 2013 GMT meeting was dedicated to E&E-related issues, including progress made to date on the review of HQ Functions and the presentation of options for two “green” Common Proposals, considered relatively easier to achieve.

PwC Colleagues updated GMT members on progress made since the May 2013 Armonk meeting and the 20 common proposals which had been identified and to which senior-level Conveners had been assigned. PwC highlighted the achievements made to date in the process to improve HQ functions, including the active participation by staff members in the HQ self-assessments and proposal development; the momentum and progress of proposal and option development; the robust ownership and involvement of DEDs and Division Directors in the proposal development process; and the strategic scope of the proposals to address Organization-wide performance issues.

GMT members highlighted the importance of communication so that the Organization understands the goals and expected benefits of the HQ Functions work. They suggested that the discussion on HQ functions should be taken to the RMTs for more RO and CO engagement and feedback. GMT members also stressed the need for greater coordination and integration across common proposals and stronger links to the UNICEF 3.0 and 4.0 processes. They noted that it was also important to look at “functions” across Organizational levels rather than just at the HQ level, giving special consideration to functions shared by multiple Divisions.

The Associate Director of the Field Support Unit presented on Common Proposal 4 which recommends that the Organization invest in the expansion of a system to create workflows and governance that would enable the seamless transfer of authority over transactions during emergencies.

The Director of Change Management presented on Common Proposal 7 addressing Information, Document and Records Management. It was noted that the Organization currently did not have a systematic approach to information, document and records management, as different offices used different tools on multiple software systems. The proposal recommended that the Organization explore options to develop a single corporate electronic platform, built within broader organizational ICT architecture that serves the information, document and records management needs of all business areas.

27 November 2013 Virtual GMT

Recognizing the need to discuss the progress on the Common Proposals before the next scheduled GMT Meeting in February 2014, it was agreed that an extraordinary virtual GMT meeting would be organized in November 2013 to discuss the next round of Common Proposals. GMT members across the globe were connected to the meeting via video-conference.

In preparation for the virtual GMT Meeting on 27 November 2013, Conveners were invited to present their Common Proposal options to the E&E Steering Committee for comment and validation. A pre-GMT informal briefing was also organized on 20 November 2013 giving GMT members the opportunity to review, seek clarification and discuss presentations more in depth with Conveners before the actual GMT Meeting.

Nine Common Proposals were presented at the 27 November 2013 Virtual GMT Meeting:

- The Director of Supply Division presented on Common Proposal 1 for the professionalization of the procurement function and options for the consolidation of HQ procurement.
- The Director of ITSS presented preliminary options for Common Proposals 17, 18 and 19 on redesigning the global ICT structure to better meet the future needs of UNICEF. A future vision for ICT in UNICEF in 2017 was articulated where a redesigned global ICT structure more effectively and efficiently supports the Organization’s knowledge leadership and engagement with partners and stakeholders; improves information flow, transparency and decision-making; increases programmatic and operational reach enabled by ICT solutions; and makes the ICT function lighter, more flexible and agile, and responsive to changing business needs.
- The Director of DPS presented on Common Proposal 6 to develop a corporate knowledge exchange strategy which would use a single platform to facilitate knowledge sharing, collaboration and knowledge capture across programme areas and levels of the Organization.
- The Director of CMO presented a more developed version of Common Proposal 7 to establish a corporate approach to Information, Document, and Records Management (IDRM) in UNICEF which would put in place the corporate-wide systems, tools and software to enable greater efficiency and
reduced risks in information, document and records management, resulting in more effective information sharing across the Organization and a strengthened institutional memory.

- The Deputy Director of DFAM presented Common Proposal 14 on options to streamline the administration of grants from creation to closure, resulting in greater efficiency and effectiveness.
- The Chief of Staff presented analysis and options for Common Proposal 8 on enhancing and systematizing information flow to and from OED through greater forecasting, quality assurance; more accurate, strategic, analytical and substantive key messaging; stricter adherence to procedures and protocols; and strengthened feedback mechanisms to and from OED.
- The Director of DHR presented Common Proposal 10 on behalf of the Director of EMOPS to strengthen and rationalize surge management; ensure fair and equal staff rotation in “hardship” duty stations; and strengthen staff wellbeing, including security, stress counselling and conditions of service.

The remaining ten Common Proposals will be presented to the GMT in February 2014.

**Change Management Support for the Review of HQ Functions**

GMT discussions on the work completed to self-assess Headquarters functions and develop options for the implementation of the Common Proposals highlighted the fact that more could be done to achieve greater effectiveness and efficiency. The Executive Director requested that an independent third-party be retained to validate the self-assessments of Headquarters functions and identify additional measures that could be taken to streamline, off-shore or outsource these functions. A Request for Proposals was issued in the last quarter of 2013 and a competitive selection process was carried out to identify an appropriate independent consultancy to undertake this analysis. PwC was selected and approved by the Contracts Review Committee (CRC) and is expected to begin work in January 2014.

