**Executive Committee of the
High Commissioner's Programme**

**Standing Committee
76th meeting**

# Update on UNHCR reform

*Summary*

UNHCR's transformation is aimed at strengthening the organization and better positioning it to deliver on its mandate. By the start of 2020, a new organizational design and way of working will be in place, though many other key initiatives will continue. This paper describes the impetus for these changes and illustrates the various reforms underway, including the decentralization and regionalization process.

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# I. Introduction

1.     A rapid organizational assessment, completed in early 2017, signalled the beginning of UNHCR's change process and led to the decision to place capacities, authorities and resources closer to the people it serves.  The High Commissioner's announcement in October 2018 that the organization's regional bureaux would move to the field set in motion perhaps the most visible component of the transformation, but as this paper will outline, the objectives reach far beyond geographic restructuring.

2.     The impetus for UNHCR's internal change process has been driven, in part, by developments in a rapidly evolving international context.  First and foremost, the need for a more comprehensive, predictable and equitable international response to large refugee movements has become clear.  The Global Compact on Refugees (GCR), affirmed by the General Assembly in December 2018, aims to achieve this but requires renewed commitment and collaboration with a range of new and traditional partners.  At the same time, new approaches that transcend traditional humanitarian action have been sought, with the realization that forced displacement is also linked to development challenges.  The 2030 Agenda for Sustainable Development and the commitment to "leave no-one behind", provide a powerful basis for the inclusion of refugees, internally displaced persons (IDPs) and stateless people in economic development planning, as well as in other measures taken to achieve the Sustainable Development Goals (SDGs).

3.     The "grand bargain", adopted at the World Humanitarian Summit in 2016, committed donors and aid organizations to improve the effectiveness and efficiency of humanitarian action, to draw on more resources from a wider range of stakeholders and to strengthen the participation of populations of concern in decision-making.  UNHCR's change process and many of the key initiatives being undertaken in that context have also been influenced by this endeavour.

4.     The aim of UNHCR's change process is to better position the organization to protect and assist populations of concern, work with others to promote solutions, address future challenges and take advantage of emerging opportunities.  The transformation will enable UNHCR to:

- respond faster and in a more flexible way, especially at the onset of emergencies;

- align its policies and procedures with key partner agencies within the United Nations system;

- adapt to the reforms undertaken by the Secretary-General aimed at simplifying processes and focusing more on delivery;

- ensure consistent support to country operations, with the agility to respond to new developments;

- translate global priorities into effective regional and country-specific strategies, with an emphasis on programmatic integrity, accountability and value for money;

- better reflect regional challenges and opportunities in annual and multi-year strategic planning;

- work more effectively at the point of delivery with a wide range of partners, including regional organizations, United Nations agencies, development actors, civil society and the private sector; and

- foster the inclusion of refugees and other persons of concern, as well as host communities, in strategic decision-making.

# II. Regionalization and decentralization

5.     UNHCR's change process seeks to achieve the right balance between Headquarters and the field, with agile country operations supported more effectively by seven regional bureaux and a strong centre to drive the mandate of the Office and the High Commissioner's "Strategic directions 2017-2021" (to protect, respond, include, empower and solve).

Regionalization and decentralization has required broad reconsideration of the optimal roles and configuration of the country operations, regional bureaux and Headquarters – and which functions are best placed where. In doing so, it has been recognized that some services would be most efficiently delivered in a centralized manner, while others would benefit from further devolution of authority to the field.

6.      A variety of entities have worked, under the coordination of an internal task team, to review and effect the policy changes required to adapt UNHCR's systems and processes, including in the areas of: planning and budgeting, resource mobilization, resource management, supply management and human resource management. Among the most significant changes carried out was in relation to the revision of the resource allocation framework, including the redesign of the annual programme review (APR) process, the strengthening of Regional Committees on Contracts and the management of assets, and the devolution of further authority to the country operations and regional bureaux to recruit and manage personnel.

*Reinforcing strong country operations*

7.      The overarching objective of the regionalization and decentralization process is to ensure that UNHCR is strengthened where it matters most – closest to refugees and other persons of concern – and that colleagues are effectively positioned to make operational decisions. The strengthening of country operations, with enhanced authorities and additional capacities, has been a constant feature of UNHCR's transformation.

