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Notes

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JOHN MANFREDI

John Manfredi

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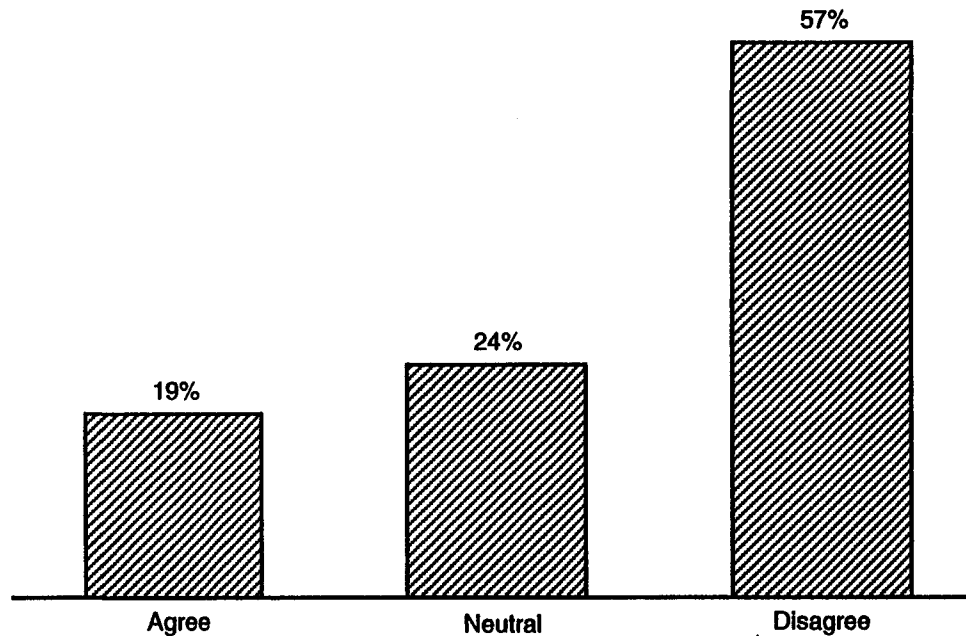
XIII. ACCOUNTABILITY AND COST-EFFECTIVENESS

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Accountability...

STAFF AGREE WITH THE EXECUTIVE BOARD – ACCOUNTABILITY IS A MAJOR CONCERN AT UNICEF

“UNICEF stresses personal accountability. If things go well or poorly, it is always clear who merits praise or rebuke”



UCFORE (1) E002 • 9/94/NY.R

Source: Attitude and Opinion Survey

HOWEVER, STAFF SEEM TO HAVE ONLY A VAGUE UNDERSTANDING OF WHAT ACCOUNTABILITY IS – TROUBLE DEFINING ACCOUNTABILITY IN PERSONAL TERMS

- “My accountability? That’s a good question... what would you think it should be?”
Section Chief
- “The organization is seeking more accountability now. We speak of both financial accountability and program accountability. But this distinction is confusing; I doubt many staff really understand what is meant.”
Senior Manager
- “We have goals for the world, not the organization. Holding people accountable for the world goals seems impossible. Somehow we have successfully avoided this issue.”
Deputy Director
- [I could do a better job if:] “I had a better understanding of my job description and if my boss were more clear in his instructions to me.”
Staff Survey Response

Accountability...

ACCOUNTABILITY IS MORE THAN A MERE TRANSACTION, A BIT OF “PRAISE OR REBUKE.” IT IS A MANAGEMENT CULTURE

- “You empower me and I stand accountable for my results”
- This concept works when:
 - There is genuine empowerment and delegation of authority
 - Staff know these are the ground rules
 - Living with these ground rules is the “style of the house” starting at the very top
 - Each member of the organization knows what he/she is accountable for – understands the concrete result he/she is expected to deliver
 - The merit/punishment system supports these objectives

