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High Commissioner's Programme**

Standing Committee
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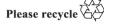
Update on UNHCR Structural and Management Reform

Summary

This paper provides an overview of the structural and management change process within UNHCR since the last update to the Standing Committee in September 2011 (EC/62/SC/CRP.29). It builds on UNHCR's "Strategic Review pursuant to General Assembly Resolution 58/153" of 2013 (A/68/12 (Part II)), the "Update on innovation and simplification" of February 2013 (EC/64/SC/CRP.5), and the "Update on modernization/innovation and simplification" of February 2012 (EC/63/SC/CRP.4).

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I. Introduction

1.   The primary purpose of the structural and management reform process in UNHCR since 2006 has been to maximize delivery of protection, assistance and solutions for persons of concern by increasing the percentage of resources directly devoted to these tasks and reducing the share of funding spent on the organization itself. This has been achieved through various structural reform measures, results-based management (RBM), and other tools described below.[1] These initiatives have taken firm root within UNHCR, and their implementation will continue to drive change within UNHCR in the period ahead.

2.   In 2012, some six years into the reform process, the total volume of UNHCR's activities was US$ 2.4 billion. Today, total expenditure amounts to some US$ 3.3 billion. The number of persons of concern to UNHCR has also increased from 36 million in 2012 to nearly 55 million at the end of 2014. While responding to the needs of this expanding number of persons of concern has required UNHCR to increase its staff in absolute terms - from 7,092 in 2012 to 9,727 as of July 2015 – the overall ratio of staff to persons of concern has decreased. Further, the ratio of staff in the field to staff working in headquarters locations achieved by 2012 (88 per cent to 12 per cent) has been maintained.[2]

3.   Resources allocated to programme delivery in the field increased from US$ 1,941.1 million in 2012 to US$ 2,891.1 million in 2014, while the proportion of funding spent on programme support, management and administration has remained low. The ratio of staff costs to overall expenditure, which decreased from 41 per cent in 2006 to 26 per cent in 2011, was further reduced between 2011 and 2014 to 21 per cent. The share of funding that UNHCR spends on headquarters and staff costs has also been further reduced from 13.7 per cent in 2006 to 8.0 per cent in 2012, and just 6.1 per cent in 2014.

4.   Finally, expenditure through implementing partners, which has brought UNHCR greater operational flexibility and technical expertise, has continued to increase. In mid-2015, this amounted to 39.2 per cent of overall expenditure, as opposed to 37.4 per cent in 2012 and 31.5 per cent at the start of the reform process in 2006.

II. Results-based management

5.   RBM emphasizes the achievement of results as the essential task of management. Since the last update provided to the Standing Committee in 2011, efforts to strengthen RBM, as well as its supporting software tool, Focus, have continued. Since January 2012, Member States of the Executive Committee of the High Commissioner's Programme (ExCom) have been able to access the Global Focus External (GFX) web-portal. This site provides an overview of the protection risks that refugees and other populations of concern to UNHCR face across the world, as well as regularly updated information about the organization's programmes, operations, financial requirements, funding levels and donor contributions. Special emphasis is placed on reporting on the progress and impact of selected UNHCR global objectives and Global Strategic Priorities (GSPs). In order to better serve users, the GFX reporting platform was re-designed and re-released in February 2015. Global Focus Insight, an internal tool for analysing data from Focus and

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[1] This paper highlights key elements of the structural and management reform process. It is not exhaustive. Further details are available in conference room papers referenced in relevant sections below.

[2] As of mid-2015, of the total 9,727 staff, 8,541 are based in the field, while 1,186 are in various headquarters locations as follows: Geneva (734), Budapest (364), Copenhagen (55), Brussels –Europe Bureau Director's Office (17), New York (16).

UNHCR's enterprise resource planning system, was launched in May 2013. This supplements the "Focus Reader" platform, introduced in March 2012, which provides a user-friendly access to data from Focus Client, the organization's detailed planning and budgeting tool.