Efforts by Conveners to develop and cost their Common Proposals were closely supported by the Change Management Office, which provided coordination support and furnished investment project funding as appropriate. The Change Management Office ensured that Common Proposal issues were adequately represented on the E&E Steering Committee and were consulted with stakeholders, including the Field Reference Group. The Change Management Office also revamped the HQ Functions page of the E&E Site to ensure Conveners, inter-divisional Common Proposal teams, and staff members in general had easy access to all the latest information on the proposal development process.

Change Management colleagues also supported Conveners in identifying commonalities across Common Proposals and encouraged coordination and integration of efforts to ensure greater coherence in exploring options for implementation. For example Proposal 7 on Information, Document and Records Management endeavored to encompass other information management dependent initiatives – such as the Human Resources Records Management project, the Regulatory Framework platform, Common Proposal 6 on Tacit Knowledge Management, Common Proposal 8 on Managing Information Flows To and from OED, and efforts to create a corporate technical Assistance Management System – under the same ICT architecture. An integrated approach is also being taken by the Conveners of Common Proposals 5A on Corporate management and governance practices, 5B on Principles and process for resource allocation (core and non-core), 11 on Country Programme support and global technical collaboration, and 20 on Organizational culture: Matrix management and performance management due to the important interdependencies between the issues being explored.

The review of Headquarters Functions and the development of the Common Proposals marks the completion of the planned intermediate result to review programme and operations practices (IR100/101). Actual changes to programme and operations practices will depend on which proposals and options are approved by the Executive Director in the 2014-2017 quadrennium.

**Business Process Simplification (PCR 200)**

The Change Management Office continued to support the efforts of WG1 in the simplification of business processes and the improvement of effective and efficient transactions in 2013. As analysis of the issues intensified, business process simplification and transactional efficiency increasingly became two separate streams of work.

**Transaction Efficiency**

Accenture, the consulting company selected by WG1 in the third quarter of 2012, continued its Transaction Efficiency Feasibility Study reviewing transactional processes, analysing transaction data,
meeting with Business Owners and engaging with Country Offices in an effort to fully understand UNICEF’s programme and operational environment. The objective of the consultancy was to carry out an evidence-based feasibility study on the range of transactions that could be improved in order to increase efficiency, reduce transaction costs, better manage operational risk, and improve the quality of transactional services.

**Nairobi Workshop, January 2013**

In January 2013, a global workshop was held in Nairobi to validate Accenture’s preliminary analysis and findings on opportunities for UNICEF to improve transaction efficiency. Workshop participants reviewed cases from other organizations and industries, linked those cases to UNICEF, and evaluating different models and implementation options centered on the establishment of shared service centers. Participants included members of the Field Reference Group, the Global Staff Association, and staff members from Headquarters and the seven regions representing different business areas. Individual Country Offices were brought in to the meeting via video conference to discuss transaction processing models.

Workshop participants connected to a special session of the E&E Steering Committee on 23 January 2013 to report on the conclusions reached. Based on the evidence reviewed, the group universally accepted the concept of “shared services” as an option for UNICEF to explore, recognizing that there were a number of risks that needed to be mitigated and fundamental pre-requisites that had to be met for this concept to work. It was agreed that the effectiveness and efficiency benefits to be gained through a shared services model were essential for UNICEF to remain relevant as a leading agency for children and women.

The conclusions from the Nairobi Workshop would be presented at the upcoming GMT for validation.

**February 2013 GMT Meeting**

Accenture consultants presented their findings and recommendations from the Transaction Efficiency Feasibility Study to the February 2013 GMT. The study found that too many staff members were spending time on some aspect of transaction processing, consequently reducing the time dedicated to delivery of the UNICEF mission. The study also found that UNICEF was performing below industry benchmarks in terms of number of people touching transactions and the time spent processing transactions. In addition, it was highlighted that UNICEF’s current operating model contains heightened operational and reputational risks because the high number of infrequent users increased the potential for mistakes and because of the inability of some Offices to enforce segregation of duties – particularly small Offices.

Accenture recommended the implementation of a shared services operating model for covering an agreed scope of transaction processing for all locations and certain HQ-based Human Resources transactions. Two options were posed for consideration: a single global shared service center or three sub-global shared services hubs. Under either of these shared services options, all Offices would remain accountable for programme implementation, including deciding how funds are utilized, and would maintain approval authority.

In total, the Organization could achieve $25.7 million in cost savings if it adopted a shared services operating model for transaction processing. By adopting this approach, UNICEF could increase the amount of staff time spent on the Organization’s core mission by reducing staff time spent in each Office carrying out transactions. Moreover, the shared services model could help to reduce operational and reputational risks because transactions would be handled by a dedicated group of expert staff members which would help minimize mistakes and enable more effective segregation of duties.

GMT members agreed that the analysis presented highlighted that the status quo was not an option and that UNICEF could improve its transaction efficiency. It was suggested that the study could better reflect the “peculiarities” of the UN context and that the cost-savings should be presented in the context of implementation costs.

