

## UPDATE ON UNHCR'S STRUCTURAL AND MANAGEMENT CHANGE PROCESS

### I. INTRODUCTION

1. Forced displacement – in terms of its nature, magnitude and complexity – remains a prominent global issue requiring decisive, coherent and dedicated responses grounded in fundamental humanitarian values and principles. In meeting today's challenges, UNHCR will continue to enhance its capacity, operationally and conceptually, to respond effectively to humanitarian crises, as well as to the immediate and long-term needs of the world's uprooted populations.

2. With the aim of becoming a more responsive and accountable organization, UNHCR launched a comprehensive and large-scale reform process in February 2006.<sup>1</sup> Since its inception, the reform has been guided by a set of objectives, the foremost being the need to optimize the organization's effectiveness in meeting the needs of people of concern by shifting to a results-orientation, realigning structures and reducing bureaucracy. Today, three years into the reform, UNHCR is ready to consolidate progress achieved thus far and to take stock of lessons learned.<sup>2</sup>

### II. RESULTS-BASED MANAGEMENT

3. Results-based management is about strengthening UNHCR's responsiveness to the needs of the people it serves. It is a commitment to achieving the right results in the most efficient and effective manner. In 2009, UNHCR has embarked on integrating five key initiatives that mark full transition towards a culture of results-based management within the organization: i) the Results Framework; ii) the results-based management systems tool *Focus*; iii) the Global Needs Assessment; iv) the revised budget structure; and v) the Global Management Accountability Framework. All five are closely linked and, collectively, will improve UNHCR's ability to map and express the total needs of populations of concern and carry out more effective and transparent planning to meet those needs. Building on multi-year preparatory work, these five key initiatives will be instrumental in enhancing UNHCR's advocacy and resource mobilization; bring about greater accountability for results; and generate greater coherence across the organization.

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<sup>1</sup> See EC/58/SC/CRP.3 (2007); EC/58/SC/CRP.24 (2007); and EC/59/SC/CRP.3 and Corr.1 (2008)

<sup>2</sup> See Annex I

### A. Results Framework

3. The Results Framework provides a standardized and comprehensive description of the results UNHCR wants to achieve. It is an overarching protection-based framework designed to guide the planning process at all levels of the organization. While individual offices retain the flexibility to tailor programmes to the specific needs of people of concern in their region or country, they will now use a more consistent and harmonized language to describe the interventions required to meet these needs. Equally important are the organization-wide standards and indicators that offices will use to measure impact and performance.

### B. Focus

4. Global adherence to the Results Framework is facilitated by the new software, *Focus*, which has been entirely designed and developed by UNHCR. *Focus* is an important tool that allows the organization to view updated information at the country and regional level and to generate a global overview. The Results Framework is built into *Focus*, strengthening UNHCR's current capacity to plan, articulate, analyse and measure results being pursued on micro and macro levels. *Focus* will streamline and eventually simplify reporting, while generating greater transparency through more reliable, effective and systematic data collection and consolidation, for the purpose of monitoring and analysing trends, as well as assessing UNHCR's overall performance. In 2009, following a massive roll-out exercise, all UNHCR offices will be equipped with *Focus* and required to use the software to plan, budget and report on their 2010-2011 programmes.

### C. Global Needs Assessment

5. The Results Framework is further underpinned by a more comprehensive and coherent planning methodology, the Global Needs Assessment (GNA), which is being rolled out jointly this year with *Focus*. GNA builds on various initiatives from the past, in particular the Strengthening Protection Capacity Project (SPCP). It is in essence an expression and mapping of the total needs of populations of concern as well as the development of plans and budgets to meet those needs. Importantly, it also allows UNHCR to demonstrate the consequences of unmet needs, as well as to prioritize activities more consistently and predictably across the organization. Solid assessments, collaborative work with partners and a multi-functional approach are key components of the GNA methodology that will be applied by all UNHCR offices worldwide in 2009.

