

Annex 10 Administration of the UNAIDS Secretariat***Evaluation Question***

This involves evaluating how the administration and business practice of the UNAIDS Secretariat has evolved since its creation, including its institutional relationships with WHO and UNDP, and whether it has been flexible and creative enough to keep up with the changing pace and types of demands that have emerged over time, including transfer of resources to countries. Patterns and processes of staff deployment and management will need to be examined.

1 Introduction

1.1 The overall effectiveness of the UNAIDS Secretariat's operations is linked to the efficiency with which its finances and human resources are administered. However, administration in the secretariat is complex and for clarity it is necessary to differentiate between the administrative systems used, those who use the systems and which administrative policies are applied.

1.2 The secretariat maintains its own cadre of staff, based in the Geneva headquarters and in regional and country offices, who deal with both human resources (HR) and financial administration and therefore are the users of the systems and policies. These administrators, and other secretariat staff, use two administrative systems, each based on its own rules and regulations, as the secretariat has administrative agreements with both WHO and UNDP. These arrangements are 'historic' and have never been evaluated or questioned.

1.3 This means that the secretariat operates two sets of rules and regulations for its staff, depending on whether they are on a WHO (all internationally recruited and some country recruited staff) or UNDP (some staff recruited at country level) contract. It also means that moves to improve administrative efficiency or effectiveness often would require negotiation with either WHO or UNDP, as they would require changes in how the systems are used. The secretariat also operates its own paper-based performance appraisal system, based on the International Civil Service Commission's framework and implements its own administrative policies and procedures in the areas of mobility, diversity and work-life balance.

1.4 Key events in the development of management and organisation in the secretariat over the evaluation period are shown in Table 1 below.

Table 1 Key events in the development of management and organisation in the UNAIDS Secretariat 2003-2008

Year	Key events
2002	13 th meeting of the UNAIDS PCB in December 2002 recognises the need for specific improvements in UNAIDS' functioning at country level and endorses broadening the function of the Country Programme Adviser (CPA) to UNAIDS Country Coordinator (UCC).
2003	Secretariat produces a plan in June 'Directions for the Future: Unifying and Intensifying Country Support' which identifies commitments to deploy additional financial and staff resources to strengthen the capacity of the UN system to support countries in the areas of: M&E; resource mobilisation and tracking; policy advice and technical services and partnership development,

Year	Key events
	particularly with civil society and the private sector. It also identifies countries where UCCs will be posted.
2004	ATLAS ERP introduced by UNDP in January.
2005	UNAIDS Secretariat decentralised its management and sets up Regional Support Teams (RSTs) in all regions, replacing existing Inter-Country Teams, to provide management support to the UCCs and UN Theme Groups on AIDS. Devolution of programme planning, implementation and monitoring functions from HQ to country and regional offices. Seven RSTs established to replace and widen the work of the Inter-Country Teams.
2006	Programme Support Department's functional review in October completed but recommendations not implemented.
2007	Splitting of Deputy Executive Director function into two Branches: (i) Management and External Relations and (ii) Programme. The Programme Branch brought together the 'line' functions in technical and operational support to field operations (regional and country) with the reporting, research and M&E functions. Management and External Relations brought together the 'staff' functions that underpin all of UNAIDS' work including resource mobilisation, communication and UN and Board relations with resource management functions of budget, administration and finance, human resource management and information management and technology.
2008	GMS ERP introduced by WHO in July. Freeze on increase in creation of new posts at Secretariat HQ; senior management decides to cap the number of staff at exceed 312. MoU setting out Working Arrangement with UNDP revised in July.

2 The administrative relationships with UNDP and WHO

Description of the administrative relationship with WHO

2.1 The origin of the relationship with WHO reflects the way that UNAIDS was set up, since it was created from a programme within WHO, with activities and staffing being shifted over to the new institution. Protecting the acquired rights of the former WHO staff was an important issue at the time. Administratively, it was therefore easier to continue to administer the pay and benefits of UNAIDS staff under the existing systems rather than consider alternatives. Currently, administrative services provided by WHO, under a series of formal and less formal agreements in different subject areas, include:

- a) Some services in Geneva relating to the normal sharing and pooling of services among UN organisations in the same duty station; these include services related to building space and management, security services, and health services.
- b) A number of important services are received from WHO in the human resources area, with all UNAIDS Secretariat HQ staff, international professional staff based at regional and country level and on staff contracts, and some country level national staff¹ being under WHO Staff Regulations and Rules, and having their contracts administered through WHO; this includes payroll, some aspects of contract administration, health insurance, use of appeals and disciplinary machinery, and the Ombudsman.