6.   Since their introduction as one of the key elements of RBM, the GSPs have continued to be set every two years by the High Commissioner to guide planning and prioritization in UNHCR. They represent areas of particular importance for UNHCR's work to save lives, strengthen protection and improve the well-being of refugees and other persons of concern and provide an important "blueprint" for planning UNHCR's programmes and reporting on progress achieved in priority areas. The GSPs for the 2016-2017 biennium[3] include a new indicator for statelessness situations, to ensure operational focus on and monitoring of implementation of the "Global action plan to end statelessness by 2024". In addition, the GSP indicators for durable solutions have been replaced with different indicators taken from the UNHCR results framework, which better reflect key aspects of UNHCR's core solutions priorities.

7.   RBM has introduced more rigorous results-orientation to UNHCR planning and activities. Although there continue to be challenges in its implementation, overall results-based accountability within UNHCR has been strengthened. Two formal learning courses in programme management were launched in 2014 for mid- and senior-level staff, with a strong emphasis on RBM. In addition, UNHCR's introductory RBM e-learning programme has also been completed by over 2,000 staff. Detailed guidance on indicator management has also been finalized. These efforts are examples of fostering knowledge of RBM and its application to UNHCR programmes. UNHCR's introduction of a needs-based budget in 2010 has also proved a useful tool to ensure that the needs of refugees and others of concern are at the forefront of all budgetary planning and are not minimized despite shortfalls in voluntary contributions. In conjunction with the GSPs and the results framework, the needs-based budget enables the Office to demonstrate the real consequences of gaps in funding, and provides opportunities to broaden the reach of UNHCR's donor base.

III. Progress on regionalization

8.   A stock-taking exercise on regionalization in UNHCR was finalized in the last quarter of 2012, and follow-up actions for 2013-2014 were endorsed by senior management. Structural and staffing reviews of 15 operations during 2013 and 2014 included regional offices in Belgium, the Democratic Republic of the Congo, Panama and South Africa; UNHCR offices in Afghanistan, France, Germany, the Islamic Republic of Iran, Jordan, Lebanon, Turkey and the United Kingdom of Great Britain and Northern Ireland; as well as the Regional Bureau for Europe and the Regional Support Hub in Nairobi. As a result, a number of staffing and structural adjustments were made.

9.   The outcome of the structural and staffing reviews has also informed the development of policies on related organization-wide issues including a revised policy on regionalization in UNHCR, guidelines on designing UNHCR presence in the field, and the development of accountabilities, responsibilities and authorities (ARAs) for representatives.

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[3] The GSPs for the 2016-2017 biennium are available in the "Update on the global strategic priorities" of June 2015 (EC/66/SC/CRP.18).

IV. Managing human resources

10.   A number of human resources initiatives aimed at increasing efficiency and ensuring staff effectiveness have been implemented since 2011.[4] A policy on affiliate workforce arrangements in UNHCR, developed in 2011, was complemented in 2013 by independent policies on individual consultants, individual contractors, and internships in UNHCR. To attract new talent, an Entry-Level Humanitarian Professional Programme, as well as a Capacity Building Initiative, were launched in 2013 and 2014 respectively. A new "Policy and procedures for the promotion of international professional staff members" was issued in February 2014. The "Policy on resolving situations of staff members in between assignments", released in June 2014, addresses gaps that may arise between assignments by providing international staff who are actively applying for positions with temporary assignments, study leave, personal leave, or some combination thereof. A revised "Policy on performance management", issued in November 2014, clarifies the implications of performances rated lower than satisfactory and provides an avenue for further recognition when performance exceeds expectations. To strengthen personal accountability, UNHCR has progressively incorporated ARAs into job descriptions as well as into its performance management system. All staff are now assessed against ARAs, including delegated ones that are provided to manage resources and take decisions.