The Executive Director concluded the session by noting that there was enough evidence in the presentation for the Organization to move to the development of design options for Shared Services Centres. He requested that TORs be developed for the next phase of the Initiative which incorporated the issues raised by the GMT members; included ample time horizons to gauge how staff could be affected; took into account of the Shared Service Centre experiences of other UN Agencies; reviewed the
transaction hubs already working in the Latin America and Middle East regions; and involved staff members at all levels. The Executive Director also requested that a detailed Human Resources Strategy be developed to address the potential impact and opportunities for staff under each of the design options.

The Executive Director closed the session by stressing that that UNICEF had accountability to its mandate, donors, member states and other stakeholders to be more effective and efficient. These improvements were not just about saving money, but about achieving efficiency gains for all staff.

_Making the Case for Shared Services_

After the February 2013 GMT Meeting, WG1 issued a Request for Proposals for a second consultancy to set out detailed design options for operating shared service models to provide transaction processing and related services to support over Headquarters, Regional and Country Offices worldwide. The consultancy would use the results of the Accenture feasibility study and design a detailed options plan, budget and cost-benefit analysis for two models: a single shared services centre and multiple shared services centres. In addition, the consultant would recommend locations, phasing options with different time horizons to limit business disruptions, and develop a detailed workforce transition plan. KPMG was selected to undertake the consultancy through a competitive bidding process, and kicked off the assignment in May 2013.

KPMG consultants presented additional evidence, options and models in a detailed business case for shared services in UNICEF at the September 2013 GMT Meeting. KPMG highlighted that the drivers for moving to a shared services centre model included an increase in mission focus, a decrease in risk, increased service capacity and quality, and greater cost efficiencies. KPMG also presented the cost benefit analysis of each of the shared services centres – taking into account location assessments, transactional costs, annual operating costs, and one-time implementation costs – providing a comprehensive cost benefit comparison between the single global services centre model and the multi-location service centre model from implementation over a ten year horizon.

KPMG presented proposed implementation planning timelines for each model and recommendations for managing the complexity and risks of the endeavour effectively, including the need for executive sponsorship, a strong HR mitigation strategy, robust project management, Regional and Country Office engagement in decision-making, business ownership and leadership, and strong communication, change management and training components.

KPMG consultants recommended that with the current scope of work, a single global shared services centre would be the preferred option. The benefits of the single global shared services centre proposal extend beyond cost efficiencies and could lead to greater administrative savings, business process and service excellence, business focused transformational impact, flexibility, and compliance and control.

The concept of the “retained organization” was also introduced whereby an active approach is taken to manage human resources left in UNICEF Offices after the global shared services centre is implemented to ensure the realignment of freed up time and resources with mission-focused activities. This process supports the realization of intended savings and mitigates the impact of the global services centre-related changes on staff members.

GMT members agreed that the benefits of implementing a global shared service centre model were strong. While it was noted that a multiple-shared service centre model could have less impact on staff and could offer a better level of service adapted to regional and linguistic needs, a global Shared Service Centre model represented industry best practice, it offered more options for expansion, a higher level of service and greater return on the investment sooner.

The Executive Director requested additional analysis on the two models presented that took into account the concerns of GMT Members, including implications for the organizational structure, the accountability framework and matrix management; a range of risks and opportunities particularly with regard to the recruitment of staff, business continuity, and loss of institutional memory; the need for a special approach to emergency countries and Offices with special circumstances; more analysis on the added value of shared service centres for high cost / high volume locations; and the costs and benefits of adding to the shared service centre scope now vs. starting small and expanding later. It was also recognized that national staff and GS staff will be disproportionately affected; it was agreed that more analysis was required to understand the full impact of the change on staff.
The HR Mitigation Strategy

Following the KPMG presentation making the case for Shared Services, the Director of Human Resources presented on preliminary thinking on a strategy to address the impact of shared services centres on staff members. It was estimated that a total of 427 posts would be affected by the implementation of a shared services centre model. Of these, it was estimated that at least half of the posts would be vacated through natural attrition (e.g.: retirements) in the time leading up to implementation.

The remaining affected posts could be addressed through a variety of approaches, including: applying an order of retention for staff with permanent appointments and fixed-term contracts; establishing a termination indemnity based on contract type and number of continuous years of service; re-profiling posts; and facilitating staff relocation and mobility across duty stations and international / national professional levels. Support to affected staff members could also include outplacement services; re-profiling of skill sets through training, stretch assignments, and/or staff exchanges; job search guidance, support and assistance; and support for inter-agency mobility.

GMT members suggested that the HR Mitigation Strategy also take into account the concept of the “retained organization” that had been introduced earlier by KPMG as an active approach taken to manage human resources left in UNICEF Offices after the global shared services centre is implemented to ensure realignment of freed up time and resources with mission focused activities. This process supports the realization of intended savings and mitigates the impact of the global services centre related changes on staff members.

It was stressed that the HR Mitigation Strategy must ensure a consistent global approach in staff treatment and must be in accordance with UN Staff Regulations and Rules. Identification of posts for abolishment must also be done in a consistent and transparent manner. It was also important to maintain internal consistency with approaches used to support staff members affected by the implementation of the 2014-2017 Strategic Plan and Integrated Budget. It was also agreed that communication on the HR Mitigation Strategy needed to begin sooner rather than later and that the strategy should also be adapted to each Office context.