¹ Interviews with staff in some country case studies suggest that increasing numbers of national staff in country offices are being transferred to WHO contracts, as it is easier to promote such staff under the WHO system than with UNDP.

- c) In the area of finance and administration, services provided by WHO include treasury and risk management, recording of contributions, accounting, claims examination, payments, contracting and procurement, building management, security, telecommunications, mailing and other services related to general administration. In addition, internal audit and oversight services are provided by WHO and external audits are coordinated for the secretariat. Legal services are partly provided by WHO and due process assurance is provided by WHO's contracts review committee.
- d) Services in the IT area have been reduced to network services for the new UNAIDS/WHO Secretariat building in Geneva. UNAIDS and WHO also share a data centre room in this building.
- e) Services that overlap between administration and IT include telephone services and a shared contract for multi-function print/scan/fax in Geneva.

2.2 The most important shift in this relationship has been the introduction of an ERP² (the Global Management System) by WHO on 1st July 2008. This has changed how some of the services identified above are delivered, although secretariat country offices still did not have direct access to the ERP as of the end 2008, so increasing their transaction costs, as they continue to rely upon staff based in Geneva to process information for them.

Description of the administrative relationship with UNDP

2.3 In the case of UNDP, the secretariat needed a mechanism at country level to contract staff and manage their pay and benefits, and to handle finances. Limited WHO country presence meant that it was not possible to use WHO systems. It was therefore logical to use existing UNDP country office capacity, rather than create a new administrative apparatus. This is a common arrangement within the UN, with UNDP providing such administrative services to most of the smaller agencies. The original agreement was signed in 1996 and updated in June 2008 – an unusually long period with no revision in the opinion of UNDP staff. Administrative services provided by UNDP include:

- a) Services in country offices in the financial area – committing and disbursing funds, recording and accounting expenditures on behalf of the secretariat; procuring goods and services, and a range of administrative support services for secretariat offices and programmes. UNAIDS Secretariat country offices have limited administrative and financial capacity and do not operate bank accounts.
- b) Contracting and administration of locally recruited secretariat personnel – general support staff, some UNAIDS National Professional Officers and international staff on consultancy contracts (Special Service Agreements (SSAs)), on UNDP contracts and in accordance with UNDP Regulations, Rules and policies, with all the related processes and administrative instruments; security services; learning and training activities.
- c) Access to the ATLAS ERP system used by UNDP and its country offices; ATLAS was introduced in January 2004 and therefore has been in use through most of the evaluation period.

² ERP stands for Enterprise Resource Planning and is a way to integrate the data and processes of an organization into one single system. Usually ERP systems will have many components including hardware and software, and in order to achieve integration, most ERP systems use a unified database to store data for various functions, such as HR and financial administration, found throughout the organization.

Has the provision of administrative services by WHO affected the efficiency of the secretariat's operations?

2.4 In general, both WHO and secretariat interviewees agree that the relationship works relatively well and that a productive *modus operandi* is in place, which has allowed the secretariat to maintain independence. However, there is a widespread perception among secretariat staff that WHO rules and regulations are inflexible,³ although they do not diverge significantly from those applied across all UN agencies. Interviews with senior administrators in WHO and the secretariat suggest a more complex situation, where:

- WHO's rules and procedures have developed organically over an extended period of time and have not been rationalised or fully documented and are overly complex.
- Introduction of the ERP in 2008 rapidly showed that a detailed understanding of the rules and procedures mainly resided with a cadre of Administrative Assistant staff in both the secretariat and WHO and was not otherwise widespread.
- Neither WHO nor the secretariat provided adequate written guidance to secretariat staff on how rules and procedures should operate until late in the evaluation period. This is confirmed by a key finding of the 2006 Accenture functional review⁴ that '*staff awareness and alignment on processes, policies, etc. is insufficient*'. However, it could also be inferred that managers within the secretariat did not see understanding the rules and procedures to be an important function, since much of the work was delegated.
- In consequence, systems are viewed as inflexible by managers who have not understood how to apply them efficiently and transaction costs are higher, in particular as processes often have had to be repeated when mistakes come to light.