11.   The revised "Policy and procedures on assignments of international staff", issued in April 2015, increases efficiency as simultaneous internal/external advertisement is permitted in instances where a determination has been made that internal skills are lacking. Further, the full plenary of the Joint Review Board (JRB) is not required to review all at-grade recommendations and its revised composition will be more cost effective, with the majority of the members selected from amongst staff serving at headquarters in Geneva.

12.   UNHCR's Division of Human Resources Management (DHRM) has also reviewed its own structure and the location of posts. This resulted in the out-posting of a number of positions in the Post Classification Unit from Geneva to Budapest at the end of 2014; with further out-posting of positions in the Career Management Support Service foreseen at the end of 2015. The restructuring of DHRM includes the establishment of a Strategic Human Resources Unit and a Workforce Analysis and Business Unit, as well as the realignment of key services, such as assignments, career development and learning. These efforts will improve DHRM's capacity to undertake workforce and succession planning.

V. Support to operations

13.   In July 2014, the High Commissioner requested the Assistant High Commissioner for Operations (AHC-O) to undertake a review, and revision as required, of policy and guidance on UNHCR's response to emergencies, with a particular focus on clarifying accountabilities. Based on this review, a new policy on emergency response activation, leadership and accountabilities was issued in January 2015. The policy clarifies internal leadership and coordination arrangements and accountabilities prior to and during emergencies. The foundation of the policy is a framework of designated authorities and responsibilities for UNHCR's response to emergencies, as well as updated procedure for emergency response activation/deactivation and internal coordination. Various levels of emergency have been designated, each of which triggers access to emergency staffing,

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[4] For further information on human resources, see the conference room paper being presented concurrently on "Human resources, including staff welfare" (EC/66/SC/CRP.23).

headquarters support, and material and financial resources, with a view to enhancing predictability and efficiency.

14.   In parallel, a strengthened and reconfigured Emergency Services was established within the Division of Emergency, Security and Supply (DESS).   This includes: multi-functional standby teams led by senior staff responsible for providing emergency preparedness support to country operations, on permanent standby for automatic deployment to emergencies; a new Emergency Policy and Capacity Development Section; and a reinforced Partnerships and Deployments Unit to lead UNHCR's engagement with the extensive network of non-governmental organization (NGO) and government partners supporting UNHCR's emergency operations.[5]

VI.   Accountability and oversight

A.   Internal oversight

15.   The Independent Audit and Oversight Committee (IAOC) was established by the Standing Committee in June 2011 to "assist the High Commissioner and the Executive Committee in the exercise of their oversight responsibilities in accordance with relevant best practices, industry standards and the financial rules and staff regulations and rules applicable to UNHCR".[6]

16.   In 2014, UNHCR focused its internal oversight efforts on developing a comprehensive personal accountability framework.[7]   In its second annual report (EC/65/SC/CRP.23), presented to the Standing Committee in September 2014, the IAOC noted that the personal accountability framework was of paramount importance and encouraged UNHCR leadership to highlight this to staff.

17.   The Internal Compliance and Accountability Committee (ICAC) was established in June 2012 to improve UNHCR's systems of organizational and personal accountability. The ICAC monitors the implementation of recommendations made by oversight bodies and identifies new policies and/or required changes in existing policies and procedures.   In addition, it supports the implementation of UNHCR's Global Management Accountability Framework (GMAF), which maps out ARAs across the organization at country, regional and headquarters levels for 11 functional areas.

18.   A revised memorandum of understanding between UNHCR and the Office of Internal Oversight Services (OIOS) was signed in December 2014, strengthening arrangements for internal audit services.   In addition, an NGO Investigation Specialist Roster (NGO-ISR), administered on behalf of the Office and its NGO partners by the Danish Refugee Council, was established in December 2014.   Composed of experienced investigation consultants, its aim is to strengthen accountability and performance quality among UNHCR's NGO partners by carrying out investigations, at short notice, for NGO partners that lack their own investigative capacity.   The Inspector General's Office has also out-posted investigation officer positions to support the effective, efficient and accountable

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[5] For further information, see the conference room paper on "Emergency preparedness and response" of February 2015 (EC/66/SC/CRP.3).