Funding to further develop the HR Mitigation Strategy was allocated to DHR from the E&E Investment Project (IR 503).

Next Steps in the GSSC Project

Following the discussion at the September 2013 GMT Meeting, the Change Management Office and WG1 members continued to work with KPMG colleagues to furnish the Executive Director with the necessary data, evidence and analysis to support his decision-making process. The Executive Director also assembled a “Team B” to help assess the business case on the Shared Service Centre models from another perspective, relying on the recent experiences of PFP Geneva colleagues with their own restructuring process.

The Executive Director announced his decision to implement a single Global Shared Service Centre (GSSC) at the 27 November 2013 Virtual GMT Meeting and in a Global Message Broadcast to all staff on the same day. After careful review of the options – based on the views of the E&E Steering Committee, the Staff Association, other analysts, and the Division of Human Resources (DHR) – the Executive Director said that a single centre would offer the greatest savings and the highest quality, efficient work. The decision reinforced two key principles of the E&E Initiative to devote as many resources as possible to the UNICEF mission and to do everything possible to support staff.

It was estimated that UNICEF could save around $20 million annually with the implementation of a GSSC, after a one-time set-up cost of $29 million.

The Executive Director set out a timeline for the initiative where planning for the GSSC is set to begin in early-2014 and would include developing a budget and implementation plan, negotiating a location for the GSSC, and devising a team structure and a governance mechanism. It is expected that transactions for offices will begin to be phased into the GSSC from early-2015 onwards. Transactions for large Country Programmes and fragile countries would be phased in last. The GSSC would be fully operational and would be carrying out transactions for all Offices by mid-2016.
It is anticipated that this timeframe will enable the implementation of the HR Mitigation Strategy. Some measures that took effect immediately included the freeze all vacant posts which affected staff could potentially fill; the reassignment of GS staff on affected posts to available posts at the same level for which they are qualified at their duty station or within their country; voluntary separation packages to eligible staff on posts that are affected in order to support staff to reach normal retirement or early retirement; and on-the-job training and skills re-tooling for all affected staff through their offices to support the transition of staff to new roles as well as support retained staff in changed roles.

The Executive Director also announced that a GSSC Field Reference Group, comprising Country and Regional Offices, Headquarters and staff representatives would be established to encourage further dialogue and help develop practical steps. He also encouraged staff to access the E&E website to keep informed of developments and exchange ideas, share comments and ask questions.

The decision on the GSSC was further discussed at the All Staff Meeting on 4 December 2013.

The Change Management Office began preliminary planning for the implementation of the GSSC further to the Executive Director’s announcement, notably at the year-end retreat held on 20 December 2013. A draft budget, project management team structure and project charter were discussed for presentation to the E&E Steering Committee in early 2014.

**Business Process Simplification**

Moving forward the work on business process simplification, WG1 had issued a Request for Proposals at the end of November 2012 to commission a consultancy to review the selected business processes, with the objective of providing recommendations on how these could be simplified in a risk-informed context. The consulting firm Iknow was selected to undertake the assignment and began work in May 2013.

WG1 had identified seven “work streams” where business process improvements could be explored covering issues like country programme planning and the programme budget review, PCA and SSFSA processes, Procurement, the CRC, individual contracting, local and IP recruitment, commercial contracts, travel, HACT and DCT, and funds management. Business Owners were requested to nominate “sponsors” for each work stream as appropriate. The Change Management Office organized briefing meetings between the consultants, the WG1 chairs and the Business Sponsors in order to better define the scope of work for each work stream, validate the composition of the team members, and to agree on a timetable for the review of each work process. These briefing meetings were held as a precursor to the 22 May 2013 Steering Committee where Iknow consultants presented on the approach, methodology and timeline of the exercise.

**June 2013 Business Process Simplification Workshop**

The Business Process Simplification Workshop was held from 25 to 27 June 2013 in New York Headquarters. The workshop brought together representatives from the work streams involved in the Business Process Simplification project, to develop concrete ideas for risk-informed process and policy changes. Participants were divided into breakout groups for each work stream to develop issue specific ideas and solutions; work streams were encouraged to collaborate on cross-cutting issues as appropriate. Work streams were tasked with outlining a list of implementation requirements and challenges for each business process simplification idea – including policy flexibility, IT requirements, training, changes in management procedure, or other factors.

Workshop outputs served as the foundation for continuing work by the streams in July and August 2013 in order to develop detailed proposals for presentation at the September 2013 GMT.