2.5 Senior secretariat administrators acknowledge that insufficient investment had been made in training staff in applying the rules and procedures. Towards the end of the evaluation period the secretariat has increased training, partly driven by introduction of the WHO ERP, which requires managers to understand the rules and procedures. Interviews in Geneva suggest that while progress has been made in training staff to use the financial systems according to rules and procedures and in provision of written guidance, there has been less progress in the area of HR, partly because the challenges have proved more daunting and partly because a significant number of positions within the HR department remained vacant as of the first half of 2009. These findings were confirmed by views expressed at country level.

2.6 In the short-term, introduction of WHO's ERP in mid-2008 has undoubtedly led to a significant degradation in administrative efficiency, although the situation is complex and improving. Frustration with how the ERP operates and the time required to correct faults was a consistent issue raised by secretariat staff in countries visited (staff in-country still do not have direct access to the ERP) and at headquarters. Problems with the new system have also severely affected recruitment of staff in Geneva and significantly delayed recruitment of both the new UCC and the M&E Advisor in at least one case study country.

2.7 However, as of early 2009, administrative efficiency in processing financial requests reportedly exceeded that found before introduction of the ERP, although it had still to achieve the

³ In this context, WHO's systems need to be compared with those of other UN agencies, since as a part of the UN, the Secretariat has no option other than to follow the broad administrative policies and approaches applied across all UN entities.

⁴ Accenture (2006) Functional Review of the Program Support Department. Report prepared for the UNAIDS Secretariat, 23rd October 2006. Page 6.

full anticipated efficiency gains. Evidence of efficiency gains for administration of HR activities is unlikely to be seen before late 2009. The real test of whether the ERP can deliver anticipated efficiency gains will come in late 2009, with entry of data related to the 2010-2011 UBW. In this context, it is also important to note that introduction of the ERP does not appear to have been used as an opportunity to re-engineer and simplify business processes – although this was out of the control of the secretariat and is a missed opportunity by WHO management.

Box 1: Experience of introduction of WHO's ERP

Lessons learned summarised below are taken from WHO (2008) Management Reforms: Review of Progress. Report by the Secretariat to the Programme, Budget and Administration Committee of the Executive Board. EBPBAC9/2. 11 December 2008

4. The first months have proved difficult. Issues have included clearing a backlog of transactions, including those created during a 'freeze period' before implementation of the system. Furthermore, although a significant effort went into verifying the initial data to be entered into the system, there has still been a need for ongoing work to correct some of these data. Numerous bugs relating to the processing of transactions were detected after the system started. One example of the impact of such issues has been delays in payments to contractors and in some cases to temporary staff or to other staff whose payroll status has changed. At the time of writing, there remain continuing problems and a major effort is being made to resolve them. A further update will be given orally to the Committee.

5. Concurrently with implementation of the Global Management System, the Global Service Centre in Malaysia became operational. The centre is responsible for processing administrative transactions in the areas of human resources, payroll, procurement and accounts payable for the offices that have implemented the system. Some of these services are already being provided by the Global Service Centre to all WHO offices globally.

6. Before implementation of the Global Management System, intensive training was organised for staff in the Global Service Centre and the centre's staff also participated in testing of the Global Management System. This was a steep learning curve and, in addition, once the centre became operational, a backlog of legacy system cases and system problems (requiring manual workarounds) slowed the processing of new transactions. There were still some backlogs of transactions outstanding at the time of writing.

Has the provision of administrative services by UNDP affected the efficiency of the secretariat's operations?

2.8 The original Memorandum of Agreement (MoU) between UNDP and the UNAIDS Secretariat was signed in 1996 and only updated in June 2008. Therefore, the original MoU was in use through most of the period covered by this evaluation. Throughout this period, and against what could be considered good practice, there has been no Service Level Agreement between UNDP and the secretariat setting out the service standards that UNDP would be expected to achieve in return for its fee. Whilst there was also no such Service Level Agreement between WHO and the secretariat, there is between the secretariat and the commercial Global Service Centre based in Kuala Lumpur, which manages the WHO ERP.