THE CULTURE AT TODAY'S UNICEF DOES NOT MEET THESE CRITERIA

- As discussed, staff have relatively poor understanding of own responsibilities and accountabilities
- Individuals are not put in charge, not held responsible for results; committees are formed and too rarely is an individual designated as accountable for the outcome
- Evidence is clear that one manager will overrule the decision of another without consultation
- Performance evaluation and promotion practices ignore accountability:
 - Nonperformers remain in the organization – accumulation of “deadwood”
 - Poor performers can get good reviews, get promoted and moved to attractive posts
 - Those who have demonstrated poor judgment still can be promoted time and again
- Staff allege that cases of ethical violations and other malfeasance have been ignored
- In some cases, even important internal audit reports have gone unanswered

STAFF ARE DEMANDING A MORE ACCOUNTABILITY-DRIVEN CULTURE

- **“Staff are enraged that [Manager X] is being allowed to violate the Rules and Regulations, and this goes unnoticed by our Executive Officers. Staff in our unit have been and are being suppressed because of their efforts to bring justice to this situation.”**

Staff Survey Attachment

- **“Does the number of signatures required [on travel authorization] actually reinforce accountability? ... Right now there are so many signatures on any given travel authorization that I would venture to say that no one is really accountable.”**

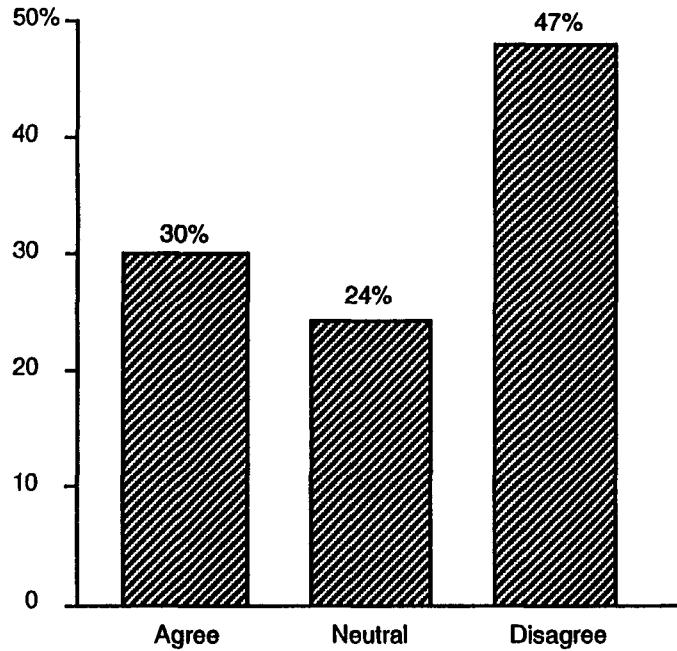
Staff Survey Attachment

- **“We cannot decentralize unless accountability is taken seriously. We have to provide some strict guidelines of accountability. Deviation from these guidelines should have more serious consequences than today’s. With empowerment will come decentralization. That is an automatic process. However, if no one is held accountable for their actions, then decentralization falls flat on its face.”**

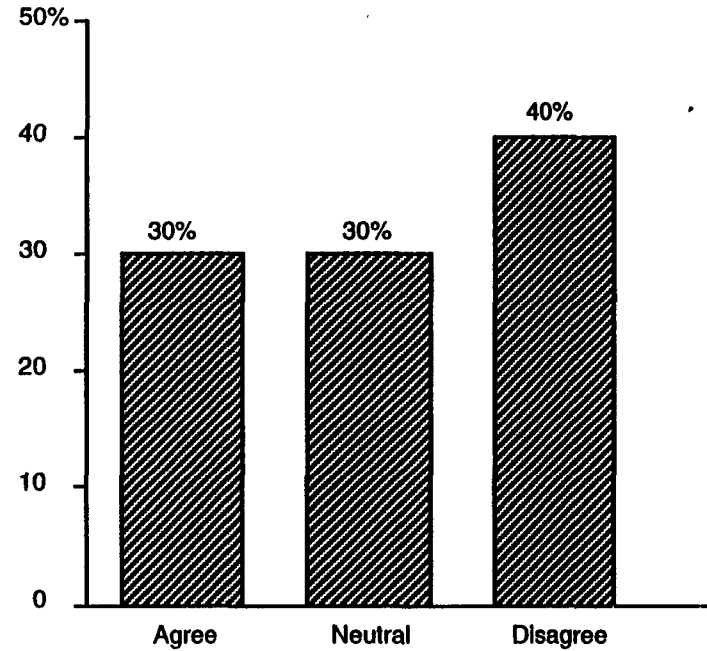
Internal Staff Working Paper

LACK OF ACCOUNTABILITY LEADS TO PROBLEMS WITH COST-EFFECTIVENESS AS WELL

"UNICEF uses funds in a conservative, cost-effective way."



