



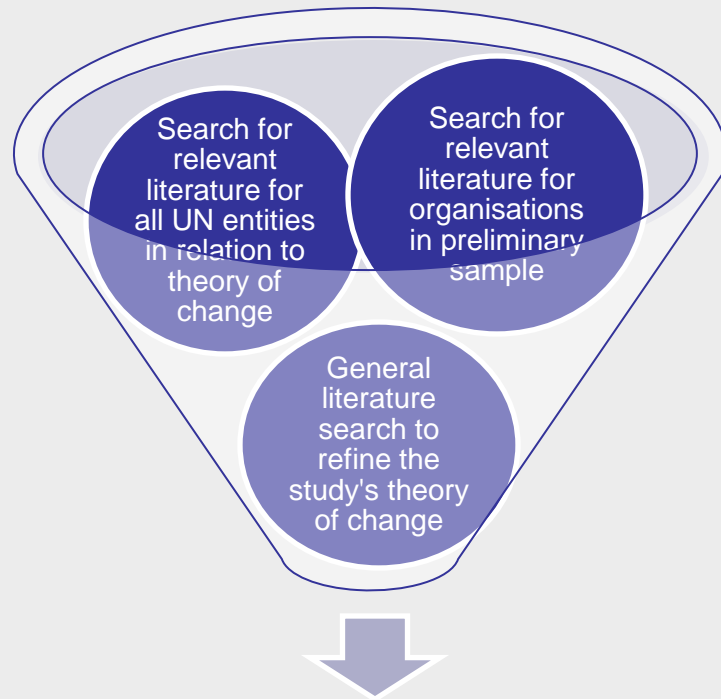
**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT
UN and Commonwealth Reform Study**

**Presentation of Conclusions and Recommendations
22nd February 2013**

Background to this presentation

- UNCD commissioned a literature review to answer the question: “What are the most effective means of achieving organisational change within the UN and Commonwealth agencies?”
- The study drew on what is known more generally about organisational change, while reviewing the available grey literature on developments in the multilateral system to help form theories on the best ways to influence desired change among UN and Commonwealth organisations.
- The full findings were documented in the main report (February 2013). This presentation summarises some of the key findings and conclusions detailed in the report.
- The study findings will be used to help UNCD refine its engagement and influencing strategies for each agency.

Study Methodology



Systematically refined study sample and search terms

- The study focused on a few prioritised organisations to delve into specific patterns of cause and effect, while also using a broader search to identify the most relevant evidence from general literature on the UN.
- Search terms were initially based on the researchers' understanding of the most prominent drivers and objectives of change common to UN, Commonwealth and similar organisations. They were continually reviewed and refined to reflect the major themes emerging from identified materials.
- The research identified around 400 resources. These were filtered using inclusion/ exclusion criteria to identify which documents best responded to the main research question. The researchers also developed a qualitative Utility Rating, scoring each resource according to their assessment of the quality and reliability of the source.
- The inclusion criteria were applied first to the prioritised organisations and to papers rated highly for utility. This focused attention on the resources of most use.

Putting the Evidence Base into Context

# of Items	Type	# of Items	Topic
96	Academic Article	10	2005 reform
16	Article/Speech	12	Commonwealth Secretariat
18	Book	3	ECOSOC
5	Book Chapter	17	FAO
8	Conference Paper	10	GFATM
52	Evaluation Internal	12	Multilaterals
43	Evaluation External	26	OCHA/CERF
7	Individual Expert	52	Other/other resource
12	Internal - Strategy/Planning	32	UN
12	Internal Policy	32	UN system
41	Internal Report	8	UN Women
2	Terms of Reference (TOR)	11	UNDG
11	Unidentified	36	UNDP
50	Website	8	UNEP
373	Total	37	UNICEF
298	Total less websites, books & individuals	10	WHO
Utility Ratings			
37	Utility 1	103	Utility 3
64	Utility 2	47	Utility 4

The most extensive coverage has been given to reforms of the UN system; relatively little attention has been given to change within specific organisations.

There has been relatively little academic work that is directly relevant to the study. Generally the study had to relate external documents (which tend to focus on the need for change) to internal reports.

Because of the fragmented nature of the evidence base, it was necessary to draw conclusions based on whatever causal relationships became apparent.

Underlying the concepts – the principles of effective change management

The report identified the following eight factors that can be considered to be essential to successfully achieving change.

Factor 1: Ensure the need	Develop a compelling vision that clearly shows why change is necessary and provides an overall direction for the process
Factor 2: Provide a plan	Transform the new idea or vision into a course of action with goals and a plan, identifying obstacles and remedial measures
Factor 3: Build internal support and overcome resistance	Create psychological ownership by disseminating critical information and encourage employee participation and feedback
Factor 4: Ensure top-management support and commitment	Establish an idea champion or guiding coalition to lend legitimacy to and marshal the resources required to achieve the change
Factor 5: Build external support	Gain backing from key external stakeholders, particularly those able to change the rules and control the flow of vital resources
Factor 6: Provide resources	Direct scarce resources towards essential new activities, in particular planning, communicating, training and redesigning
Factor 7: Institutionalise change	Ensure members of the organisation incorporate the new policies or innovations into their daily routines
Factor 8: Pursue comprehensive change	Develop an integrative, comprehensive approach to change that ensures all subsystem changes contribute to the desired outcome

Evidence of Change in UN & Commonwealth Organisations

- While change in the UN system has often been slow, there is evidence of progress being made in pursuing change in individual organisations, and that - where change is being achieved - to a significant extent this is often driven by the organisations themselves.
- The evidence suggests that successful change is dependent on strong leadership, as well as comprehensive and integrated planning. Similarly the evidence suggests that failure to achieve change generally reflects weak leadership or other deficiencies in commitment, or failures to institutionalise change.
- The evidence does not suggest a consistently strong relationship between the assessed effectiveness of an organisation and its success in executing change.
- The evidence suggests that external influence is most critical when organisations are struggling as a result of deficient leadership.
- The key determinant of organisational effectiveness and change agility seems to be a high degree of cohesion between external stakeholders and organisational leaders – and in the views and influences (financial and non-financial) of the external stakeholders.
- Cohesion among donors tends to be lacking where MOs have governance arrangements that dilute the relationship between financial donors and strategic decision making.