2.9 Under the original MoU, problems with the provision of administrative support from UNDP were identified in three areas:

- A lack of clarity on the roles and responsibilities of the secretariat and UNDP for the management of services, particularly in terms of clearly specifying:

- The role of the secretariat managers in managing locally-recruited staff and other resources.
- The status of the UNAIDS secretariat locally-recruited staff and other locally-recruited personnel: which policies apply to them, and what the precise role of the UCC should be in decision making concerning such staff.
- That staff, although on UNDP contracts, are secretariat staff. Many staff experienced confusion as to their contractual status and identity, and were uncertain whether they were UNDP staff, UNAIDS Secretariat staff, or a hybrid. This did not contribute to a sense of well-being and team spirit in many UNAIDS Secretariat country offices.
- The precise role of secretariat managers in decision making concerning financial and administrative issues.
- That authority to determine what, when and how funds are spent rests with UNAIDS Secretariat.

These problems have been addressed in the new MoU, which formalises and makes explicit the roles and responsibilities of staff in UNDP and the secretariat. Secretariat headquarters staff report a decrease in complaints over these issues since introduction of the new MoU.

- How to accommodate the varying range of support services required by individual secretariat country offices. The 1996 MoU was not very specific about the services to be delivered by UNDP and these have evolved over the past 11 years. This problem has been addressed through increased use of national level MoUs covering payment/management for these extra services.
- Quality control for financial data entered into ATLAS (UNDP's ERP). Since ATLAS was introduced in January 2004, secretariat staff may have prepared the data on their own paper-based systems but UNDP staff have been responsible for its entry into ATLAS. This has led to tensions in identifying who is responsible when the wrong data is found in the system, because correcting errors is time-consuming, can delay action and incurs further financial charges. The secretariat states that it will pay for staff to have full access to ATLAS in the future, but have not yet agreed when with UNDP.

2.10 Evidence from the 12 countries visited confirms that introduction of the revised MoU has helped to clarify roles between the secretariat and UNDP management in most cases. However, in two countries, the MoU has still to be fully implemented and problems persist. UNAIDS Secretariat country offices were consistent in reporting that lack of direct access to ATLAS is the remaining significant issue. Two country offices report having appointed Operations Officers since 2006 who have direct access to ATLAS and that this has significantly improved administrative efficiency, while a third states that problems have been resolved as UNAIDS Secretariat and UNDP staff are co-located. Secretariat senior management should therefore consider funding⁵ full access to ATLAS for all country staff as a matter of urgency.

⁵ UNDP pays a license fee to People Soft, the company owning the basic software in the ERP, which is based on the number of people using the ERP. Therefore, allowing Secretariat staff direct access would mean that UNDP would need to pay more for the license and under their rules, the Secretariat must bear this marginal cost increase.

3 The costs of having multiple administrative systems

3.1 The secretariat plans to phase out use of the paper-based performance assessment system in the near future. Challenges with using the WHO ERP are likely to be temporary in nature. Once fully operational, the major rationale for maintaining agreements with both WHO and UNDP would become less valid, as the WHO ERP allows for long distance administration even of remote locations. At this stage, moving to a single system for the entire organisation would make sense, as it would address the main complaint of administrative and management staff at country level, which is the need to manage using two different systems. Major problems with the present situation highlighted by country visits and interviews at headquarters level included:

- Those on WHO contracts are perceived as having more rights and privileges than those on UNDP contracts. This applies particularly in the area of staff recruited for programmes as technical personnel, as the secretariat has struggled to define and apply a consistent policy in this area, so causing confusion and resentment.
- The difficulty encountered by many staff when engaging in an activity which requires using both administrative systems and ensuring a smooth transfer from one to the other. Examples of difficulties in this area include:
 - Dealing with a case of harassment or discrimination between two staff members on WHO and UNDP contracts. In such cases, investigation involves running the process through both sets of administrative procedures and increases ambiguity since neither is designed to accommodate such a scenario.
 - Transferring funds from Geneva to fund country level activities, which can incur administration charges under both the WHO and UNDP systems.
- The costs of developing training and guidance material for two different systems.
- Lack of clarity over which administrative procedures to follow under which circumstances.
- The risk of ‘double cost recovery’, see Box below.

Box 2: Double cost recovery in the UN⁶

If UNDP is acting as Managing Agent for a joint programme in which UNICEF is a participating organisation contributing from non-core resources, UNICEF headquarters would recover incremental indirect costs in order to contribute to its support budget (typically 7-12 per cent), and an additional cost recovery fee (5-7 per cent) will be charged by UNDP. However, if UNICEF core funds were available for the joint programme, there would be no initial recovery charged, and the total cost recovery rate would remain that recovered by UNDP, between 5-7 per cent.

