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Notes

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**JOHN MANFREDI**

*John Manfredi*

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XIV. GOVERNANCE

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## **THE CONSULTANTS WERE NOT ASKED SPECIFICALLY TO EXPLORE GOVERNANCE ISSUES**

To the contrary, perhaps because of a misunderstanding about "terms", we were asked to "stand clear" by one or two delegations. At the same time, attitudes and expectations varied...

### **Said one delegation:**

"This was not in their terms of reference and we regret seeing them losing time for such marginal issues"

### **Said another:**

"We look to you to clarify once and for all the interface of accountability and responsibility between the Board and the secretariat."

**WE HAVE CHOSEN TO ADDRESS THE ISSUE BECAUSE WE THINK SOME OBJECTIVE OUTSIDE THINKING IS NEEDED, AND WE DO NOT BELIEVE MUCH TIME WAS "LOST" IN THE PROCESS.**

### **THREE FUNDAMENTAL REALITIES**

- First, UNICEF is a unique institution which has developed its own culture, traditions and formula for success that set it apart from others
- Second, any change process that is undertaken should strengthen UNICEF's governance, not weaken it, while building management effectiveness
- Third, change is indispensable if UNICEF is to flourish in an increasingly challenging environment which calls for greater than ever international development assistance and humanitarian aid, with fewer resources with which to satisfy those needs

**AGAINST THAT BACKGROUND, UNUSUAL HOSTILITIES BETWEEN BOARD AND SECRETARIAT HAVE SOMETIMES CLOUDED JUDGMENTS AND CONFUSED OPERATING PERSONNEL**

## REPRESENTATIVE COMMENTS FROM INTERVIEWS

- "To me it's an anomaly. I just don't understand why they don't appreciate the good job that's being done. Maybe it's that the Secretariat moves too fast for them. They may want a greater sense of control ..."

Jim Grant

- "I'm afraid I have to agree ... When we froze the core posts is when all the game-playing started. It was at that very moment that the money started pouring in and the programmes started multiplying. So they started to invent ways to circumvent the rules. Part of the blame rests with us."

Key Executive Board Member

- "The Board members don't understand what we do, what our advocacy is all about. They don't have a clue. There's a real perception gap there. If we could overcome that, we could eliminate some of the tension. Egger and Heyward had always really catered to the Board. Jim never realized that all this stroking is necessary. But against that background, budget issues arose, games were played and trust was lost."

Country Representative

- "When you do an organization and process study of UNICEF, make sure you don't throw the baby out with the bath water. The Board may win the battle of efficiency and lose the war of effectiveness. Boards do tend to want to pin agencies down, impose performance sanctions, and then leave the once aggressive unit disenfranchised and weak. The records are full of aggressive boards that wanted "due process" and ended up emasculating a once healthy enterprise. Boards love issues like transparency. But pressing for transparency, sometimes they literally kill the entities they are supposed to sponsor and motivate."

Head of Major International NGO

## **MEANWHILE, NEW OPPORTUNITIES, NEW CONSTRAINTS, NEW ENVIRONMENT CALL FOR A REVISED VISION FOR THE FUTURE OF UNICEF**

In a complex institution such as UNICEF, it is indispensable that this vision be the result of a collaborative accord about future positioning and goals which grows from the accumulated wisdom and experience of the leadership: Board and secretariat.

- This is fundamental to what governance is all about
- Irrespective of whatever "just cause" may be perceived by individuals in this occasional debate, all persons are individually so dedicated to the idea of UNICEF's noble mission that all will be willing to renounce old grievances and work together for a rebirth of the zeal and the positive thinking that made UNICEF what it is
- No insinuation here that TENSION is bad. Constructive tension exists in all healthy institutions. But tension has sometimes reached the point of destructiveness in recent years between secretariat and the Board