6. A major roll-out and training plan for *Focus*, GNA and the Results Framework was started in early-January in 30 locations (18 regional workshops and 12 country-specific workshops) reaching out to around 850 staff from more than 100 countries. Staff at Headquarters are also being trained. So far, the response by staff to these changes has been encouraging.

7. Following last year's approval by the Executive Committee, UNHCR's new budget structure, which goes into effect for the 2010/2011 planning exercise, is being realigned with the Results Framework and organized around populations of concern. The redesign will help generate a more comprehensive and transparent picture of UNHCR's global funding requirements, which in

turn will enable UNHCR to ensure a more predictable and equitable distribution of resources across operations.

8. Before 2009, UNHCR's systems and tools limited its capacity to align budgets with plans, which in turn impaired efforts to conduct a truly effective and reliable global review and analysis of the organization's performance. Budgets were entered and accessed through a global financial system (MSRP/FMIS), while plans (which describe strategies, objectives, outputs and indicators) were prepared separately in a word-processing software. With the Results Framework, GNA and *Focus*, however, comprehensive assessments, including the problems faced by people of concern and the causes that need to be addressed, are more accurately and consistently captured in an integrated system. Once recorded in *Focus*, the results of UNHCR's assessments feed directly into the design of all country and regional plans, which in turn provide a better link between budgets (including staff costs) and the outputs and results to be achieved by the operation.

#### D. Global Management Accountability Framework

9. In an effort to increase accountability towards people of concern, UNHCR will also introduce its first-ever Global Management Accountability Framework in 2009 to guide managers and their teams at all levels of the organization (country offices, regional offices and Headquarters) to map accountabilities, responsibilities and authorities in fulfilling their functions. The Global Management Accountability Framework will serve as an important management tool, defining the processes (e.g. participatory assessments) and approaches (e.g. multi-functional teams) required to meet the results defined by each regional and country programme in relation to populations of concern. The expectation is that team-building discussions on accountabilities, responsibilities and authorities will be built into UNHCR's planning process and become part of the culture of the organization in the long term. The Global Management Accountability Framework will also guide the organization's work on revising and updating job descriptions and linking performance assessments and staff development more concretely to a culture of accountability. Moreover, the Framework will eventually contain links to standards, policies and guidelines integrating a learning and guidance component.

### III. HEADQUARTERS REVIEW

10. A long-stated objective of the reform has been to streamline Headquarters so that it provides overall direction and maximum support to the Field from the smallest, most efficient platform. A downsizing of Headquarters would likewise allow more of the organization's resources to be channeled to operations and to the strengthening of those services like supply management that are vital to ensuring UNHCR's effective and timely responses to the needs of people of concern.

11. A list of the essential functions performed by Headquarters was prepared early in the reform process to guide the Headquarters Review. At different intervals of the reform, senior managers were asked to examine individual functions performed in each Division/Bureau in light of this list, and to identify those that could be performed more effectively in other locations, either through outposting or decentralization. The result of this ongoing review has been a considerable

downsizing of Headquarters, from a total of 1,047 staff at the beginning of 2006 to a total of 735 staff at the end of 2008.

#### A. The Global Service Centre in Budapest

12. After careful analysis and review and with the aim of achieving greater cost-efficiency, UNHCR chose to outpost its supply and personnel management, as well as corporate finance functions to Budapest starting in January 2008. Cost efficiencies achieved with this decision will allow UNHCR to enhance assistance activities for beneficiaries and to also strengthen further some of its key support services in 2009.

13. The costs associated with UNHCR's initial phase of establishing the Global Service Centre correspond to the original estimates made at the start of the reform, despite salary increases in Geneva and Budapest. UNHCR is still on track to achieve some \$9.5 million in savings as of 2010. The second phase of outposting will yield additional savings, due solely to salary differences and other savings.<sup>3</sup>

#### B. Division of Information Services and Telecommunications

14. An external consultancy was hired to review the structure and role of the Division of Information Service and Telecommunications (DIST) and to recommend options to enhance the cost-effectiveness of this service further. The review focused in particular on options for additional streamlining, decentralization, outposting and outsourcing. Recommendations will be submitted mid-February.