**Business Process Simplification at the September 2013 GMT Meeting**

Iknow consultants presented three sets of business process simplification proposals to the participants of the September 2013 GMT Meeting:

(i) Business process improvement “quick wins” for endorsement, such as replacing TAs with funds commitments for surface and low cost travel; implementing a single guidance framework for the preparation of CPDs, CPMPs and the Institutional Budget; allowing local re-programming or write-off of small un-liquidated Direct Cash Transfer (DCT) balances; raising the SSFA ceiling to $50K to reduce the time taken to prepare and process low value PCAs; increasing the low value procurement limit from $2,500 to $5,000; and using a Purchasing Card for low value and other procurement transactions.
(ii) Medium-term processes for business owners to continue developing, including: developing a budget formulation tool to expedite an integrated approach to CPD, CPMP, and Institutional Budget preparation; developing an integrated DCT IT tool to link financial monitoring with the monitoring of program activity and results; allowing the use of a mass change of funding source procedure, particularly for EPF and other Programme Funds replenishment; continuing to pilot/introduce the E-tendering solution for procurement; and introducing an electronic repository system to manage bidding process.

(iii) Processes that require guidance from the GMT on significant procedural changes to the PBR process; DCT processes; an EPF non-replenishment grant; payroll process changes; recruitment processes; non-staff workforce augmentation practices; and procurement and Contract Review Committee (CRC) processes.

GMT Members expressed concern over the analysis of medium- and long-term business processes – where a shorter processing time could mean greater risks and require more analysis and mitigation measures. It was also noted that often it was the nature of the business process and not the value that needed to be addressed, recognizing that some business processes posed a higher risk than others.

Moving Forward Business Process Simplification
WG1 members, business process work streams and Iknow consultants moved forward with the business process simplification analysis and evidence gathering, taking into consideration the feedback of the GMT Members on each set of proposals presented.

By the end of 2013, a number of “quick wins” were approved for implementation, including: improvements to facilitate low-cost travel, higher thresholds to write-off of small unliquidated HACT/DCT, allowing temporary overrides of grants to facilitate payroll cost-distribution, revising the duration of mandatory breaks in service for non-staff workforce, simplification of PCA and SSFA requirements, the consolidation of guidance for the CPD, CPMP and Institutional Budget processes, and adopting a payment card approach for low value services and consumables.

At the same time however, a number of “quick wins” were also deferred by Business Owners to the “medium term” proposal category for additional analysis and development, such as proposals to develop an integrated IT tool to link financial and programme monitoring of HACT/DCT, to streamline and refocus the CRC process, and to create an electronic repository for procurement bids.

Six business process simplification proposals were put on hold or rejected by Business Owners after an in depth review of the risks and the limited added-value of the improvement, including the proposal for a mass change of funding source for Journal Vouchers, making part of EPF non-replenishable, increasing CRC thresholds, using standard costs for payroll calculation, increasing the low-value procurement threshold, and increasing the Invitation to Bid threshold.

The Business Process Simplification initiative worked closely with Risk Management and Regulatory Framework counterparts to ensure that business process improvement proposals were developed in a risk informed manner within the parameters of the framework of policy, procedure and guidance being constructed. Iknow consultants contributed to the development of Regulatory Framework concepts, and began work with Business Owners to adapt proposed business process improvements to the draft policy and procedure templates. Iknow also helped to inform the risk management components of the draft Regulatory Framework, particularly the new exception and deviation approach being proposed that will give managers greater flexibility in managing risks associated with procedure implementation.

Accomplishments in transaction efficiency, particularly the decision to implement a Global Shared Service Centre, and progress made in the area of Business Process Simplification have contributed to the achievement of the planned intermediate result to review and modify work processes to ensure greater coherence, efficiency and risk awareness (IR 200/201). Implementation of these improvements will be taken forward in the 2014-2017 quadrennium.

Improving the Effectiveness and Efficiency of Transaction Processing in the Field
Throughout 2013, a number of UNICEF Offices continued to explore measures that could be taken at the local level to increase the effectiveness and efficiency of UNICEF business through the efficient use of VISION. Capitalising on the business areas capacity developed during VISION development and roll-out, many Offices approached the Change Management Office requesting technical assistance to rationalise
programme and operations transactions and business processes, as well as address the fragmentation of Country Programme structures which led to inefficiencies in management and implementation.

This service was formalized through a memo from the Deputy Executive Director for Management to all Regional Directors and Country Representatives in March 2013. Change Management colleagues offered:

- Approaches and methodologies for Country Offices to establish local transaction processing centres;
- Guidance and templates on planning, collecting and analysing data, implementing, monitoring, and reporting on local level business rationalization efforts;
- Good practices and lessons learned from experiences in other Offices;
- Quality assurance support before and during implementation; and
- Post-implementation review support.

At the request of individual UNICEF Offices, missions were carried out to Palestine, Sudan, Sri Lanka and EAPRO to help explore options that would bring about more coherence and effectiveness. Remote support was furnished to Somalia, Democratic Republic of Congo and Bangladesh. In preparation, the Change Management staff analysed monthly data on VISION transactions to assess areas of strength and weakness in system usage in these Offices. Based on the analysis, recommendations were made on where efficiencies could be achieved through capacity-building, the consolidation of functions, and the creation of transactional “hubs” within offices.

**Risk Management**

The Change Management Office continued to support Organisation-wide efforts to strengthen Enterprise Risk Management (ERM).

