

**Accenture Report**  
**United Nations Development Programme**  
**Structural and Cost Effectiveness Review**  
**Options Assessment & Recommendations**

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## EXECUTIVE SUMMARY

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Focused on eradicating extreme poverty and significantly reducing inequalities and exclusion using a sustainable human development approach in an ever-changing world, the United Nations Development Programme (UNDP) has recently drafted a 2014-2017 Strategic Plan that provides a path forward by redesigning the areas of development work, transforming organisational effectiveness and revitalising UNDP's approach to partnerships and coordination. The plan sets forth a bold vision for approximately 8,500 staff members in country offices serving 166 countries to drive UNDP's leadership in development across the world while remaining financially sustainable.

Pursuant to its Strategic Plan, UNDP commissioned the Structural and Cost Effectiveness Review to evaluate its current organisation and provide options and recommendations of how to increase the efficacy of both core and non-core resources, improve HR and financial resource management, and reduce risk and costs to the organisation while ultimately better enabling country offices (COs) to deliver programmes on the ground. While centered on enhancing delivery, this review focuses primarily on UNDP Headquarters (Central Bureaux (CBx) and Regional Bureaux (RBx)), Regional Service Centres (RSCs) and other non-country offices (i.e., Global Policy Centres (GPCs) and Representation Offices (ROs)).

The review assessed functions and the distribution of functions across UNDP, the organisation structures including of bureaux, offices, and locations, the positions enabling those structures, and the associated costs. This assessment aimed to identify opportunities for change to make UNDP more nimble and flexible in responding to changing priorities, more efficient in converting resources into results, and more consistent in delivering high quality programmes.

Between June and July 2013, Accenture conducted an assessment of UNDP's CBx, RBx and RSCs, focusing on identified functions, locations, FTEs and FTE costs. This assessment identified several issues impacting UNDP's ability to deliver and be financially sustainable that focused on the need for clarity and consistency of roles and delivery, enforcement of accountability, increased innovation and collaboration, duplication and efficiency, and improved programme delivery:

- Definition of roles and responsibilities is unclear across the thematic policy functions among BDP, BCPR, BERA, the RBx and RSCs, and GPCs
- UNDP lags in operational efficiency:
  - Operational transactions are performed throughout the organisation, limiting economies of scale
  - 1.42x more HR FTEs, 1.54x more procurement FTEs, and 1.37x more finance FTEs per employee, than a 3rd quartile benchmark organisation
  - On average, UNDP's management span of control ratios are half of those from best practices
  - Observations from other organisations suggest a policy development function range from 2%-13% of total organisation FTEs, compared to 13% at UNDP
- A comprehensive view of funding and partnerships is not available due to 217 active trust funds managed across the organisation, and an uncoordinated approach to partnerships and resource mobilisation
- There is insufficient enforcement of accountability for operational and programme performance



## UNDP Structural and Cost Effectiveness Review

### Options Assessment and Recommendations

- While knowledge management (KM) and innovation are critical to maintain UNDP's leadership and provide value to programme delivery, experience is not being effectively shared or built upon
- There is a need for common programming practices, and a dedicated focus on programme quality; these functions are currently split between within OSG, BDP and BOM

Based on the assessment findings, leading practices, benchmarks and experience, Accenture has provided a set of options and recommendations to be considered as UNDP looks to become a more effective organisation:

- Move towards efficiency benchmarks for span of control and key functions, including expanding the scope and capacity of shared services
- Shift UNDP's thematic policy functions and distribution of those functions across BDP, BCPR, RBx, RSCs and GPCs to unify the function under a consolidated policy bureau
- Expand collaboration and innovation in thematic policy services
- Concentrate UNDP's ExO on strategic functions and organisational performance
- Focus combined RBx and RSCs on policy advisory services and programme support
- Use reporting lines, span of control, clarity of roles and responsibilities and position levels to promote accountability, transparency and cost efficiency
- Strengthen UNDP's relationship management, fund management, resource mobilisation, marketing, external communications and knowledge management capabilities

These options also include three potential organisation structures for UNDP to consider moving forward:

1. **Regional and Thematic Policy Area Matrix Model:** Matrix model integrating regional, thematic and functional expertise, to foster increased collaboration
2. **Integrated Services Model:** Business services integrated geographically and functionally to drive operational excellence
3. **Regional Shared Services Centre Model:** A focus on four regional hubs to bring operational and implementation services closer to the field for increased speed and support

While each of these models presents a more effective and cost efficient way for UNDP to operate, it is critical to understand the required level of change that each option presents. Based on the required level of change and a detailed understanding of the type of organisation UNDP senior leadership strives for moving forward, Accenture recommends that UNDP move towards a Regional and Thematic Policy Area Matrix Model in the near future, with the potential to move towards a more business service oriented model in a few years.