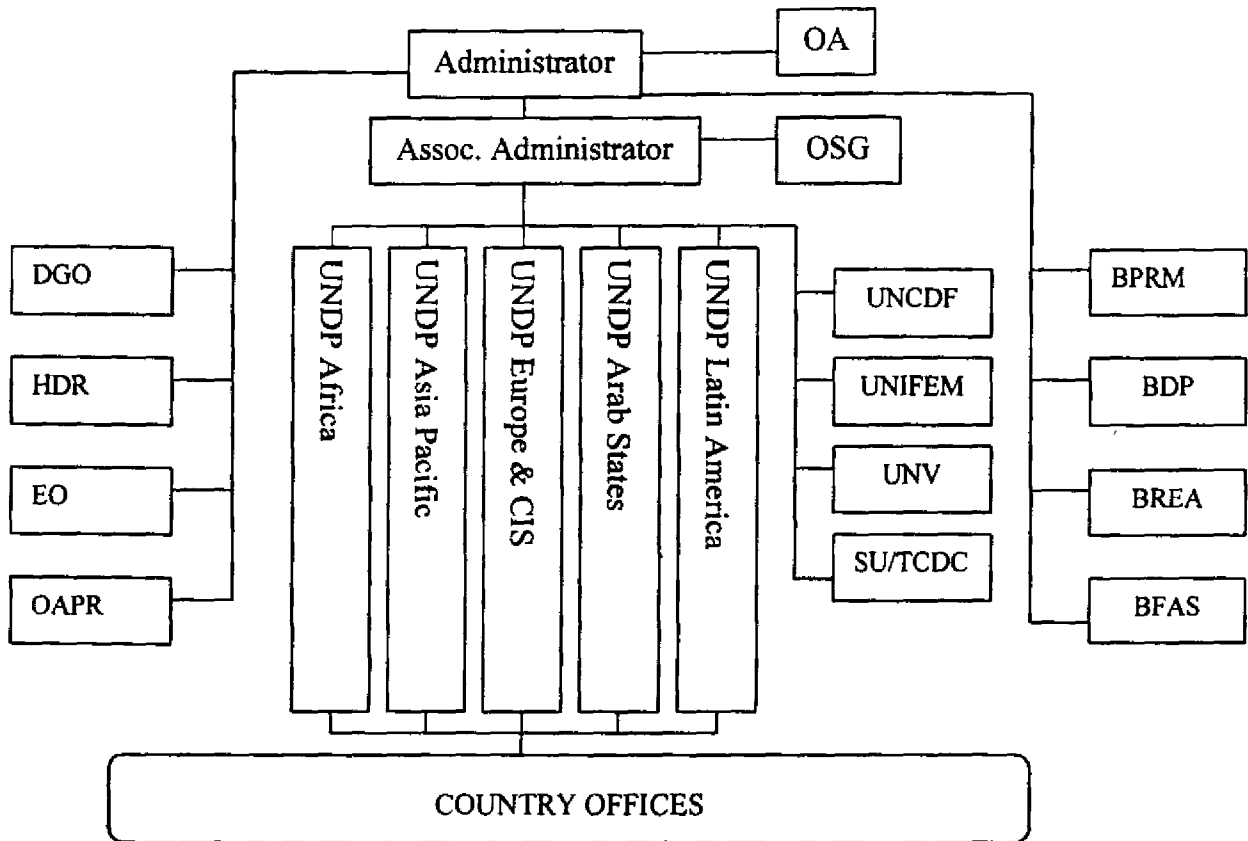
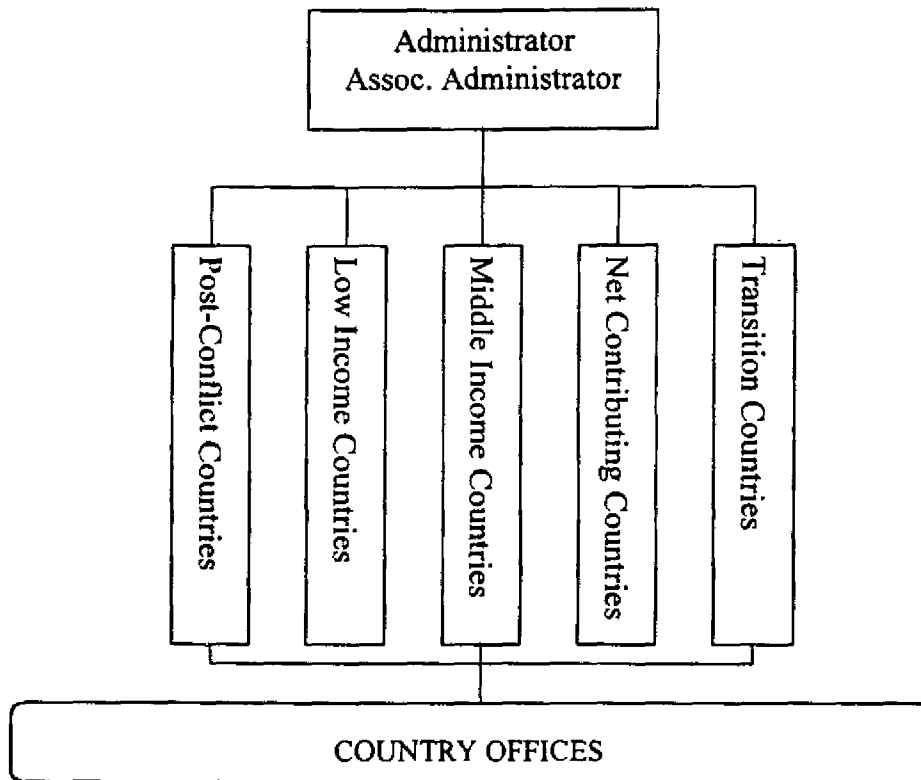