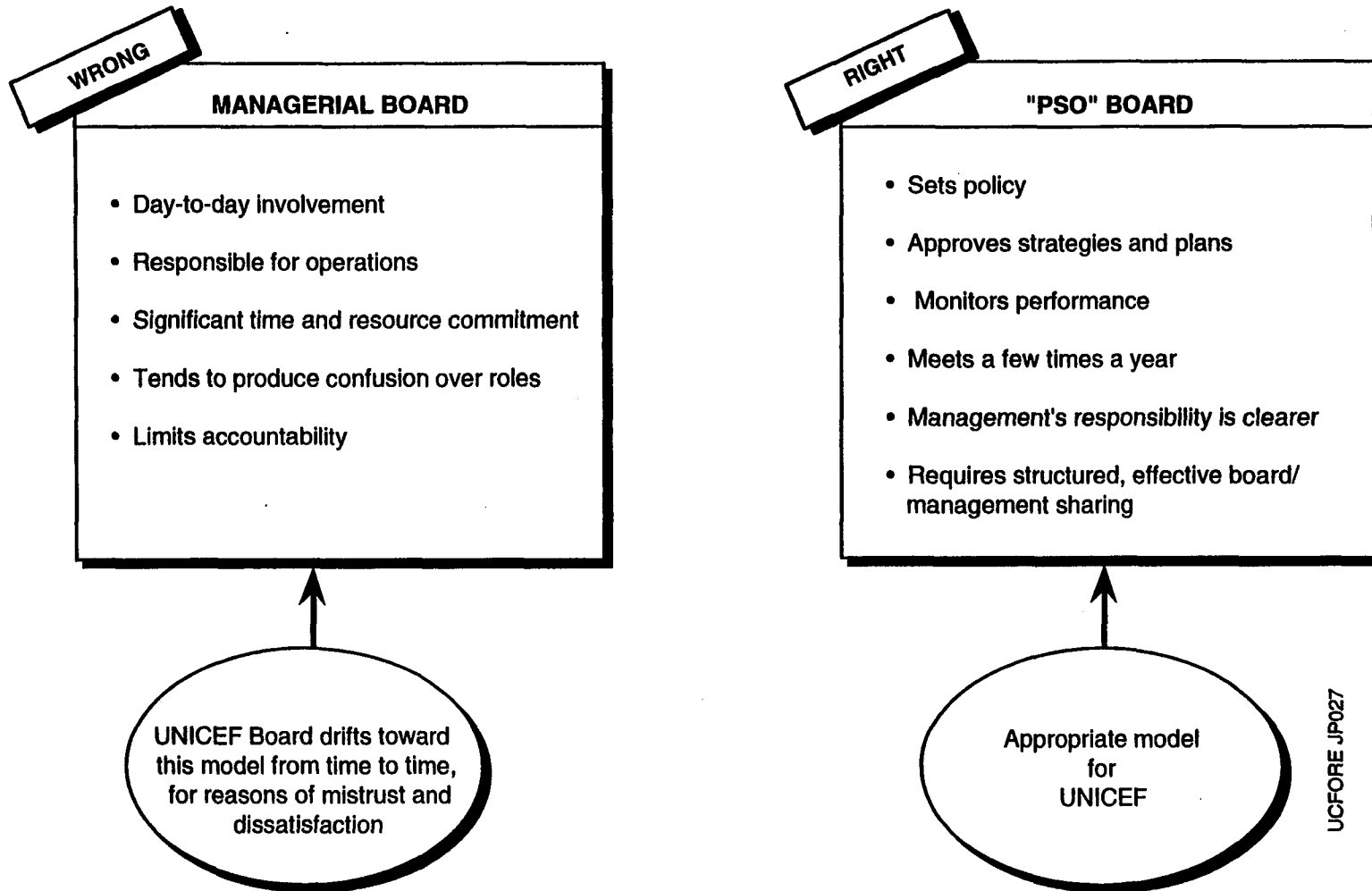


## **THESE KEY CHANGES MUST OCCUR**

- The UNICEF Executive Board must govern, not manage
- The Secretariat must be guided by a robust and meaningful strategic plan
- The Executive Board and the Executive Director must collaborate closely in ensuring effective governance and management
- The dialogue must become more harmonious, simpler, more efficient and more focused on key issues
- The Executive Director and the secretariat must act as a fully empowered management team accountable and responsible to the UN and *the children of the world* through the Executive Board

Board...

**THE EXECUTIVE BOARD THEORETICALLY COULD BE EITHER OF TWO KINDS OF BOARDS: A MANAGERIAL BOARD OR A "PSO" BOARD (POLICY, STRATEGY AND OVERSIGHT)**



Board...

**WHEN ONE SAYS THE BOARD SHOULD GOVERN, NOT MANAGE, IMPLICIT IS THAT IT:**

- Serves as the senior governing body of the institution and has ultimate responsibility for the mission fulfillment, economic health, growth and success of UNICEF as well as defining its overall policies and disciplines, working in supportive collaboration with the designated management leader
- Ensures proper financial management of UNICEF and monitors the handling of capital
- Ensures that a strategic plan is developed which defines UNICEF's area of public social contribution, its strategic objectives, and lays out the strategies for achieving those objectives
- Monitors UNICEF's performance against agreed strategic and operational objectives
- Ensures that UNICEF is managed effectively by the secretariat, avoiding an operative role itself
- Uses its time effectively so that it can focus its attention on the goals and performance of UNICEF. In this connection it collaborates with the secretariat to ensure the most time-effective agenda and communication

Board...

## **THE MOST EFFECTIVE BOARDS**

- Try to reduce meeting frequency and intensify the focus of their work; we have benchmarked annual meeting time of Boards:
  - 30 days/year: One regulatory/financial institution we know
  - 7 days/year: The average of institutions such as the major stock exchanges
  - 10 days/year: The average of industrial corporate boards
  - 16 days/year: The intended schedule of the UNICEF Board as we understand it
- Adopt disciplined meeting formats and selective agendas focused on priority topics
- Limit time dedicated to tactical and marginal issues
- Delegate operational issues to the management
- Maintain good, positive, constructive relations with management

Board...