4 Transfer of resources via the Programme Acceleration Fund (PAF)

4.1 PAF funds are designed to be used by UN organisations to make a strategic contribution to the efficient and effective scaling up of the national response. Approximately US\$16 million of UBW inter-agency funding has been allocated to the PAF in each biennium from 2002-2003 onwards, which with inflation suggests a real decline in the level of PAF funding over the

⁶ Example drawn from UNDGO (2006) Enhancing the Effectiveness and Efficiency of Joint Programmes - Lessons Learned from a United Nations Development Group Review. UNDGO, NY, March 2006, page 18.

evaluation period. From the 2004-2005⁷ biennium, PAF funds have been split between Part A and Part B funds, with the percentage of total funds allocated under the Part A increasing from 50 per cent in the 2004-2005 biennium to 60 per cent in subsequent biennia. Countries identified as priorities are allocated a sum from Part A funds, subject to their proposal meeting the criteria set for the PAF, but the number of priority countries has increased from 55 in 2004-2005 to 78 in the 2008-2009 biennium (effectively most countries in which joint teams operate). All countries may apply for funds from the Part B allocation.

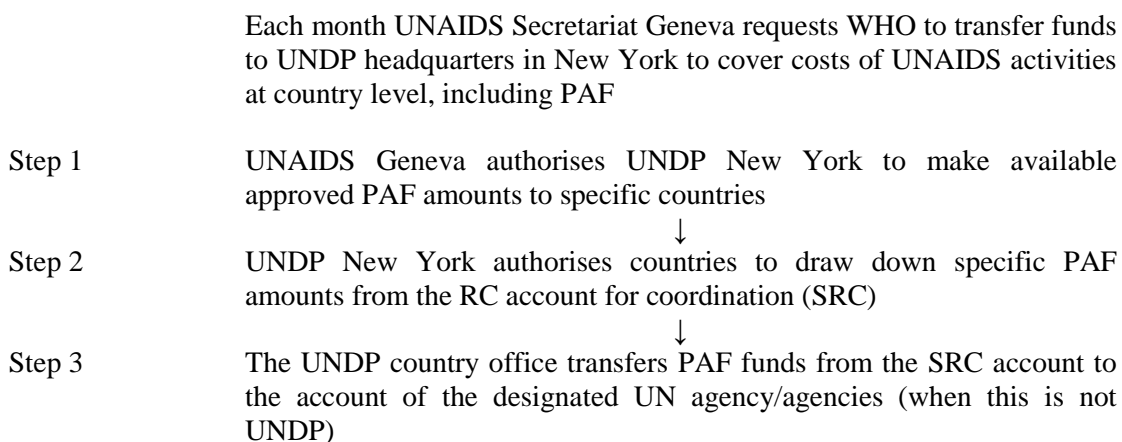
4.2 A Guidance Note is issued at the start of each biennium which lays out how the PAF process will be managed and administered and the criteria for use of PAF funds. Recommendations made by the review of the PAF between 2002 and 2005⁸ have been implemented.

4.3 Across the 12 case study countries, four reported that the PAF process was generally administered efficiently and there were no great problems. However, some countries reported problems that have been identified elsewhere. These include:

- The slow transfer of funds from Geneva and their disbursement at country level. This was highlighted in eight of the 12 countries.
- The system being too bureaucratic and time-consuming relative to the level of funds available. This was highlighted by cosponsors in seven of the 12 countries and has resulted in some cosponsors, most consistently UNICEF, not using PAF funds unless it is possible to secure over US\$100,000.
- Speed of the approval process. This was highlighted in six of the 12 countries as an issue.

Timely transfer of funds

4.4 The timely transfer of funds from the centre has been a concern throughout the evaluation period. During this period, between 80 and 95 per cent of PAF funds have been transferred using the RC channel.⁹ Transfer of funds to the implementing agent, using this approach, is a complex process, as illustrated below:



⁷ In the 2004/05 there was also a small Part C component that was discontinued in later biennia.

⁸ HLSP (2007) Programme Acceleration Funds Review and Impact Assessment 2002-2005 – Synthesis Report. Report prepared for the Country and Regional Support Department, UNAIDS Secretariat, January 2007.

⁹ The alternative mechanism is for the funds to be directly transferred from UNAIDS, using WHO's systems, directly to the concerned UN agency.

