Introductory Statement by Dr. Joan Clos

Executive Director’s Informational Briefing to the Committee of Permanent Representatives

(d) Organizational Review.

Agenda Item 5 (d)

HSP/CPR/43/5
Nairobi, 15 December 2011
Madam Chair,
Excellencies and distinguished delegates,

It is my pleasure to inform you that the internal change management process has been initiated in order to establish the new organizational structure, which is expected to go live in January 2012, subsequent to the briefing made at the 42nd CPR Regular Session on 7 September 2011 and the meeting of the Open-ended Contact Group on 26 September 2011.

As stated earlier, the purpose of the organizational review is to establish a structure capable of ensuring more effective and efficient delivery of UN-Habitat’s mandate at the country, regional and global levels and in this context, I introduced the following key elements of the new structure:

- Seven thematic Virtual Branches;
- Each Virtual Branch will have 3-4 Units composed of a number of projects with similar thematic character;
- Individual projects will have a Project Leaders to lead the Project Teams (Flex Teams). Teams include substantive/administrative staff, as required; and
- This project-based structure will be supported by various organizational entities such as Executive Direction, Management and Administration, Regional Offices and Project Office for project support.

Following the determination of the key reform components, the challenge for all staff has been to ensure a successful transition. Change management is defined as a structured process and set of tools for leading the change. Designing an effective change management strategy is crucial to ensuring the success of any reform initiative. In support of this, Ms. Paulette Woolf, Chief of Management Support Services, Department of Management, continued providing expert services to UN-Habitat through support missions to Nairobi in September and November 2011.

Through broad participation from UN-Habitat staff, criteria for measuring an effective transition to the new environment have been identified, and an implementation action plan with associated responsibilities, due dates, milestones, deliverables and dependencies was developed to serve as the blueprint to ensure that the ‘go-live’ date of 1 January 2012 will be met.

Excellencies,

As the implementation of the new structure will impact on virtually all aspects of UN-Habitat operations, the action plan identified the following key components, all of which are under active implementation by numerous task teams across the agency;

- **Change and Stakeholder Management** with particular focus on defining and implementing the change and transition strategies and implementation mechanism. The transition plan confirms the key tasks that need be in place by January 2012.
- **Administrative Processes** entail, among other things, a policy on cost accounting and cost recovery in support of the project based approach adopted by UN-HABITAT. This prescribes a standard methodology for assigning direct and indirect costs to substantive projects as well as cost centres. This contributes directly to UN-HABITAT’s goal of
enhancing transparency, efficiency and accountability in the attribution and management of its financial resources.

- **A Project Accrual and Accountability System (PAAS)** will support UN-HABITAT’s project based approach. It will provide both financial and qualitative information on the agency’s project portfolio, cost centres, agreements with donors and implementing partners and will facilitate project management including task and time management, and accountability and reporting to different target audiences. While the procurement of the software business solution is currently being undertaken, an interim solution is being developed for critical modules for delivery by January 2012.

- The **Personnel** component has looked into change requirements for job and task descriptions, reporting lines and accountability framework, performance management, among others. Skills inventory has also been finalized with an over 90% response rate across the agency and a crude gap analysis has been initiated to identify staff skills and gaps in each of the thematic areas.

- The **Project Methodology and Procedures** component has involved study of various key issues related to project management and implementation and has developed recommendations for further review, including roles of Project Leader, Unit Leader, Branch Coordinator while also exploring the methodology for setting up Flex Teams, for example.

- The **Strategic Planning and Reporting** component has led the consultative process of development of the strategic framework for 2014 – 2019. UN-Habitat Catalogue of Model Projects 2012-13 has been finalized.

- **A Communication Strategy** to support the oneUN-Habitat reform has been developed and is under implementation. Communication is also the cornerstone of the cultural change process and awareness raising.

- **Structural integration and alignment** looks into the roles and responsibilities of various organizational units, cross-cutting issues and resource mobilization, while also developing mechanism for capturing lessons learnt and best practices.

Considering that the launch of the new structure is imminent, the process of identifying staff for critical new assignments has been initiated, starting with the Branch Coordinators and the Project Office Director. The preparation of the Secretary-General’s Bulletin has been initiated pending the final decisions, such as the organizational chart.

**Excellencies,**

As you are aware, change management is not a stand-alone process with a given deadline, but a course of processes, tools and techniques for managing the people-side of change. The launch of the new structure in January will be a milestone of a longer term process, during which a phased approach will be applied. I expect that the transition period of approximately 6 months from January to June 2012 will allow the key change components to mature, and we will keep you informed of the progress.

I thank you very much for your kind attention.