8.      The decentralization of decision-making requires the embedding of specialized capacities in the operations to enable responsible execution. As part of the APR for 2020, UNHCR repositioned or created more than 150 technical positions to strengthen country operations, as well as the new bureaux structures with the requisite expertise to support them. More than 100 of these positions, some which require experience in the development field, will be placed directly within the country operations.

9.      With closer and more consistent support from the regional bureaux, the country operations will be more efficient, nimble and impactful. The country Representatives and their teams will also be able to take faster decisions on the ground, in response to changes in the operational context. In some operations, multi-country offices will be established. In this situation, a Representative may be accredited to more than one country where UNHCR previously maintained only a national presence or lacked any presence at all.

*Building strong regional bureaux*

10.     UNHCR's seven regional bureaux will cover a full spectrum of activities, including: setting regional strategies and priorities, managing performance and compliance, identifying and monitoring emerging issues and risks, and providing technical support and guidance to country operations. For implementing and operational partners, the new regional bureaux will become critical hubs for collaboration and strategic engagement, as well as for addressing any cross-cutting operational challenges, if and when they emerge. Regional Directors will have primary accountability for overall strategic decision-making, regional prioritization and quality assurance, with enhanced delegated authority to effectively manage their respective regions.

11.     Technical experts, with functional links to the divisions at Headquarters, will be fully integrated within the regionalized bureaux structures and lines of authority. Each of the newly configured bureaux will be responsible for covering the following key areas and related responsibilities:

- Strategic planning and partnerships: ensure the region's overall coherence with UNHCR's global strategic priorities and the High Commissioner's "Strategic directions 2017-2021", set region-wide priorities, manage and direct all regional resources, and assess contextual changes in order to adjust the regional priorities.

- Protection: elaborate regional protection priorities, and monitor and support the exercise of UNHCR's core protection mandate at the country level.

- Operations support: assist country offices with a wide range of services such as human resources, supply chain management, financial controls, and information and communications technology.

- External engagement: design and implement regional communications strategies, manage public information requests and relationships with external partners, and coordinate reporting and information management.

*Retaining a strong Headquarters*

12.     With additional authorities devolved to the country and regional platforms, the role of the divisions at Headquarters will have to adapt to effectively service this new operating model. While autonomous local decision-making in the field will be strengthened, global coherence and institutional management at the central level will remain key. Essential Headquarters functions will include: providing legal and policy guidance; establishing and updating standards for protection, assistance and solutions; ensuring sound financial management and oversight; providing functional guidance to the regionalized bureaux; and managing engagement with institutional partners and other stakeholders at the central level.

13.     With respect to partnerships, the High Commissioner's "Strategic directions 2017-2021" underscored the extent to which UNHCR collaborates with and relies on a broad range of partnerships to deliver on its mandate. The GCR, with its emphasis on solutions, will necessitate UNHCR's engagement in a range of national and international development frameworks and systems, and require new forms of partnership. The Division of Resilience and Solutions, which was created as part of the first tranche of Headquarters reforms in 2018, is overseeing UNHCR's critical engagement in the development sphere. It will continue to build on the successes and lessons learned from the application of the comprehensive refugee response framework (CRRF).

14.     The newly established Partnership Service, merging the prior Partnership and Interagency Coordination Units into a single entity, is also playing a key role in strengthening UNHCR's engagement with partners, ensuring effective collaboration and addressing cross-cutting issues of mutual concern. Given the regionalized context, the executive direction and management will also be strengthened to enhance the liaison function with the Permanent Missions in Geneva and the regional bureaux in the field.

## III.    Other key initiatives

15.     While the creation of seven field-based regional bureaux will fundamentally transform UNHCR's organizational design and way of working, it is one piece of a much larger transformation. Several complementary workstreams are also underway, looking at options to transform and modernize UNHCR in a rapidly evolving global context.