5.2 Schematic Representations of Possible Regional Bureaux Structures

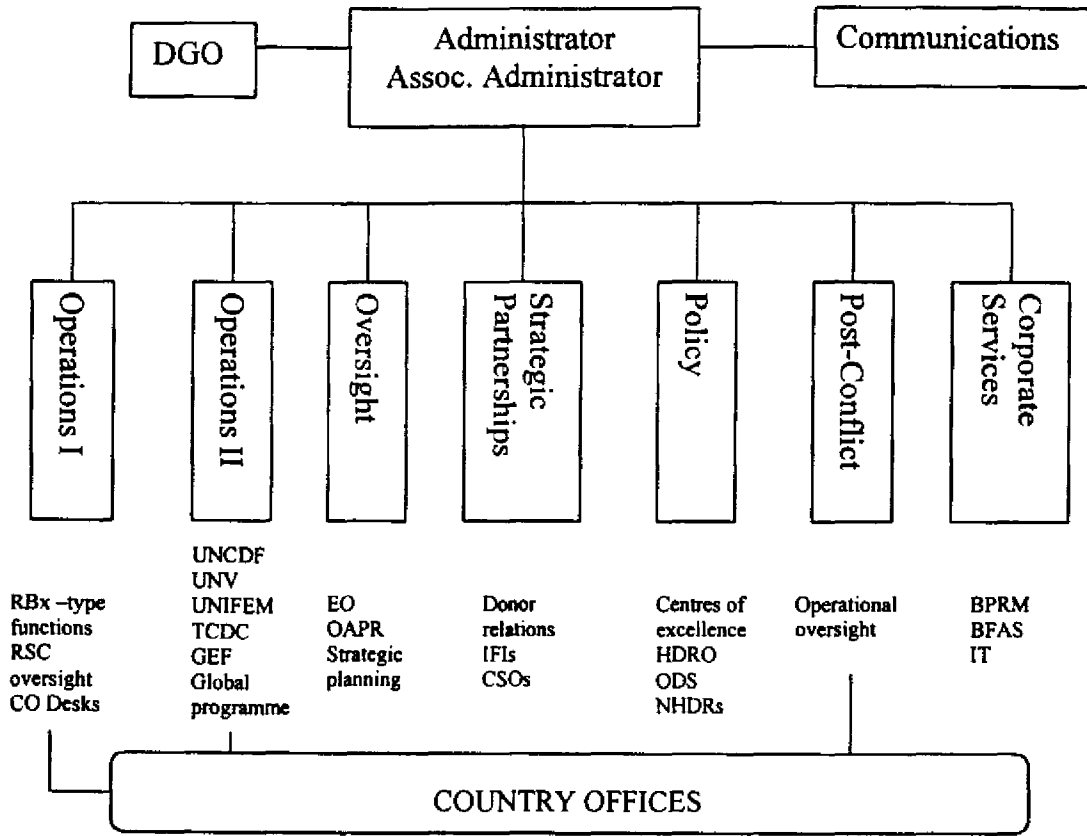
1. Existing Configuration



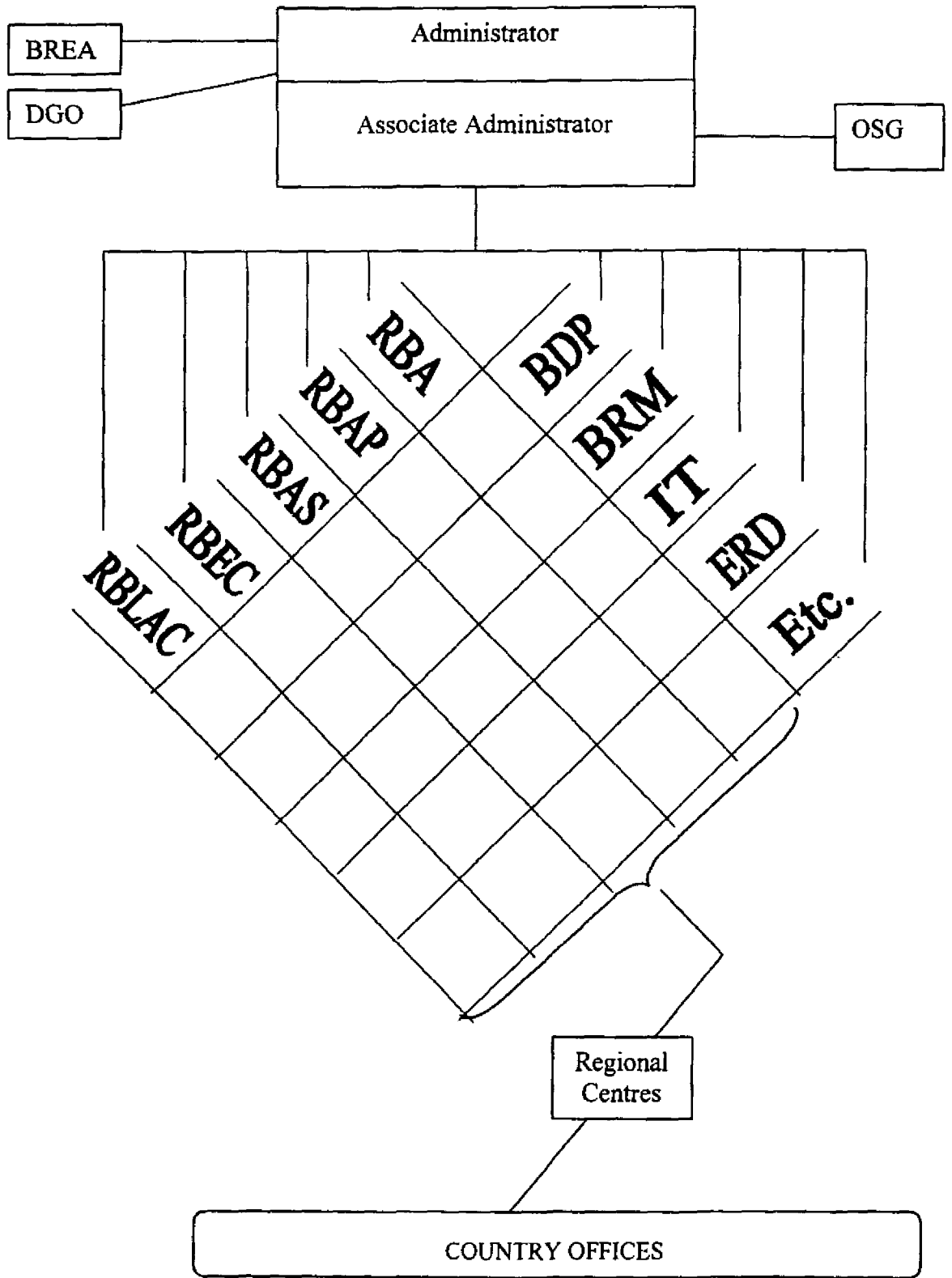
2. Typological Configuration



3. Strategic Configuration



4. Matrix Configuration



5. Decentralized Configuration

In some cases, elements of the above options could be combined. Retaining a regionally-oriented structure implies a later decision as to which functions of the structure should remain in New York, and which should be decentralized to the respective regions and sub-regions.

5.3 Regional Service Centers

Reporting lines

The RSCs would report through the Regional Bureaux. However, the corporate services provided through the RSCs would also have an element of functional accountability, in the sense that the corporate units responsible for those services will monitor the quality and the alignment of those services with central policies and guidelines.

Performance Planning and Evaluation

In the last quarter of each year there would be a planning exercise to determine which service areas should be prioritized for the coming year (this would be particularly important in planning the training schedule for the year, but also in terms of changes and improvements in administrative, financial and HR services). This should ideally be done through a cluster meeting of those offices covered by each RSC. If this is not possible for budgetary reasons, it should at the least be carried out electronically. The timing should be designed so that the outcome may inform the annual budget planning for the coming year.

On a semi-annual basis, there should be a 360° evaluation of services provided by the RSCs to country offices. The results of these evaluations should also be reviewed at the annual planning exercise.