#### C. Supply Management

15. Efforts are underway to review and further strengthen UNHCR's supply management. It was with this in mind that the Supply Management Service (SMS), was relocated to Budapest, where there is potential for growth and renewal. An external evaluation of SMS was finalized in November 2008, and a task force has been established to work out the follow-up. For more details on SMS, please refer to conference room paper EC/60/SC/CRP.5.

16. In short, several key changes are being introduced in 2009 to strengthen UNHCR's supply management and ensure a more timely and effective delivery of relief and basic shelter materials. Stockpile management will be harmonized under a global system. To optimize resources and streamline processes, a network of strategically located stockpiles will be managed at the global level and complemented by local sourcing in areas where items are available at favourable conditions. UNHCR will take a more proactive and dynamic approach to supply management, based on planned and predictable delivery. Large stockpiles and flexible pipelines will in turn enhance efficiency. This will moreover enable UNHCR to perform better as the UN co-lead agency for the Emergency Shelter Cluster.

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See Annex II.

17. Without compromising flexibility, UNHCR's reinforced supply management system will allow country and regional offices to order relief and basic shelter materials, which will be delivered in a timely and cost-effective manner by a central service provider. While the latter will be accountable for meeting the organization's delivery benchmarks, country and regional offices will be accountable for timely orders, as well as for the distribution of the materials once received.

18. UNHCR will make better use of its logistical assets (e.g. vehicles and equipment) and strengthen oversight, control and flexibility through a combination of reinforced staffing, dedicated truck fleets in strategic regions, training and field-based emergency response systems.

#### D. Global Learning Centre

19. As a means to achieve greater coherence in 2009, UNHCR will consolidate training functions currently dispersed throughout Headquarters into a Global Learning Centre based in Budapest. It will link staff training more concretely and consistently with career development and the organization's strategic protection and operational goals. UNHCR will also systematically measure the impact of learning on staff to ensure that the approaches used add real value to the organization's performance and that they are regularly adjusted to remain relevant in meeting shifting needs and priorities.

#### E. Divisions of International Protection Services and Operational Support

20. At the start of UNHCR's structural and management change process in 2006, the Division of International Protection Services (DIPS) and the Division of Operational Support (DOS) underwent a review. Although important restructuring has since taken place, there is still scope for change. A number of recommendations made at the beginning of the reform remain relevant and merit further consideration. For example, some functions which are currently spread across the two divisions could be consolidated to ensure more coherent and harmonized support and guidance to the Field. It is also felt that the role and function of the divisions could be better defined; this would not only guide the work of each division but facilitate interaction with the Field.

#### F. Inspector General's Office

21. Upon the request of the High Commissioner, the European Anti-Fraud Office (OLAF) reviewed UNHCR's Inspector General's Office (IGO) and submitted a final report in November 2008. A working group has since been created by UNHCR's Oversight Committee to organize a consultative process and prepare a roadmap for implementation of the OLAF recommendations by June 2009.

#### IV. FIELD REVIEW

22. In March 2008, UNHCR and an expert consultancy surveyed the Office's practices vis-à-vis the use of its workforce (i.e. international and national staff, additional workforce and deep-field deployments) and implementing arrangements in 50 countries. The survey revealed discrepancies among countries with common thematic links (e.g. populations of concern who share a similar set of needs and operation plans designed to meet similar objectives). In some cases, these discrepancies were explained by the operational context (e.g. absence of available partners, insecurity or host government regulations on the use of implementing partners). By and large, however, responses to the survey indicated scope for UNHCR to provide clearer parameters and more consistent guidance to its operations, particularly in relation to the use of implementing partners, national officers and additional workforce.