Evidence of Donors Influencing Change

- It is extremely difficult to discern the relative importance of internal and external influences from the literature.
- The Commonwealth Secretariat is an example of an organisation where the need for change has been identified primarily by external groups or assessments, but where necessary internal drivers of change seem to be lacking. This perhaps reflects its belief in the direction mandated by Member States, and a consequent hesitation to respond to any bilateral donor's direction.
- The evidence highlights the blurred relationship between MOs and their external stakeholders. The latter group is often distinctly heterogeneous, often comprising a combination of Member States, donors and other interested parties, in particular international NGOs. Differences in their vested interests will likely impact on their ability to influence as well as the MOs ability to effectively react.
- The available evidence demonstrates how difficult it may be for donors to influence change, or indeed for the MO's to themselves determine what changes to pursue. Overall the review highlights that the most powerful influence seems to be that of the member states.

Evidence of how Donors can Best Influence Change

- The focus of much of the literature is on the nature and impact of different forms of funding on UN entities, much expressing concern over how trends away from assessed to voluntary, and from core to non-core, funding is effecting their performance.
- Key themes to emerge are that: increased competition for funds can reduce cooperation among MOs, thus adding to the problem of insufficient coordination; when organizations cannot count on a reliable flow of resources, it is difficult to engage in long term planning or projects that address underlying problems; and while over-reliance on earmarked funding adds to the proliferation of aid activities, core funding supports flexibility as well as MO capacity to respond to the needs of recipient countries.
- Some voluntary/non-core funding mechanisms (such as Multi-Partner Trust Funds) are considered both predictable and appropriate, having the potential to provide an efficient and targeted response to aid challenges.
- Unfortunately there is limited available evidence clearly articulating the link between funding modality and organisational performance and/or ability to change. What does exist indicates that it is the combination of governance involvement combined with the approach to voluntary funding that is the critical determinant of donor impact on MO behaviour, and that coordinated involvement by donors, rather than bilateral engagement, may well offer the best returns on investment.

Relating the principles of effective change management to the role of a donor

Three Stages in the Cycle of Donor Engagement with MOs	Stage 1: Help build a shared vision of the future state	Factor 1	Ensure the need
		Factor 5	Build external support
		Factor 4	Ensure top-management support and commitment
	Stage 2: Support the organisation in establishing a framework for effective change	Factor 2	Provide a plan
		Factor 6	Provide resources
	Stage 3: Help reinforce the change effort	Factor 3	Build internal support and overcome resistance
		Factor 8	Pursue comprehensive change
		Factor 7	Institutionalise change

Influencing Organisations

- The major opportunity for external stakeholders exists in stage 1 and, to a slightly lesser extent, in stage 2. As emphasised by the Principal-Agent theory, the MO benefits from greater access to information in particular during stage 3 and existing methodologies for assessing MO performance do not yet adequately address this bias.
- During Stage 1, the most significant changes tend to be associated with some overwhelming external influence, such as a major conflict or humanitarian disaster. The implication is that no single donor (or other stakeholder) is likely to be able to cause substantial change within an MO, unless it is pursuing aims consistent with these more transformative influences. The evidence also highlights the advantages of collaborating where possible with the wider stakeholder group (including NGOs, representatives of civil society, etc.). Focus during Stage 1 should thus be on how to make the partnership work, recognising that change in UN organisations must have Member State buy-in.
- In Stage 2 the critical role of donors emerges as being ensuring that an effective and adequately resourced plan is in place. The aim should be to ensure that funding is provided in a way that is consistent with the expectations being placed on the MO.
- The availability of more effective assessment methodologies is crucial to effective engagement during stage 3.

Conclusions

- Based on this assessment of the evidence, a preliminary framework of donor influence on MO change can be conceived.
- This highlights the critical levers that are available at the various stages of engagement, aligned to the theory of change that has emerged from this study.
- Given the gaps in the evidence that is currently available, this represents a reasonably robust proposition, rather than a finished piece of work.
- This preliminary framework is illustrated on the following slide.

Conceiving a framework of donor influence

Stage 1: Help build a shared vision of the future state	Ensure coherence in the views and methods of influence of donors and other external stakeholders	Ensure the need	Promote good governance and committed leaders	Work with the organisation to create a vision that will inspire necessary development results
		Build external support		Support the creation of shared goals and objectives among external stakeholders
		Ensure top-management support and commitment		Get behind chiefs with the commitment and capacity to drive through necessary change
Stage 2: Support the organisation in establishing a framework for effective change		Provide a plan	Provide funding in a way that enables change	Ensure that a well specified, practical plan is in place, combined with the capacity to manage it
		Provide resources		Ensure that the organisation is able to direct necessary resources to change efforts
Stage 3: Help reinforce the change effort		Build internal support and overcome resistance	Develop and employ a single method for measuring change	Ensure the plan encourages inclusive participation & measures levels of engagement
		Pursue comprehensive change		Ensure the plan promotes integrated change across the relevant parts of the organisation
		Institutionalise change		Seek evidence of necessary change in structures, processes and behaviours