Location selection criteria

- Good communications (both air and telecom)
- Quality and availability of services
- Level of personnel available locally
- Cost of services
- Stability of country
- Security
- Language spoken (relevant to servicing countries)

Initial possible locations

In discussion with the Regional Bureaux, the following were identified as initial possibilities for RSC locations:

RBA:	Côte d'Ivoire, Kenya
RBAP:	India, Fiji, Malaysia
RBAS:	Egypt, Lebanon
RBEC:	Slovakia
RBLAC:	Costa Rica, Panama

Modules

It should be possible for each RSC to build up to the level of functionality required individually as different components are added. For example, one RSC might start off with an existing SURF, and add the IT and training functions. Then some time later it would add on the other administrative and finance functions, and later still as parts of the Regional Bureau are decentralised, they would be added on, together with the regional programme, and so on. The sequence would naturally vary from RSC to RSC. For example, discussions with the Regional Bureau for Arab States indicate that it may be a good pilot for total decentralisation, making that region's RSC the most complete initially.

1. **Regional Programme:** Regional programme management could be clustered in the RSCs along the model of the Bratislava experience. In contrast to the other Regional Bureaux, in which the regional programme is managed from HQ, in RBEC all the regional programmes are clustered in Bratislava, bringing a synergy to the work of the various programmes. As their proximity allows a greater amount of interaction with the national programmes, they tend to be more responsive to national needs. The 360° evaluation would guarantee an accountability mechanism to ensure CO satisfaction. An alternative is for the RSC to have the overall responsibility for the management of the regional programme, although they might be located in a variety of countries, as best suits the individual programme needs.
2. **Knowledge networking:** The RSCs would build onto the work done by the SURF system on knowledge management. The focus of knowledge networking should be on learning and people sharing information. The core of networks already built up through the SURF system would be incorporated into a process of building communities of practice as part of the strategic corporate approach to facilitate "people networks", both internally among UNDP staff and externally with our development partners. As this requires intimate knowledge of a sub-region and country offices, it is logical to use the RSCs as an integral part of these networks.
3. **Training:** Current training activities are organised around the COs (and the very small budget allocations made for that) and headquarters-led initiatives, mainly also carried out at headquarters. In Bratislava, it has been found that much more could be achieved through the availability of a regional centre. First, there are economies of scale for training within a region in terms of travel, training materials, trainers, etc; second it is easier to develop a training programme which will coherently address the needs of a region than it is for all of UNDP; third, it has been found possible to maintain a staff development database that furthers the HR management of national and international staff in the region.
4. **Administration and finance:** See attachment for detailed analysis of those areas within the UNDP "back-office" functions with the potential for decentralisation.