[6] "Report of the fifty-first meeting of the Standing Committee (21-23 June 2011)", September 2011, (A/AC.96/1104), Annex II, para. 1.   The IAOC is concurrently presenting its third annual report to the Standing Committee covering the period 1 July 2014 to 30 June 2015 (EC/66/SC/CRP.26).

[7] "Personal accountability" is defined by UNHCR as each staff member's accountability for his or her personal performance and conduct.

management of UNHCR operations in the field. As of 1 September 2015, there were two investigator posts and one auditor post in Nairobi, and one investigator post in Bangkok.[8]

B. Enterprise risk management

19.   In July 2014, UNHCR issued its first formal policy on enterprise risk management (ERM), establishing a systematic, structured and documented approach to risk management throughout the organization. The purpose is to identify and prioritize risks faced by field operations and headquarters, and to develop and implement relevant measures to modify risk. Information on risk management throughout the organization is consolidated in UNHCR's Corporate Risk Register. This supports the attainment of six organization-wide objectives, of which two are particularly linked to the reform process in UNHCR, namely:

(a)   Results-based management: improved decision making through the consideration of risks and their potential impact on programmes and projects, and budget allocations;

(b)   Strengthening of accountability: enhanced management accountability and performance management through the definition of clear risk management roles and responsibilities.

20.   In the development phase, ERM was piloted in four countries (Bosnia and Herzegovina, Pakistan, Rwanda and Sudan). In early 2014, operations responding to the situation in the Syrian Arab Republic conducted their first risk assessments. The first organization-wide risk assessment was completed at the end of March 2015.

C. Financial accountability

21.   UNHCR's managers and staff are the primary guardians of the resources of the organization and fully accountable for their use. It is important that utmost care is exercised in the delivery of programmes and services to ensure that resources are properly managed. Internal controls are a key element in a proactive system to ensure accountability and UNHCR adherence to established policies, rules and procedures.

22.   The High-level Internal Control Framework with focus on financial management, issued in April 2015, seeks to support practical implementation of high-level controls and standardize controls applied to similar types of transactions. The Framework provides comprehensive up-to-date guidance on UNHCR's financial risk and financial controls with a view to enabling UNHCR to develop, implement and maintain systems of internal control that can enhance the likelihood of achieving UNHCR's objectives and adapt to changes in the operating environment.

23.   In addition, the Office prepared a comprehensive implementation plan for its 2013 Strategic Framework for the Prevention of Fraud and Corruption. A cross-functional working group was established to assess the strength of the organization's fraud prevention.

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[8] Further information on the work of the Inspector General's Office will be provided to the Executive Committee in October 2015, in the "Report on the activities of the Inspector General's Office" (A/AC.96/1149).

VII. Management priorities

A. Simplification

24.   Efforts aimed at the simplification and refinement of processes and procedures in UNHCR started in 2012 and continued in 2013, with progress on issues such as the fast-track posting process and the self-booking tool for official travels.[9] In addition, a hand-over checklist/procedures for incoming representatives was approved by the ICAC and issued to all UNHCR staff by the AHC-O in July 2013.   In 2014, while the "Simplification Initiative" itself was concluded, revision of selected policies was ongoing to improve overall organizational performance through enhancement of governance and management processes (see, e.g., paras. 10-12, 16, 21-23, 25).