"Our value system stresses ethics and honesty. No one is using bad judgment in handling funds or resources."



UCFORE (1) SB012*9/94 NY.R

Source: Attitude and Opinion Survey

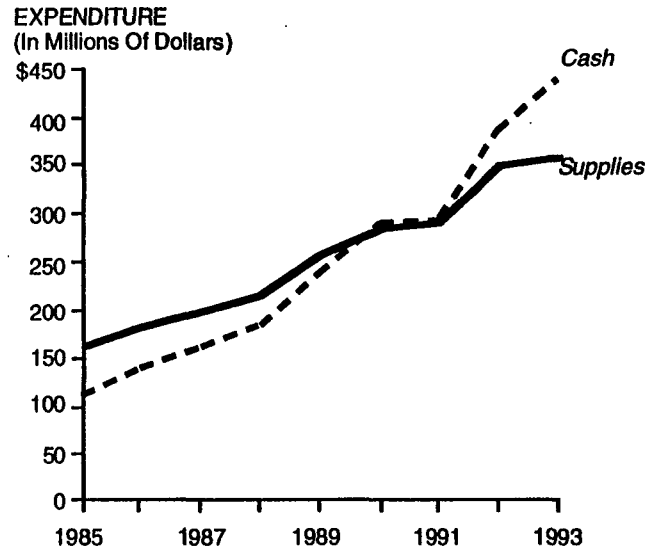
Cost Effectiveness...

PEOPLE DO NOT GET PROMOTED OR REWARDED FOR COST EFFECTIVE MANAGEMENT

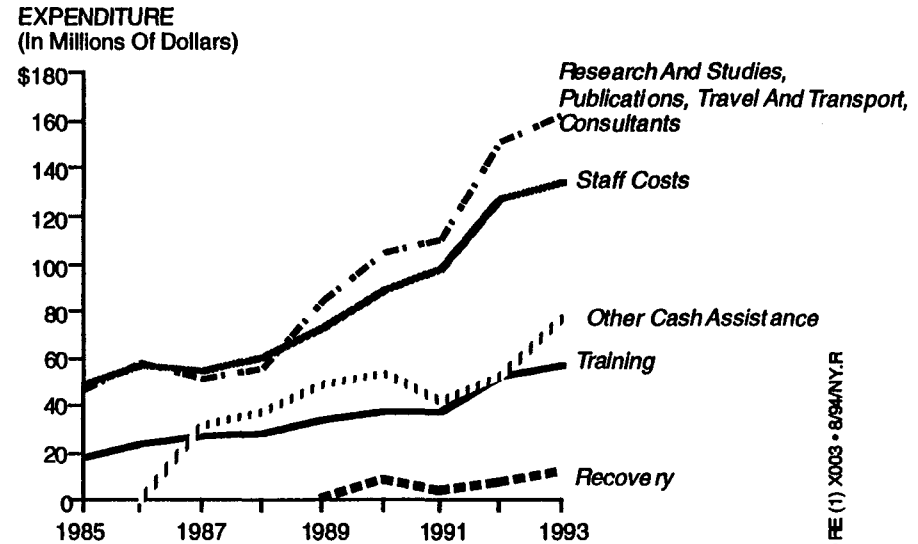
- “Reps get promoted based on the size of their offices. The more spending the rep can justify, the better it is. Money left over implies services were not fully provided.”
– Programme Advisor
- “A driver can be fired for stealing 10 liters of fuel, but a country representative who squanders much more gets promoted.”
– Internal Auditor
- “No UN organization is really accountable for anything other than the delivery of receipts for expenditures. Spending money is what matters, not the quality of services delivered nor the development impact.”
– Programme Officer, UNHCR
- “Frankly, no cost/benefit analysis is performed for projects in my area because we found out early in the game that benefits are very hard to estimate. In fact, the truth is that no one does cost/benefit analysis at UNICEF. UNICEF culture – how we do things – is the obstacle to performing normal project analysis.”
– Senior Manager