5. IT: Each RSC would have fast LAN access to the Internet and outgoing web hosting capacity. Each RSC would have a professional LAN manager with proven experience including software development, and a webmaster, shared with the training facility. These specialists would be able to provide support as needed to the COs in the region. Their primary task would be to ensure that the systems and connections with COs needed for the knowledge networking and training components of the RSCs were developed appropriately.
6. Regional Bureaux: Should the option of the Regional Bureaux with some regionally-based devolution be selected, it would only make sense, in terms of economies of scale, to have these devolved Bureau structures share the RSC infrastructure.

Staffing and cost implications

Implications for the RSCs are composed of the infrastructure costs which are to some extent independent of the components to be immediately regionalised, and those costs and savings associated with each of the modules. These are listed below:

Infrastructure

Based on the average cost of a country office in each of the regions, the rough cost estimate for the RSCs would be as follows:

Region	Start-up costs	Annual budget
RBA	750,000	1,640,000
RBAP	750,000	1,777,000
RBAS	750,000	1,796,000
RBEC	---	731,000
RBLAC	750,000	1,800,000

The annual budget figures given, however, include staff costs, whereas the RSCs would likely be staffed from the component modules that are decentralized to them. Hence the operating costs would be reduced by about two-thirds.

Components

1. *Regional Programme*

Current cost of staff in Regional Bureaux Regional Programme Divisions:

RBA	\$622,500	Equivalent to	D1	P5	P4	P3	A5	A4	A3	G6	G5	G4	G3	
RBAP	\$963,100		3	6	2	1	1	1	2	1	3	4	1	
RBAS	\$450,000													
RBEC	\$86,100													
RBLAC	\$1,410,100													
Total	\$3,531,800													

These would be regionalised. It is likely that the only savings would be in the gain from local costs for GS staff. They would be offset up front by the separation costs for the staff unwilling to move.

2. *Knowledge networking*

The existing staffing for the SURFs would be transferred to the Regional Service Centres as an initial starting point. This is a complement of one P5, one P4, one NO, one GS and an approximate assignment of \$435,000 per region, with the exception of Asia, where there are two P5s and two P4s and an allotment of \$810,000.

A cost would only be incurred if a removal to another location were necessary.

3. *Training*

An estimated complement of one international and one national professional, together with one support post would be assigned to each of the Regional Service Centres. This would come to an approximate allotment of \$367,500 per RSC.

4. *IT*

The recommended IT infrastructure would be as follows:

RSC general

- Dedicated connectivity to the Internet, 128Kbps or above
- Switched 100 Mbps local area network for RSC staff and training facilities
- Server 1: file server, backup web and mail server
- Server 2: web and mail server, backup file server
- Intranet with document management system

Desktop stations a needed
Network printer
Scanner
Card scanner

Training facility

Built in LAN, 10 stations for up to 20 users + trainer station
Dedicated file and web server
Master monitor console for all stations
Video/Data projector, ceiling mounted
VCR
Printer
CD-ROM recorder
Video camera, ceiling mounted

The total estimated costs amount to: \$60,000 for each of the 7 RSCs, or a total of \$420,000 for start-up costs, plus an additional cost for connectivity and maintenance/replacement of about \$45,000 per year total, covering all seven RSCs.

In addition, those resources now assigned to the SRIM posts could be reassigned to the Regional Service Centres. This would mean the availability of the following posts:

RBA: six NOs (\$240,000)
RBAP: five NOs (\$200,000)
RBAS: two NOs (\$80,000)
RBEC: two NOs (\$80,000)
RBLAC: three NOs (\$120,000)

As these posts are already filled, the only additional cost incurred would be in a removal to a different location.