## A.    Results-based management

16.     The results-based management (RBM) revision project has evolved from a relatively straightforward attempt to improve or replace Focus (UNHCR's programme planning and reporting tool), to a more ambitious effort to transform the way results and impact are measured and used to inform future strategic planning. UNHCR's ability to deliver on its "grand bargain" commitments and new expectations in the context of the GCR are dependent upon a more responsive and integrated means of managing and demonstrating results. Priorities for the project include: providing a revised results framework structure, defining organizational result areas at impact and outcome levels, proposing core indicators for the purpose of global aggregation and increasing user-defined elements in the framework to enable context specific operational planning at the country level. The goal is to revise UNHCR's entire approach to RBM in a way that drives country-based planning and evidence-based decision-making, and that enables a greater focus throughout the organization on collective outcomes and impact, including in putting into action the Global Compact on Refugees.

## B.    Data and digitalization

17.    Maintaining reliable, comprehensive data on refugees is crucial for UNHCR. The Office's ability to ensure protection, deliver assistance, advocate support from the international community and leverage solutions is predicated on accurate data. Equally important, the collection of consistent, credible data across the organization allows UNHCR to monitor progress and impact, and to inform forward planning and the prioritization of resources. However, in UNHCR data has been fragmented across many different systems and regions, resulting in gaps in collection, storage, analysis and use, and impeding the organization's ability to aggregate and fully leverage its various datasets. UNHCR has developed a new data strategy with the objective of pulling together all three broad categories of data – financial, human resources and operational – under one umbrella, complete with an organizational governance structure and recommended investments in capacity at the country, regional and headquarters levels. The Office is also working with key partners, including the International Organization for Migration (IOM), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the World Bank, on joint data collection.

## C.    United Nations reform

18.    The Secretary-General of the United Nations embarked on an ambitious reform agenda to enhance performance across all three pillars of the United Nations: peace and security, human rights and development. Many aspects of the reform, including enhancing regional platforms, are mirrored in UNHCR's strategic priorities and internal change efforts, which aim to place decision-making and accountability closer to the point of delivery. The reforms brought to the United Nations development system (UNDS) have had the most direct impact on UNHCR's field operations. UNHCR engaged actively in several aspects of the UNDS reform, namely: the revised Resident Coordinator section process, articulation of the Management Accountability Framework and development of new guidance on the Sustainable Development Cooperation Framework (formerly the United Nations Development Assistance Framework). Through these mechanisms, the Office is able to better ensure that the needs of persons of concern are taken into account in development planning.

19.    Under the UNDS reform, UNHCR is co-chairing, together with the World Food Programme (WFP), the Business Innovations Group. In this role, UNHCR and WFP are responsible for leading efforts to consolidate "back office functions" into common services, both locally and globally, with the aim of improving support to operations and directing more resources to core programming and delivery. Thus far, concrete progress has been made in key areas, such as the development of costing and client satisfaction principles, and the project is now actively testing and piloting common premises and business operations strategies in collaboration with United Nations country teams around the world. Some workstreams, such as the network of global shared service centres, still require further data collection, benchmarking and business case analysis, while dialogue continues on the investments and timelines required to deliver the intended results.

## D.    Global Compact on Refugees

20.    After two years of extensive consultations led by UNHCR and involving States, international organizations, development actors, refugees, representatives of civil society, the private sector and other experts, the GCR was affirmed by the United Nations General Assembly in December 2018. In line with the GCR, UNHCR is expanding the application of comprehensive responses in key operations through a series of workstreams; finalizing the indicator framework to facilitate the monitoring of progress over time; elaborating a methodology to measure the impact of hosting refugees; and developing the asylum capacity support group, the three-year resettlement strategy and the academic network.

21.    UNHCR is also working with a broad range of partners to translate the GCR into action, addressing in a more comprehensive manner the challenges that refugees and their

host countries and communities face.  The reforms to the UNDS, mentioned above, will increase opportunities for UNHCR to cooperate with development actors in the pursuit of protection and solutions for refugees and support for the communities that host them, consistent with the GCR.