THE SHIFT FROM SUPPLY TO ADVOCACY MAKES DEMONSTRATING COST EFFECTIVENESS EVEN MORE DIFFICULT

Cash-type assistance has overtaken supply assistance...



...and within the cash category, travel staff and direct government are growing



Notes: 1) Cash-type assistance includes staff expertise and associated costs.
2) Figures above are total expenditures, including those for emergencies. Taking out this supply-oriented component would make the shift appear even more dramatic.

UCFO FE (1) X003 • 8/94/NY.R

ILLUSTRATIVE WORKSHOP ISSUES

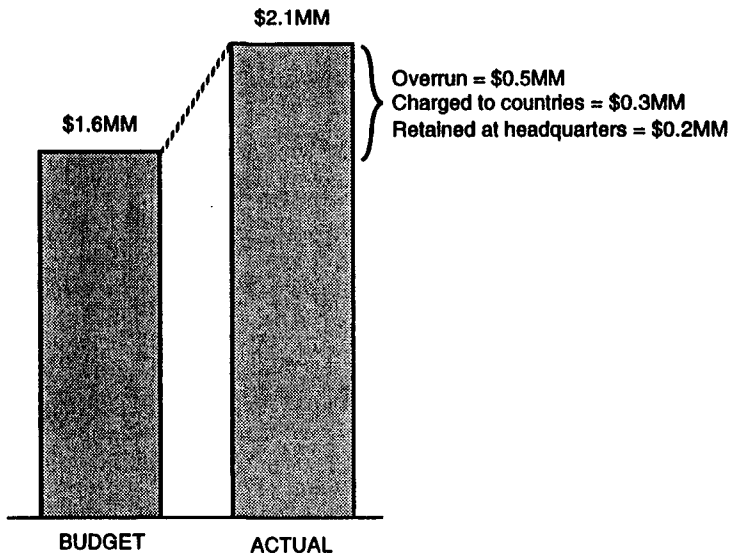
- How much travel is optimal for advocacy objectives?
- What is the value of an incremental publication?
- What checks are there on government and NGO use of cash assistance?

ONE AREA WHERE COST EFFECTIVENESS OPPORTUNITIES EMERGE IS TRAVEL SPENDING FOR PROGRAMME AND REGIONAL MEETINGS

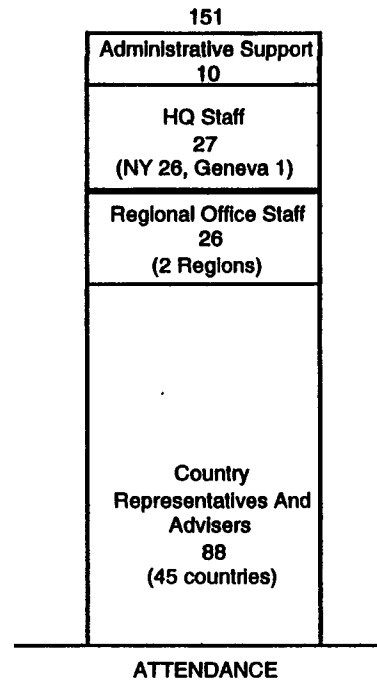
ILLUSTRATIVE

**PROGRAMME DIVISION
TRAVEL COSTS
(1993)**

"It is clear that our current travel budget estimates are not realistic or adequate to achieve the expectations of the senior professional staff in the Division"