Step 4 The UN agency transfers funds from its account to accounts of national implementing partners

4.5 The process above involves transfer of funds using the differing administrative systems of up to five different organisations – the UNAIDS Secretariat, WHO, UNDP, another UN agency in country and the implementing organisation in country. For channelling PAF type funds through the SRC, UNDP will charge 2 per cent at headquarters level [step 2]. UNDP country offices can charge up to 3 per cent to administer the funds [step 3]. The designated UN agencies at country level normally charge 7 per cent as cost recovery [step 4]. Therefore the total overhead can be up to 12 per cent. In situations where it is more efficient to transfer funds from UNAIDS Geneva directly to the headquarters of a designated UN agency – and there are no benefits or synergies from managing the PAF through the SRC – this is done. In these cases UN agencies will charge up to 13 per cent as cost recovery.

4.6 This fund transfer system has not altered substantively during the evaluation period, although UNDP headquarters now inform the PAF Committee in Geneva when funds have been transferred to the country office, which in turn informs the UCC. This allows the UCC and others to ensure that they follow up with the country office and so eliminates one blockage, which was that UNDP country offices often failed to inform the UCC and joint team about when funds had been received. Records are unavailable on the average speed of transfer in the 2002-2003 to 2004-2005 biennia, but in the 2006-2007 and present biennium fund transfers have on average taken four weeks. The 2008 PAF Management Sheet reports that slow transfer of funds and disbursement of funds at country level remains an issue, but otherwise the administrative process works efficiently.

Speed of the approval process

4.7 Significant change in the approval process has occurred since the 2002-2003 biennium, although not always driven by the need to increase the efficiency of the administrative process, as shown in Table 2 below:

Table 2: Changes in PAF management and administration

Biennium	
2004-2005	Proposal approval carried out by central PAF Committee with representation from only UNAIDS Secretariat and WHO. Introduction of ATLAS by UNDP which affects process for transfer of funds to country level. PAF allocation split in Part A, B and C.
2006-2007	Greater responsibility given to RSTs for proposal review and approval processes. Establishment of RST-PAF Committees, with membership of five people, and representation from both the secretariat and the cosponsor agencies. Introduction of rule that funding in this biennium is contingent on complete and acceptable report on how 2002-2003 PAF funds were used and acceptable interim report on use of 2004-2005 biennium funds.
2008-2009	Approval process for PAF Part A delegated to the UCCs.

4.8 The changes, which have focused on the engagement of the cosponsors in the approval process and the delegation of approval authority first to the regional and latterly to the country level, can be seen as the correct response to the diagnosis presented in the review of the PAF

between 2002 and 2005, which concluded:

“Many of the implementation issues surrounding PAF lies around the complex relationships that UNAIDS has with its cosponsors, and the form and structure that UNAIDS has as a Secretariat at global and country levels.”

4.9 The PAF Management Sheet for 2008 reports that establishment of the Regional PAF Committees has improved the quality of PAF proposals, respect for administrative requirements and increased involvement of regional cosponsors, so increasing the number of proposals accepted at the first review.

Weak monitoring at all levels

4.10 Late reporting of results from the country level has been a challenge, exacerbated in some instance by slow transfer of reports from the regional to global level. In addition, the PAF Management Sheet 2008 reports limited involvement of cosponsors in monitoring and support for implementation by partners at country level. Several approaches have been adopted to try to enhance reporting and monitoring of implementation, including:

- Introduction from the 2006-2007 biennium of a rule that funding is contingent on a complete and acceptable report on how 2002-2003 PAF funds were used and an acceptable interim report on use of 2004-2005 biennium funds.
- Progressively greater emphasis in guidance issued for successive biennia on the requirement for reporting.
- Development of a PAF management monitoring database and templates.

5 Staffing and the efficiency and effectiveness of HR management

Patterns of staff deployment within the secretariat

5.1 In total, the UNAIDS secretariat in late 2008 had approximately 1,000 staff although, as with most organisations, it is difficult to precisely identify the number of staff. This estimate is based on the number of existing WHO contracts (see Table 3) and records of staff at country level on UNDP contracts administered out of Copenhagen (in late 2008 there were 250 such staff). Evidence from the country visits and interviews in Geneva also suggests that there is an unknown additional number of people carrying out what are effectively staff jobs but not registering under the WHO or UNDP systems. Such staff are mostly either contracted on UNDP Special Service Agreement (SSA) contracts¹⁰ or are Junior Professional Officers (JPOs) or similar.