5. *Administration and finance*

Current potential decentralization focuses on the divisions of the Comptroller and Treasury. Between the two there is the potential (for which a full cost/benefit analysis has yet to be made) of decentralizing quite a number of functions and staff. Below is an illustrative table:

P4	P3	G7	G6	G5	G4	G3		
2	5	4	18	1	1	2	2,989,000	Comptroller + Treasury Current
2	2	3	5	-	-	-	1,239,500	Comptroller + Treasury Proposed
-	(3)	(1)	(13)	(1)	(1)	(2)	(1,749,500)	Difference

The above is the net difference to HQ posts and staff costs. This leaves 18 GS posts free. Assuming two at each of the RSCs, this would be a net gain of four GS posts. In addition, the proposed staffing would free up three P3 posts. There would be a substantial net gain in annual operating expenses, coupled with a high up-front cost due to separations and removals.

6. *Human Resources*

The TT recommendation indicates an initial period (for the 2000/2001 biennial budget) of centralised functioning. Should the RSC recommendation be approved, and the HR module of it staffed, the HR recommendation would need to be modified accordingly. The initial analysis made for the decentralisation of functions from OHR indicates a possible staffing of HR functions in RSCs of a total of seven P4s and seven GS.

7. *Regional Bureaux*

Below is an estimate of posts (core, non-core and project) that could be assigned to the Regional Service Centres from the Regional Bureaux. This estimate assumes a small core remaining at headquarters.

	D2	D1	P5	P4	P3	P2	NO	GS	ALD	
RBA	2	2	9	15	4		12	34	2	7,660,000
RBAP		2	4	8	1	1	9	19	2	4,363,000
RBAS		2	2	4	2		6	15	2	2,583,000
RBEC		3	3	4			6	18	4	3,208,000
RBLAC		3	2	5	3		7	18	12	4,353,000
Total	2	12	20	36	10	1	40	104	22	22,165,000

The cost of the international posts is almost identical whether they are in New York or in the respective regions. However, NO and GS posts would show a significant savings over the long run.

When deciding on implementation, it should be remembered that removal costs per person amount to approximately \$55,000. Further, the experience of the UNV move from Geneva to Bonn shows that most if not all GS staff would not move to other countries. Hence there would likely be a separation cost incurred up front for every GS post regionalised. This could be the case for some international professionals as well.

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8. Summary

Area	HR implications	Cost		Current Cost	Difference
		Start-up	Operating		
Infrastructure	---	3,000,000	2,555,520		
Regional programme	(1P, 1A)	1,774,000	3,316,000	3,531,800	(215,800)
Knowledge networking	---		2,610,000	2,610,000	---
Training	7P, 7NO, 7G	385,000	2,572,500	1,065,750	1,506,750
IT	---	420,000	765,000	720,000	45,000
Admin/finance	(3P, 4GS)	2,692,000	809,600	2,989,000	(2,179,400)
HR	---	973,000	1,225,800	1,612,800	(387,000)
RBx	---	12,641,000	17,248,000	22,165,000	(4,917,000)
Total	3P, 7NO, 3G	21,885,000	36,290,900	34,694,350	(6,147,450)

As may be noted above, the net difference to current operational costs is a decrease of some \$6 million (which does not yet include the full range of possible savings from the admin/finance areas). However, if we include the estimated operating costs of the office itself, the net operating savings is reduced to \$3,591,930. However, depending on the location for the RSC, operating costs may be reduced through the sharing of premises with other UN agencies.

When deciding on the implementation of this initiative it is important to note that full implementation entails an estimated up-front cost of nearly \$22 million. If other modules are to be added on (e.g. Crisis/Post-Conflict) this start-up cost could increase.

5.4 Crisis and Post-Conflict: Facts and Figures

The Emergency Response Division (ERD) receives 5% of UNDP core funds for CPC work under TRAC 1.1.3 allocation, nearly \$30 million for 1999; of which most is already programmed. Core resources are not stable, but current projections are for TRAC 1.1.3 to total \$24 million in 2000 and \$30 million in 2001. Some of these funds are already programmed. TRAC 1.1.3 funds still available between 1999 and 2001 are estimated to be \$32.7 million, but this may be an over-estimation given declining core funds. At present, TRAC 1.1.3 has assigned \$150 million to 213 projects in 81 countries. But there has been limited strategic oversight in the selection and management of these projects, again weakening UNDP's CPC effort despite its access to relatively ample funds.