RECENT REGIONAL MEETING



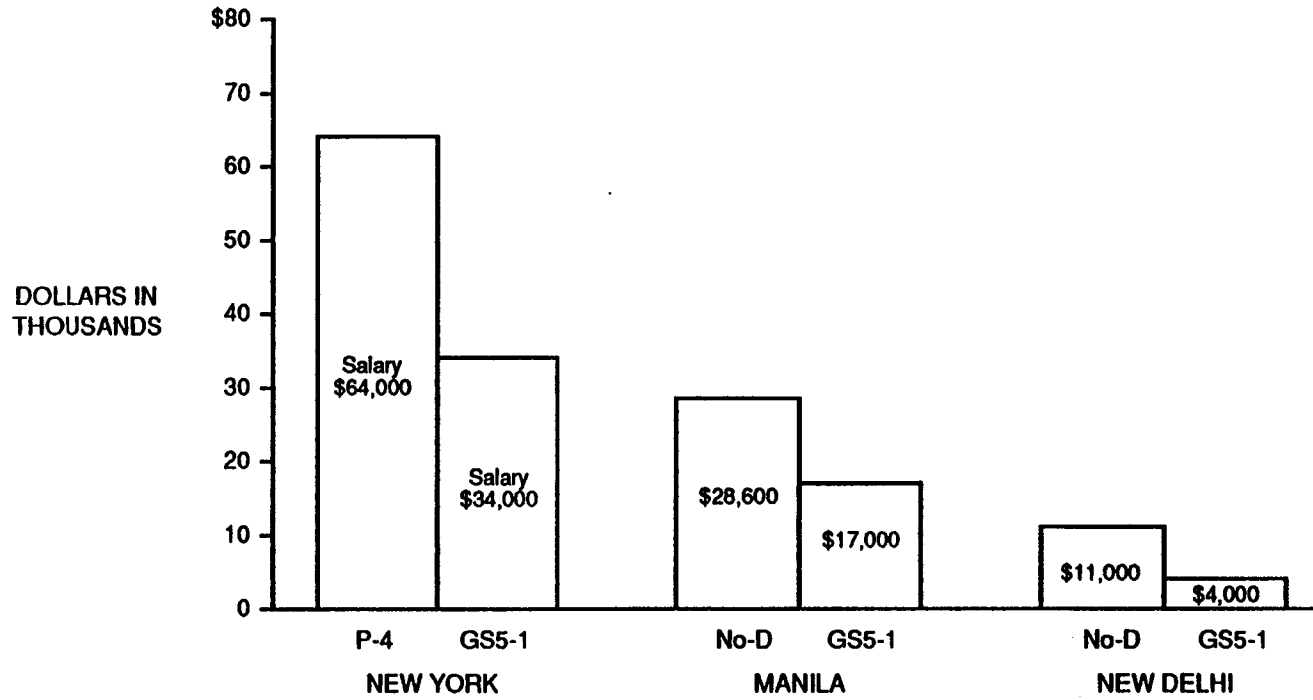
- Purpose of meeting: Emphasize importance of mid-decade goals
- BA&H cost estimate: \$350,000

UCFORE (1) JF004 • 8/94/NY.R

Source: Programme Division correspondence; BAH analysis

ROUGHLY 1000 STAFF WORK IN UNICEF HOUSE IN NEW YORK – FEW NEED CLOSE ACCESS TO THE UN, AND OTHER WORLD LOCATIONS ARE SUBSTANTIALLY CHEAPER

INDIVIDUAL STAFF COSTS



Note: Recent related debate about premises is recognized. However, the issue should not be presumed closed. Any major institution should reassess real estate periodically.