22.     The upcoming Global Refugee Forum (GRF), to take place in December 2019, will build momentum on the implementation of the GCR and strengthen the collective response to refugee situations.  It will provide an opportunity for States and others to announce bold new measures in support of the GCR.  It will also be an occasion to exchange good practices and lessons learned, as well as to inspire others to step forward with contributions.

## E.     Business processes and systems

23.     In concert with its co-leadership of the United Nations Business Innovations Group, UNHCR is simultaneously pursuing its own efforts to transform its internal processes, not only for the purpose of devolving further authority to the field, but also to achieve greater efficiency, transparency and accountability across the organization.  This is being achieved through improved financial and administrative management, which in turn strengthens UNHCR's ability to deliver on its mandate and further reinforces UNHCR's position as a reliable actor in the United Nations system.  UNHCR is also proactively harnessing data and new technologies to measure efficiencies, optimize resources and improve business processes, while reducing waste and decreasing costs.   These efforts will lead to improvements in a number of areas, including registration and numerous programmatic areas, supply chain management, the provision of information and communications technology, and human resources management (as described in paragraphs 24-25 below).

## F.     Risk management 2.0

24.     One of the most advanced workstreams is in relation to enterprise risk management (ERM).  Since the risk management 2.0 initiative was launched in 2018, UNHCR's capacity to systematically identify and manage risk across the organization has been strengthened, as has its ability to ensure that the ensuing analysis informs decision-making.  The initiative aims to maintain organizational credibility and renewed accountability to affected populations by anticipating emerging risks and opportunities within the context of increasingly challenging operational environments.  It will help better address the root causes of fraud, corruption and misconduct, while engaging external stakeholders in support of an inclusive and transparent approach to risk management.  It will also help strengthen the prevention and response to sexual exploitation and abuse, and sexual harassment.

25.     A risk management network has been established, consisting of an ERM Unit at Headquarters and field-based Senior Risk Advisors.  More than 280 risk focal points have also been established in all operations to support Representatives and the Bureaux Directors, and the ERM Unit is providing support to high-risk operations. Training and workshops have been organized across the organization, targeting both staff and partner organizations. Meanwhile, UNHCR's strategic risk register has been updated, and all UNHCR entities have carried out an annual risk assessment. UNHCR also participates in the inter-agency working group on risk management under the High-Level Committee on Management (HLCM) to ensure a harmonized approach to risk management within the United Nations system.  More information on UNHCR's work in this area can be found in EC/70/SC/CRP.19.

## G.     People management and human resources

26.     In order to establish a modern, field-driven and human-centric model of people management at UNHCR, the organization is working to foster an inclusive workplace where a diverse, engaged and skilled team can thrive and deliver impactful results for persons of concern.  Strategic "human resources partners" have been assigned in each of the new regional bureaux, with the responsibility of supporting operations to be more efficient and client-oriented, in partnership with management.

27.     The Division of Human Resources (DHR) is also investing in simplifying, modernizing and enhancing human resources solutions, processes and policies, while leveraging technology to anticipate staffing needs and employing people analytics to enable a more objective and evidenced-based approach to human resources decision-making.  Key performance indicators have been developed to help DHR monitor progress in its ongoing review by measuring gender parity, processes, effective workforce management and various elements of duty of care.   More information on UNHCR's work in this area can be found in EC/70/SC/CRP.21.

## IV.   Conclusion

28.     UNHCR's transformation is complex, ambitious and timely. In a rapidly evolving global context, the case for change is undisputable, and significant steps forward have already been taken.  However, several workstreams require further time and reflection to achieve optimal systems and ways of working.

29.     A change governance board has been established to track progress across the various workstreams and to facilitate decision-making on cross-cutting issues and course corrections in the years to come.  The broad contours of how all of the pieces fit together is becoming increasingly clear.  Revised organizational processes not only enable the meaningful transfer of accountability and greater authority to the field, but also serve to clarify and focus the role of Headquarters.  Investments in RBM, data and new business systems and processes are mutually reinforcing, as is the promotion of improved people management and a respectful, inclusive, multi-cultural workplace.  The ultimate success of UNHCR's transformation will be measured by how well these different threads are woven together and result in a more efficient and effective way of working.

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