In a Side Meeting of the February 2013 GMT, the Risk Management Advisor presented GMT members with a proposed simplified risk management process and establish the GMT as the corporate Risk Advisory Group. A revised list of 12 corporate risk areas and their respective owners was introduced, along with the proposed responsibilities of risk owners – based on the 2009 policy. Proposed responsibilities for the GMT as the UNICEF Risk Advisory Group were also presented.

GMT participants remarked on the revised guidelines and tools – including the risk management dashboard – noting the simplicity and user friendly interface. Concern was expressed, however, on the need for a more formal quality review of risk information entered in the dashboard, more systematic tools, more structured evaluation elements, and more training and orientation. It was also recommended that risk management tools make a clearer distinction between corporate risks (top-down, based on Organizational mandate) and management risks (linked to internal controls). Programme implementation risks also required special consideration.

GMT members endorsed the idea of systematic risk assessment and management processes for major corporate initiatives such as the E&E Initiative and the development of the 2014-2017 MTSP. To ensure consistency of risk management practices, terminology and methodology within UNICEF, it was suggested that the Risk Management Advisor review organizational policy and guidance that has an explicit risk management component. It was also recommended that closer links be made between risk assessment and management processes and other corporate processes, such as programme planning and management (eg: Annual Management Plan), the EPRP, Programme Criticality, and Business Continuity.

As a follow-up to the February 2013 GMT Side Meeting on Enterprise Risk Management, the Deputy Executive Director for Management issued the new guidelines for Risk Assessment and Reporting which asked Offices preparing their CPMP, ROMP and OMP in 2013 to identify and report on the most significant risks to the achievement of the programme results and management objectives through the new SharePoint based RCSA tool. The guidance also introduced the 12 revised corporate risk areas and the concept of likelihood and impact of residual risks.

In collaboration with the Regulatory Framework Initiative, virtual discussions were launched with the ERM Reference Group and the Regulatory Framework Task Force on options to make policy, procedure and guidance more risk informed. Feedback was later reflected in Regulatory Framework discussions. A risk management component was developed in the draft procedure template where business owners are expected to identify the most typical risks, control points, and recommended mitigation measures that managers should use to address the risks entailed in each procedure. A mechanism to request, report
and document exceptions and deviations to steps in a procedure is also proposed for development to complement the risk informed approach of the procedure template.

The Risk Management Advisor worked with DPS colleagues to identify the types and frequency of risks faced in HACT/DCT; with ITSS on an information security risk management architecture and the preliminary identification of a corporate Governance, Risk and Compliance (GRC) tool; and with EMOPS on inter-agency risk management issues in humanitarian situations. The Risk Management Advisor participated in the Annual Operational Managers Meeting organized by DFAM and conducted an ERM presentation for the Lebanon Country Office via video conference.

### Regulatory Framework

The Regulatory Framework Initiative in 2013 focused on defining and developing the parameters for the Organizational framework of policy, procedure and guidance. In December 2012, an invitation had been sent to all Division Directors by the Deputy Executive Director for Management asking them to nominate staff to join the Regulatory Framework Task Force. The Task Force was convened for the first time in February 2013, once all nominations were received.

Regulatory Framework Task Force members identified a number of key elements of the Regulatory Framework structure, including principles, hierarchy and definitions for policy, procedure and guidance. These were presented to the E&E Steering Committee, which oversees the work of the Task Force, for validation in April 2013. Templates for policy, procedure and guidance were also developed and agreed upon by Task Force members. As noted earlier, a risk management component was built into the procedure template to support managers in managing and mitigating risks, and a system to request, report and document exceptions and deviations to steps in procedure is being proposed for development. These were validated by the E&E Steering Committee in October 2013.

The Task Force also worked to develop workflows and terms of reference for the development, management and oversight of Regulatory Framework content, as well as for the overall governance of Regulatory Framework issues. It is proposed that the GMT act as the governance body for strategic policy level issues, with a subsidiary Regulatory Framework Steering Committee addressing day to day policy and procedure issues. A Regulatory Framework Secretariat would support these bodies in their governance and oversight roles, as well as manage the Regulatory Framework platform.

At the same time, Task Force members were furnished tools and guidance to work within their own Divisions in order to inventory existing policy, procedure and guidance and assess whether this regulatory content was still relevant, needed to be updated or was already obsolete. This exercise will facilitate an eventual migration to a new Regulatory Framework structure and platform once these are approved.

Agreeing on a Regulatory Framework structure that meets the needs of all business areas in the Organization was a challenging process which led to the delays in meeting initial initiative milestones and deadlines. The process has been informed by good practices in other Organizations such as UNDP and UNFPA, as well as other public sector examples, particularly from academia. The E&E Field Reference Group and the ERM Reference Group were also consulted on all Regulatory Framework proposals to ensure that the field perspective is adequately reflected.

Future efforts will include sharing proposals validated by the E&E Steering Committee directly with Division Directors giving them an opportunity to review and provide feedback. Refined proposals will be shared with the Executive Director to ensure these are in line with his own thinking before they are developed further. The Task Force is recommending that the scope of its Terms of Reference be expanded to include the development of a roll out and implementation plan to support the Organization in transitioning to the new Regulatory Framework structure and approach.