UCFORE (1) MK013-12/94/NY.R

OTHER PRACTICES THROUGHOUT THE ORGANIZATION DEMONSTRATE A LACK OF PRIORITY FOR COST ISSUES – EXAMPLES BELOW

| COST EFFECTIVENESS IMPLICATIONS | |
|--|---|
| CASH ASSISTANCE | <ul style="list-style-type: none"> • Toward year end, country office use of “cash assistance” increases, to spend full budget and get credit for full financial implementation <ul style="list-style-type: none"> – Cash assistance to governments is properly used where traditional funding channels would create delays unacceptable for programme success – In practice, staff throughout UNICEF speak of “a black hole” – cash is disbursed to the country and its use may never be properly documented – opportunities for abuse |
| USE OF SUB-OFFICES | <ul style="list-style-type: none"> • Country representatives can open sub-offices using project staff with relative ease • Addition of a core post through BPRC review is described as relatively easy to “bid up” • Result can be a very small office with disproportionate expenditure on administration: One real-life case is a country with \$70,000 throughput per month, 4 programme staff, 2 administrative professionals and 5 general service |
| TRAINING WORKSHOPS | <ul style="list-style-type: none"> • Human resource working party pointed to costly, low impact training meetings <ul style="list-style-type: none"> – No strategic positioning – No effectiveness audit • Workshop costs are primarily travel and cost of staff time – one recent example <ul style="list-style-type: none"> – Travel and DSA for 30 students and 4 instructors for 5 days: \$70,000 – Workshop site and materials costs: \$5,400 – Opportunity cost of participant time (estimated based on salaries): \$34,000 – Total real cost to the organization: over \$100,000 |

CREATING A CULTURE WHICH VALUES ACCOUNTABILITY AND COST EFFECTIVENESS CAN ONLY START FROM THE VERY TOP OF THE ORGANIZATION

- Apply the moral advocacy communicated so powerfully outside the organization within UNICEF as well
- Demonstrate importance of accountability:
 - Refuse to allow staff to circumvent their bosses; refuse to intervene in such cases
 - Respond to all audit reports; require responsible unit leaders to resolve problems identified
 - Discipline staff for infractions; refuse to overlook malfeasance, even when accompanied by strong performance results (should have impact on pay raises, perquisites, promotions and transfers)
- Likewise, show importance of cost consciousness – demonstrate that cost is not simply an issue discussed in budget committees, but an important concern for all employees
 - Demonstrate measures being taken at top levels to address cost issues – for example, the “luxury hotel syndrome” sends all the wrong signals,
 - Ask questions about cost, benefits, and alternative options of those proposing new projects or committees
- Consider targeted productivity task forces using internal and external team leadership:
Prime mover: the new Associate Executive Director

Recommendations...

THE IMPLEMENTATION PROCESS MUST GIVE THE WORD “ACCOUNTABILITY” MEANING FOR EACH STAFF MEMBER

Clarify roles, responsibilities and reporting relationships throughout the organization:

- Define concrete results expected from each organizational unit – not processes or activities, but actual outputs

for example:

- A certain amount of funds raised
 - A particular information system capability
 - A set of external publications in a targeted list of journals
 - A verifiable report on real progress levels by field office
- Then develop an accountability charter for each member of the organization, from the Executive Director on down, defining the individual’s role in achieving the organization unit objective
 - This is not simply a job description
 - Rather, it is an itemization of outputs, products, or “deliverables” that the individual is expected to provide
 - Deliverables might include running a direct mail campaign to a certain set of donors, writing a particular module of an information system, or writing a policy document in collaboration with external partners
 - *Phrases such as “support as needed” do not communicate deliverables, except for secretarial positions*

SENIOR LEADERSHIP AND UNDERSTANDING ARE ONLY THE BEGINNING – TRAINING, MANAGEMENT AND CONTROL ARE NEEDED TO INFUSE ACCOUNTABILITY INTO THE CULTURE

- **Training**
 - Teach managers how to empower staff and require accountability
 - Show staff how they are expected to respond to this new management style
 - These learning experiences are implicit in implementation training program (Chapter XV)
- **Management**
 - Reflect accountability charters in PERs and promotion decisions
 - Develop non-financial metrics for monitoring country programme implementation (rely on regions to provide assessment)
- **Internal Audit**
 - Increase reliance on these “unsung heroes”
 - Require management response to all audit reports
 - Create a system of rewards and penalties for organizational units audited, so the findings are perceived to have some impact
 - Motivate auditors and help them build career opportunities through ties to new Field Oversight unit
- **Field Oversight**
 - Introduce a central facility for validating the performance data submitted by field offices
 - Team of staff based in NY, to conduct spot checks through analysis of data reported and visits to country offices
 - Could broaden role over time; oversight on obvious “plus”