5.2 As shown in Table 3, the Secretariat has seen both a rapid increase in staff on WHO contracts and an increased presence of such staff at regional and country levels. However, the Executive Director froze the number of posts at secretariat headquarters level in late 2008, as continued expansion would have necessitated renting further office space in another building.

¹⁰ An SSA is a contract for procurement of services and not the same as an employment contract.

Table 3: Number of UNAIDS Secretariat staff on WHO contracts, 2003-2008

	Geneva	% increase over previous year	RST	% increase over previous year	Country	% increase over previous year	Total	% increase over previous year
Apr-03	249		45		87		381	
Nov-04	216	-13.2	48	6.6	212	143.7	476	24.9
Nov-05	293	35.6	90	87.5	195	-8.0	578	21.4
Nov-06	301	2.7	87	-3.3	246	26.1	634	9.7
Nov-07	311	3.3	95	9.2	246	0	652	2.8
Nov-08	334	7.4	120	26.3	261	6.1	715	9.7

Source: UNAIDS Secretariat

5.3 A strategy for expansion at country level was developed by the secretariat for 2003-2005, called 'Directions for the Future: Unifying and Intensifying Country Support',¹¹ and made available at the June 2003 PCB meeting. This strategy argued for the rapid increase in staff positions at country level – creation of UCC, M&E and partnership positions – and was endorsed by the PCB. However, there is no record of the secretariat reporting achievement against the actions identified in the strategy or of the PCB subsequently monitoring the growth in the number of such positions. A paper explaining the rationale for expansion at regional level was sent to the PCB, as an information note, in 2005, but was not discussed in the PCB and has never been reported against.

5.4 Assessing the expansion of staff numbers against what might be considered good HR practice¹² the main finding is that the expansion was not planned and managed in a transparent and methodical way and no consideration was given to the medium- to long-term implications for the secretariat, which is funded on a voluntary basis. Key evidence for these findings include:

The lack of operational strategies and planning

- While development of the 'Directions for the Future: Unifying and Intensifying Country Support' paper (2003) was an example of good HR practice, in that at a macro level, it made the case for what the goals and objectives of the organisation would be at country level and included objectives to be achieved, and was supported by development of roll-out plans for the 2004-2005, 2006-2007 and 2008-2009 biennia, the secretariat has been unable to show how the plans were interpreted during implementation or how implementation was monitored and adjustments made.
- There is no evidence that the secretariat developed a comparable analysis for planning its expansion at regional level. There is also evidence that decentralisation to regional level was not well planned, in terms of considering the management or administrative implications.¹³
- There is no evidence that the secretariat has had any systematic and transparent workforce planning process, which looked across the secretariat as a whole and the

¹¹ UNAIDS (2003) Directions for the Future: Unifying and Intensifying Country Support. A report prepared by the Country and Regional Support Department (CRD), UNAIDS Secretariat, June 2003.

¹² See Accenture (2006) Functional Review of the Program Support Department. Report prepared for the UNAIDS Secretariat, 23rd October 2006.

¹³ See Sow, A. (2007) Organizational and Functional Review: Assessment of Internal Control Systems. Report prepared for the UNAIDS RST - Eastern and Southern Africa, December 2007.

balance between staffing at headquarters, regional and country levels against the objectives of UNAIDS.

- There is no evidence that the growth of staff and their composition was based on an explicit analysis of what the role and objectives of headquarters should be and therefore the required staffing complement.
- There is no evidence of the UBW planning process driving strategic decision making in terms of staffing complement of the secretariat.
- The expansion of staff numbers took place in a context in which staff recruitment processes did not meet what would normally be standards of good practice. In 2000, UNAIDS defined a set of Core, Managerial, and Functional competencies, which was updated in 2004 (core competencies are cross-cultural awareness, teamwork and sensitivity to HIV/AIDS) for use in Assessment Centres for P4 and P5 staff (UCC and M&E). While the Assessment Centres were discontinued in 2006, competencies continue to be used in: the preparation of job profiles and vacancy announcements; the competitive selection process; and training programmes for staff. This process has not met good practice criteria for two reasons. First, the secretariat was aware that the competency set defined was incomplete but, during the evaluation period, did not update them to cover the full range of competencies. Second, managers did not have the necessary skills to develop clear competency frameworks and the HR function did not move proactively to help them to develop such skills. In addition, managers received insufficient training in how to run an effective and rules-based recruitment process. The deficiencies in the recruitment systems were also replicated in the internal promotion processes. In the 2008 Staff Survey, while 71 per cent of respondents reported that their job made good use of their skills, only 7 per cent agreed that UNAIDS places the right people in the right roles.