### Support (PCR 300)

Throughout 2013, the Change Management Office endeavoured to continue providing senior management and Business Owners with the cross-functional change management support required to lead the organisational improvement process. These functions – leading change and organisational improvement; planning, coordination, monitoring and reporting and communication – contribute to the overall effectiveness and efficiency of corporate governance and systems (IR 300/301).
Leading Change and Organizational Improvement
Change Management Office leadership actively participated in corporate meetings at global and regional levels to ensure that improvement issues were adequately represented and discussed within Organisational governance and management mechanisms.

Effectiveness and Efficiency issues figured prominently in the February, June and September 2013 GMT Meetings, allowing for the Change Management Office to engage senior managers on transactional efficiency, business process simplification and Headquarters function effectiveness issues. Most notably, the Change Management Office organized the GMT Side Meeting on Common Proposals from HQ Divisions in June 2013 and the November 2013 Virtual GMT Meeting exclusively dedicated to Effectiveness and Efficiency issues. Change Management Office leadership also participated in Regional Management Team Meetings in CEE/CIS, LACRO and WCARO, and other corporate meetings, as requested.

The Change Management Office continued to meet regularly with members of the GSA to ensure staff representatives were briefed on organisational improvement developments. The organizational improvement agenda was also represented through inputs to UNICEF participation in the HCLM focusing on business rationalization and enterprise risk management.

At the May 2013 Armonk Meeting, the Change Management Office was tasked with leading Common Proposal 7 on Information, Document and Records Management. The Director of Change Management convened an inter-divisional task force to identify the main challenges in UNICEF for information, document and records management and explore options to address these challenges. Per the recommendation of the task force, a consultant was retained to develop a high level roadmap for an Organizational information, document and records management architecture. The recommendations from the Forrester consultancy, managed in close coordination with ITSS, were presented at the November 2013 Virtual GMT Meeting.

Planning, Coordinating, Monitoring and Reporting
The E&E Steering Committee remained the main mechanism for governance, planning, coordination, monitoring and reporting on the Effectiveness and Efficiency Initiatives. The Change Management Office continued to serve as Secretariat for the Steering Committee, in support of Deputy Executive Director for Management who chairs the Steering Committee.

The Change Management Office continued coordinating and supporting the efforts of WG1, WG2 and the FRG. The Change Management Office has overseen the relationships with the consultants contracted to support the Working Groups in their efforts, and managed the budget approved by the E&E Steering Committee.

The Change Management Office worked closely with the Chief of Staff in the Office of the Executive Director to coordinate Effectiveness and Efficiency components in corporate events including GMT Meetings and All Staff Meetings, as well as bilateral briefings with the Executive Director. The Change Management Office also facilitated reporting services for all four GMT meetings in 2013.

Communication
Communication efforts in 2013 focused on supporting the E&E Initiative through the implementation of the communication strategy that had been approved by the E&E Steering Committee. Quarterly Bulletins were produced to give visibility to E&E related GMT sessions and various Efficiency and Effectiveness workshops held throughout the year. A monthly series of Frequently Asked Questions (FAQs) and an E&E Glossary were also produced. The Communication Specialist updated the E&E Steering Committee regularly on progress made in implementing the communication strategy.

In November 2013, following the Executive Director's announcement regarding the Global Shared Service Centre project, a communication strategy was designed specifically for the GSSC project. The strategy was developed in collaboration with DHR to ensure that staff transition issues were adequately addressed. The Steering Committee validated the strategy in December, including the development of a dedicated GSSC page on the E&E website.

The Change Management Office continued to assist the Office of the Executive Director (OED) on timely and strategic communication regarding the E&E Initiative. Support was provided for communication efforts revolving around the Executive Director’s All Staff Meetings to discuss E&E Initiative-related
issues. Draft talking points were developed for the Executive Director and Deputy Executive Director for Management to use in All Staff Meetings, GMT meetings and other events where Effectiveness and Efficiency would be raised. Numerous draft correspondences to staff was drafted for the Deputy Executive Director for Management. A video interview with the Executive Director was produced but not disseminated, per the request of the OED.

The Change Management Office supported the communication efforts of other Effectiveness and Efficiency stakeholders, including but not limited to DHR and the GSA/NYSA. Guidance was developed to support senior managers and staff representatives on their communicator roles. The Communications Specialist also continued to convene the E&E Communications Task-team, whose membership comprises representatives of Headquarters Divisions, Field Offices and staff associations (GSA/NYSA).

An important communication objective in 2013 was to capitalize increasingly on intranet media and other pathways to promote more participatory communications and staff feedback functions. The E&E website on ICON was enhanced throughout 2013 – including the development of “House Rules,” capacity to post anonymously, and facilitated discussions on the site’s Discussion Board. A Snap Poll tool was introduced as another channel for measurable feedback.
IV. Management and Operations

Budget Management
The Change Management Office 2013 budget, funded from the Organisational Support Budget, was $311,842, not including the cost of fixed term posts. Budget utilisation in 2013 was approximately 95% with an expenditure of $295,433. Approximately 80% of this budget was utilised to fund the initial activities of WG1 and WG2 in evidence gathering and data analysis – including the first contract with PwC and the Nairobi Workshop in January 2013.