B. Policy management

25.   An audit by OIOS in June 2010 (AR 2010/160/01) of UNHCR's arrangements for policy creation and dissemination identified a number of shortcomings and recommended that UNHCR: establish a formal policy management system; assign responsibility for overseeing, maintaining and supporting policy development; define policy and distinguish it from other forms of guidance and instructions; and improve access, search and dissemination arrangements for policy. This recommendation led to the issue of the "Policy on the development, management, and dissemination of UNHCR internal guidance material" in December 2013 (UNHCR/HCP/2013/1).   This Policy forms the basis for UNHCR's Guidance Management System.[10]   Throughout 2014, the Organizational Development and Management Service (ODMS) coordinated: i) the issuance of new guidance (including 12 policies, 20 administrative instructions and 10 operational guidelines); ii) the mapping and revision of existing guidance documents, which is ongoing; and iii) a review of the structure of and access to the UNHCR Intranet page, with the aim of enhancing access, content management and publishing (see further below, paras. 26-28).

C. Internal communication

26.   The results of the 2011 Global Staff Survey highlighted a need for improved internal communication within UNHCR.   Noting that communication is a key aspect of accountability, the High Commissioner declared that an internal communication strategy should be developed and implemented as a matter of priority, including measurable indicators on effective communication in line with the RBM approach.

27.   A draft internal communications strategy was presented to UNHCR's senior management in early January 2012. The following basic principles were endorsed:

- Emphasis on two-way dialogue rather than one-way broadcasting;

- Changing the organizational culture rather than simply introducing new technologies;

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[9] See further the "Update on innovation and simplification" of February 2013 (EC/64/SC/CRP.5), and the "Update on modernization/innovation and simplification" of February 2012 (EC/63/SC/CRP.4).

[10] The Guidance Management System is UNHCR's formal policy management framework. Its purpose is to standardize the process of review, management and dissemination of internal policy and guidelines.

- Strengthening internal communication (iCom) in a prioritized and step-by-step manner.

28.   A small iCom Unit in charge of developing a platform to enhance internal communications and provide content for the Intranet was created jointly by the Division of External Relations (DER) and DHRM. An iCom strategy for 2013-2014 was endorsed in early 2013, and included issues such as: provision of content on operational priorities by senior management; organizing dialogues on iCom; creation of content (articles, video clips) for the Intranet; and exploring the effectiveness of an interactive online magazine with a mix of managed and user-generated content. Some of these tasks were completed in 2013-2014 while others were ongoing as of mid-2015.

D.   Out-posting

29.   The Division of Information Systems and Telecommunications (DIST) has been progressively restructured and decentralized, with a Service Centre created in Amman, and regional hubs established in Budapest, Kuala Lumpur and Panama City. This has brought information technology closer to the field, strengthening operational support.

30.   In December 2014, the High Commissioner recognized the need to strengthen headquarters' functions to ensure effective governance and efficient support to operations globally, especially given the increased volume of UNHCR operations in recent years. The increase in staffing was not to be implemented at Geneva headquarters, however, as UNHCR has more cost-effective solutions with out-posted headquarters locations in Budapest and Copenhagen. In situations where new positions must be created in Geneva, then these would need to be offset by relocating other posts. In the first semester of 2015, managers at Geneva headquarters carried out internal reviews and consultations with their respective teams for the identification of positions for possible relocation.   Some 61 positions from the various divisions and bureaux were identified for relocation. This process was underway by mid-2015, and was expected to be largely completed by January 2016. At mid-2015, a total of 364 posts were located in Budapest and 55 were located in Copenhagen.

VIII.   Conclusion

31.   Since the last update provided to the Standing Committee on structural and management reform in 2011, there has been significant progress in consolidating the reform process in UNHCR. The principles of RBM, regionalization and accountability, among others, are now firmly embedded in UNHCR's global management strategy. While regular review and fine-tuning of the various tools and processes introduced during the reform process will continue, and new initiatives will be taken as needed, the implementation of the various components of reform described above has broadly enabled UNHCR to meet its commitment to increase the resources directly devoted to protection, assistance and solutions for persons of concern, while reducing the share of funding spent on the organization itself.

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