The lack of oversight

- The PCB at no stage during the evaluation period actively engaged with the secretariat to clarify and endorse medium-term objectives and implications for the size and composition of the secretariat's staff.
- There is no evidence that the secretariat or Executive Director discussed the increase in the size of the secretariat presence at either regional or country level within the CCO or sought to assess whether there were alternative options, in which some of the new functions were taken by the cosponsor agencies. The PCB did not ensure that these issues were raised in PCB meetings.

5.5 In terms of HR planning and staff performance, an important issue is the change in employment status of staff with more than five years of contracted service. With less than five years service, non-renewal of contracts for non-performance is relatively straight-forward. After five years service, non-renewal of contracts becomes a long and complex process, especially if based on poor performance, which requires strict adherence to a complex process, if it is not to be successfully challenged. Non-renewal of contracts also requires payment of significant compensation. As the secretariat expanded rapidly from 2004, a significant number of staff will reach the five-year threshold over the next two to three years, with implications for the feasibility of changing either the absolute number of staff employed or their composition.

6 Are the secretariat's administrative processes and management culture adequate?

6.1 A functional review of the secretariat carried out by the management consultancy company Accenture¹⁴ in late 2006 concluded that:

“ During the last years, the resources under (the) secretariat's control (money, people, technology) have grown and evolved but the management processes and culture within the secretariat have not adapted to the new needs”.

6.2 This evaluation has found no evidence to contradict the findings of the Accenture review. The review made a significant number of recommendations, mainly concerned with bringing the administrative systems up to standards of good practice and changing the role of the administrative function, which it envisaged could be implemented over an 18-month period. The findings were accepted by the secretariat's senior management and interviews with present staff confirm that the diagnosis concerning the quality of systems was correct.

6.3 But the recommendations on strengthening systems were not fully implemented in the envisaged timeframe. As of early 2009, planning of responses to many of the challenges was either complete or planned, but implementation has barely started. This partly reflects a turnover of senior administrative staff within the secretariat, the delayed introduction of the WHO ERP and subsequent problems with getting it to work, and the fact that senior administrative staff do not have enough time to develop and implement the required changes. Assuming that ongoing work is completed to schedule, the secretariat would have a robust set of administrative systems in place by 2010.

6.4 The slow implementation of recommendations concerning management systems clearly shows that such systems were not valued as management tools by senior managers within the secretariat or they would have been introduced earlier. It is too early to tell whether the new management team (Executive and Deputy Executive Directors) will prioritise introducing changes in management systems or using such systems to manage the secretariat.

6.5 The 2008 Staff Survey suggests an overall positive picture, but raises questions about the management culture of the secretariat. Relevant responses include:

Table 4: Selected responses from the 2008 secretariat Staff Survey

Question	Percentage rating as:		
	Favourable	Neutral	Unfavourable
Rate UNAIDS on being effectively managed and well run	7	67	27
Trust and confidence in the decision-making of the senior management team (Executive and Deputy Executive Directors and Regional Directors)	21	64	14
Trust and confidence in the Director of your region (for RST and country-based staff) or the Director of your department (for Geneva and Liaison Office staff)	69	31	0

¹⁴ Accenture (2006) Functional Review of the Program Support Department. Report prepared for the UNAIDS Secretariat, 23rd October 2006. Page 6.

In UNAIDS, changes are driven by clear objectives	7	50	43
Communications are usually handled well when changes are made, so the staff know what is happening	12	29	59
I understand the results expected of me in my job	100	0	0
Your immediate supervisor: Establishing clear, specific goals and priorities for my job.	75	25	0
Your immediate supervisor: Providing me clear and regular feedback	56	31	13
Your immediate supervisor: Providing me recognition for good work	81	19	0

Source: Secretariat 2008 Staff Survey

6.6 Interpreting the degree to which these responses suggest that management is effective or not is not clear cut, given that under several of the responses above, there are a significant number of neutral responses.¹⁵

¹⁵ However, practice suggests that neutral responses are often a discrete way of registering a negative response and this assumption was verified during interviews with Secretariat staff.