The Change Management Office also managed the Effectiveness and Efficiency Investment Project Budget – financed with dedicated investment project funds managed through PCR 500. A total of $1,946,709 were allocated towards the Effectiveness and Efficiency Investment Project in 2013, of which $1,892,859 were spent, indicating a utilization rate of 97%. $948,416 of these funds were used to support the work in transactional efficiency and business process simplification, particularly the KPMG, lknow and Accenture consultancies (IR 500/501). $874,173 of the Effectiveness and Efficiency Investment Project funds were used to support the review of HQ functions, notably the work of PwC from May to September 2013 and support for Common Proposal development requested by various conveners (IR 500/502). $70,270 were used by DHR for preliminary work on the Human Resources Mitigation Strategy (IR 500/503).

Management of the Effectiveness and Efficiency Investment Project funds was simplified based on lessons learned from managing the VISION Investment Project Budget in previous years. Requests for investment project funds were made on a quarterly basis based on documented funding needs rather than projected needs so to avoid potential unspent balances. Only Change Management Office colleagues were authorized to access the Investment Project cost centres; when funds were allocated for DHR to the Investment Project budget a separate IR was created for DHR to manage exclusively. When conveners requested funding to develop their Common Proposals, Funds Reservations were issued giving them responsibility for the effective and efficient management of the funds.

Consultant Management
In 2013, the Change Management Office managed the numerous contracts with consulting firms retained to support the Effectiveness and Efficiency Working Groups. These consulting firms were selected through competitive selection processes which were presented to the Contracts Review Committee (CRC). The selection process for each of the consultancies included multiple rounds of interviews with Working Group members and senior managers which required close coordination and planning by the Change Management Office. Forrester, the consulting firm selected to develop options for Common Proposal 7 was also selected through a competitive process overseen by an interdivisional panel, but was not submitted to the CRC because the price did not exceed the required threshold. The Change Management Office has managed the administrative and interpersonal aspects of these contractual relationships with the consultants, including “on-boarding,” so that the consultants comply with all necessary UNICEF requirements, location of work space, connectivity to the appropriate UNICEF systems, and calendar management for project-related events.

Team Management
In 2013, the Change Management Office experienced a 35% reduction in staff as a number of posts and their business area functions were mainstreamed into the regular work of Headquarters Divisions. More specifically the:

(i) P4 and P3 Training Specialist posts were transferred to OLDS/DHR in an effort to mainstream VISION training within broader Organizational learning efforts.
(ii) P4 Programme and Performance Specialist post was transferred to DPS in order to mainstream capacity for performance management in the Division.
(iii) P4 Supply Team Lead post was transferred to Supply Division at the end of 2013 in order to further mainstream supply area global user support, particularly as this relates to VISION.
(iv) P4 Human Resources Team lead seconded to the CMO from DHR since 2009 returned to DHR in the second quarter of 2013.

Change Management Office met regularly to ensure effective information sharing and coordination across the different functions in the team – particularly as the team remained divided between the 633 Third Avenue and the UNICEF House locations. The work of the Change Management Office was also guided by the decision-making of the Effectiveness and Efficiency Steering Committee, under the
leadership of the Deputy Executive Director for Management. The Change Management Office held two retreats in March and December 2013 to plot the course for the office as the E&E Initiative evolved.

**Office Management**
Office Management was somewhat challenged in mid-2013 as essential Administrative staff were selected for career development opportunities in other Divisions. It became difficult to identify eligible candidates with the necessary skills to transact in VISION who were willing to take on a short term assignment. For example, the pool of available retirees who actually received VISION training in 2011 and worked in VISION in 2012 was very limited. In addition, Division Directors were unwilling to release their staff members with VISION skills for a short term assignment. VISION role re-assignment for a small office like the Change Management was a challenge due to segregation of duty issues. Administrative tasks had to be redistributed among professional staff who are less adept at performing these duties.

In 2013 the Change Management Office prepared its 2014-2017 Office Management Plan. The OMP mapped the work of the Office across a single Outcome (PCR) where the CMO offers risk-informed change management advisory and services support and coordinates the implementation of business changes, and four outputs (IRs) focusing on (i) Change Management support, (ii) implementation of Effectiveness and Efficiency approved proposals, (iii) risk management support, and (iv) communication to actively engage staff and stakeholders in the successful design and implementation of organizational change initiatives.

**Managing Risks**
Risk-management is a significant factor in the management of the Effectiveness and Efficiency Initiative. The Change Management Office continues to support the E&E Steering Committee and other stakeholders in each of the Effectiveness and Efficiency Initiative work streams to identify and manage risks identified.

The 2014-2017 OMP for the Change Management Office includes an extensive assessment of risks faced in the organizational improvement process, the drivers and root causes of these, their potential impact on the Organization, and the actions the Change Management Office plans to take to mitigate the effects of these risks. This risk assessment will be monitored periodically in the Risk Management component of the insight performance management system.