## **THE BOARD MADE A MOVE IN THE RIGHT DIRECTION WHEN ITS SIZE WAS REDUCED**

Experience demonstrates that

- Smaller boards are more effective in decision-making
- Easier to get cohesion and total involvement
- Number of items requiring Board attention should be reduced as the Board focuses on
  - Governance
  - Strategy
  - Policy making

Board...

## **MANAGEMENT OF THE MEETING AGENDA IS THE "LEVER" THAT FOCUSES THE EXECUTIVE BOARD ON THE MOST IMPORTANT UNICEF ISSUES**

- Board time is a limited resource that must be focused on the top priorities of UNICEF
- The agenda should guide Board attention to key management issues, policy and strategy
  - Proactive direction-setting rather than reactive issue management
  - Leverage the breadth and perspective of Board members
  - Limit agenda items to a manageable number - avoid being "flooded" with operational detail
  - Leave time for unanticipated events
  - Some boards provide a tool for self-management: Each meeting concludes with an assessment of how well time was utilized

Board...

**IN OUR STUDIES OF "BEST PRACTICES" WE HAVE FOUND THAT MOST EFFICIENT BOARDS PLAN OVERALL AGENDA ON AN ANNUAL CYCLE**

- Balances work load
- Facilitates management's ability to anticipate, respond to board's information requirements
- Creates work cycle for working parties, committees
- Helps ensure adequate time for unanticipated events
- Board agenda can establish time horizons, completion dates
- Some boards conduct self-assessment on an annual basis to evaluate effectiveness

## **KEY TO THE DIALOGUE BETWEEN SECRETARIAT AND THE EXECUTIVE BOARD IS THE STRATEGIC PLAN**

- Technically, it is called for by the Board, prepared by the Secretariat, and approved/amended/endorsed by the Board
- Based on core capabilities (know-how and management systems) and an assessment of future needs, opportunities, funding and UN guidelines
- Establishes realistic financial forecasts and objectives to guide decisions in terms of commitments to be made and resources to be acquired
- Based on sound economic analysis, business judgment and sensitivity to the future needs of the world's children
- Including performance milestones, measurements and controls that facilitate accountability and evaluation, including high priority for human resource planning to ensure that UNICEF matches staffing with need, always with an eye toward full service and professional growth prospects for UNICEF personnel



Board and Secretariat...

**UNICEF SHOULD RECOGNIZE THAT NO SINGLE DOCUMENT IN USE TODAY IS A COMPLETE STRATEGIC PLAN**

STRATEGIC PLAN	MEDIUM TERM PLAN	EXECUTIVE DIRECTOR'S PROGRESS REPORT	OTHER POLICY PAPERS
<ul style="list-style-type: none"> <li>• Driven by senior leadership vision for the future</li> </ul>	<p>In parts (Mid-level officers aggregate plans of different divisions)</p>	<p>In parts</p>	<p>Sometimes</p>
<ul style="list-style-type: none"> <li>• Financial forecasts and objectives</li> </ul>	<p>Yes</p>	<p>No</p>	<p>No</p>
<ul style="list-style-type: none"> <li>• Performance milestones, measurements and controls</li> </ul>	<p>Yes</p>	<p>In parts</p>	<p>No</p>
<ul style="list-style-type: none"> <li>• Sparks debate regarding appropriate future priorities and approaches (starting point toward mutually agreed plan)</li> </ul>	<p>No (Content most often debated here is funding forecasts)</p>	<p>Yes</p>	<p>Yes</p>

Secretariat...

**ONE OF THE MAJOR RESPONSIBILITIES OF UNICEF'S SECRETARIAT LEADERSHIP IS TO ENSURE THAT THE CAPABILITIES RESIDE WITHIN UNICEF SO THAT THE AGREED MISSION AND PRIORITIES CAN BE FULFILLED**

- Each objective implies its own profile of required capabilities
- As the shape of the mission changes over time, so does the profile of capability needs
- There is never a perfect "match" and pursuing the perfect model is a constant struggle, involving retraining of existing staff and acquiring know-how externally
- When funds soften, the importance of re-training internally becomes greater than ever

**THIS IS ONE EXAMPLE OF THE STRATEGIC ISSUES WHICH BELONG ON THE AGENDA OF THE BOARD, FOR COLLABORATIVE COUNSEL BETWEEN THE BOARD AND THE SECRETARIAT**

Secretariat...

**OUR STUDY, THE INTERVIEWS, THE EXPERT COUNSEL, THE DELPHI RESEARCH, ETC... ALL TELL US THAT UNICEF WILL BE ASKED TO DO MORE IN THE NEXT TEN YEARS THAN IT EVER HAS BEFORE**

**AND WITH FEWER RESOURCES WITH WHICH TO GET THE JOB DONE**

- If there ever was a moment for a "new era" of constructive collaboration and mutual support among Board and secretariat members, this is it
- Respect for the principles of governance is one way to achieve that

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