ERD also controls five trust funds: \$32 million from Italy for development in CPC countries (most already allocated). \$400,000 from Sweden to develop UNDP's capacity in CPC. \$1.2 million for Disaster Reduction and Recovery (from the Secretariat). \$700,000 for Reduction of Small Arms Proliferation. And \$142,500 from Sweden to support RCs in CPC countries.

There are currently eight core posts in ERD. But of these only three are professional level, (one D-2 director, and two D-1 or P-5 deputy directors, one in New York and one in Geneva.) The other five core staff are G-level (three in New York, two in Geneva). There are also 24 project staff. Of these, six are professional level working on general CPC issues (making nine CPC general professionals in ERD, three core and six non-core). 11 other professional staff do only General Assembly mandated work in disaster mitigation and mine action, paid from Secretariat funds. The seven remaining project posts are GS level, four working only on mine action and disaster mitigation. Total annual for current ERD staff (core and non-core) in New York and Geneva is \$3,690,000.

In addition, there are 15 temporary Emergency Posts (often not temporary in practice) in CPC country offices that are formally managed by ERD, but practically controlled by either country offices or the regional bureaux. They are paid from the regular budget at an annual of \$1.9 million. There is also one core post in the Bureau for Development Policy and at least seven core and project staff in the regional bureaux that deal almost exclusively with CPC issues and countries.

This means that UNDP has at least 40 staff working on CPC in New York and Geneva in a variety of capacities. UNDP is spending over \$5.5 million for the 32 CPC staff in ERD and the 15 Emergency posts it manages in the field. If these salary resources and staff were networked and strategically managed, they would provide better support for UNDP's CPC work. Despite its apparent high number of staff, (32) ERD is lacking in professional core posts (only three at present). This is insufficient for the work it is asked to perform

5.5 List of Consultations

In conducting its work, the Transition Team relied heavily on consultations and material from a variety of sources, including the following:

- UNDP 2001
- Report on Governance for Human Development: A Corporate Strategy for UNDP, prepared by the Centre for Development Research, Denmark
- 1996 and 1999 Global Staff Surveys
- The results of the Multi-Year Funding Framework (MYFF) process
- Individual meetings with all levels of staff within UNDP
- Former Transition Team members
- Briefings and focus groups with headquarters units and Bureaux
- Staff Council and two general staff meetings organised by the Staff Council
- Advisory Group meetings with groups of former UNDP staff, NGOs and management consultants
- Consultations with a large number of visiting Resident Representatives
- Country visits to Bangladesh, Bratislava, Brazil, Bulgaria, Ethiopia, Guatemala, Lebanon, Namibia, Nepal and United Arab Emirates. This included meetings in each country with Governments, donors, NGOs, World Bank, UN agencies, media and UNDP field staff
- Executive Board
- Executive Committee and Expanded Executive Committee
- Meetings with Programme and Donor Countries in New York and London

We again thank all the people who contributed their time and ideas to the work of the Transition Team.

5.6 Glossary of Acronyms

BDP	Bureau for Development Policy
BFAS	Bureau for Financial and Administrative Services
BPRM	Bureau of Planning and Resource Management
CO	Country Office
CPC	Crisis/Post Conflict
CSO	Civil Society Organization
DESA	Department for Economic and Social Affairs
DRR	Deputy Resident Representative
EC	Executive Committee
EEC	Expanded Executive Committee
ERD	Emergency Response Division
GEF	Global Environment Facility
HDR	Human Development Report
IFI	International Financial Institution
IT	Information Technology
MYFF	Multi-Year Funding Framework
NGO	Non-Government Organization
NHDR	National Human Development Report
OA	Office of the Administrator
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OHR	Office of Human Resources
OSG	Operations Support Group
PAR	Performance Appraisal Review
RC	Resident Coordinator
RR	Resident Representative
UNDG	United Nations Development Group
UNV	United Nations Volunteers