23. As follow-up to the field review survey in December 2008, UNHCR disseminated to all country and regional offices updated guidelines for the design of its presence in the Field. In addition, work is underway to streamline procedures for creating national officer posts and to develop specific guidelines for the use of additional workforce personnel.

24. The guidelines promote a methodology for the design of UNHCR's presence and establish a set of standards relating to implementing arrangements, workforce composition and office designation, based on common practice in UNHCR. It is hoped that the guidelines will lead to greater global consistency and coherence in the Office's presence worldwide. More specifically, UNHCR now anticipates more predictable and transparent staffing and office structures in relation to types of operations. As a component of results-based management, the design guidelines call for systematic and regular assessments, and the alignment of staffing and structures with UNHCR's objectives. Later in 2009, UNHCR will complement the guidelines with a set of benchmarks on its presence (e.g. office size, functions, post grades and staffing levels per operation type).

##### A. Strengthening partnerships

25. Since the launch of its structural and management reform in February 2006, UNHCR has introduced changes that could, inter alia, have positive benefits in widening the pool of partners available and willing to engage. Key changes include:

- the granting to country/regional offices of 100 per cent spending authority under the Annual Programme Budget at the start of each year, which will allow for more timely instalments of funds for partners that have signed agreements with UNHCR; and
- an increase in UNHCR's lumpsum contribution towards the salaries, benefits and other related costs of international non-governmental organization (NGO) staff to \$6,000 per month.

26. UNHCR is also working with partners to simplify the format and content of the sub-agreement (i.e. the formal contract the Office signs with its implementing partners) and to facilitate and encourage field managers to negotiate agreements at the end of each year.

27. In early January 2009, UNHCR introduced a risk management policy and checklist for the Field. Guided by an expert consultancy and ongoing internal collaboration, UNHCR designed the checklist with the intention of reinforcing the implementing partner selection process as well as partnership capacity building. The checklist, which comprises a series of questions related to financial management, not only enables offices to identify the risks and opportunities of working with a potential partner, but it also includes capacity-building measures required to mitigate financial risks and maximize opportunities.

## V. REGIONALIZATION AND DECENTRALIZATION

28. The core of UNHCR's work is in the Field. Delays or inappropriate decisions at this level can have an immediate impact on people of concern. It is therefore incumbent on the organization to empower and capacitate field offices to respond effectively and responsibly to the needs of those it serves to protect. The revised 2007 resource allocation framework has been one means to achieve this by delegating the authority to country and regional offices to manage their own resources within an approved budget.

29. In support of decentralization, UNHCR has sought – since December 2006 – to strengthen and expand the coverage and authorities of its regional offices. The underlying assumption in support of regionalization is that the nature of UNHCR's work with displaced populations often requires close coordination between country offices across regions. Regionalization therefore seeks to provide the structures and synergies necessary to facilitate harmonized strategies and the allocation of resources among countries that share common challenges. As per the Terms of Reference (TOR) issued in August 2008, regional offices have the authority, within their regions, to: i) provide strategic direction; ii) design and lead the strategic planning process; iii) deliver advice, support and services; iv) carry out advocacy and build partnerships; v) manage resources; and vi) provide quality control and oversight.

30. Today, there are 67 country and national offices covered by 16 regional offices, which are at various stages of development.<sup>4</sup> The immediate focus in 2009 will be on strengthening the capacity of these regional offices to fulfil the roles defined in the August 2008 TOR and to respond to the needs of the country/national offices under their coverage in an effective, efficient and coherent manner.

31. UNHCR's new results-based management software tool, *Focus*, is a necessary and important complement to regionalization, because it captures the information required by regional offices to design harmonized and coherent strategies and plans. It will facilitate the sharing of information, best practices, expertise and lessons learned. Equally important is the enhanced capacity that

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<sup>4</sup> This includes the office of the Deputy Director of the Americas Bureau in Panama.

regional offices will have to monitor country-level programmes and to provide more effective quality control and oversight once they are equipped with *Focus*.

32. A more robust model of decentralization/regionalization is being pursued in Europe and the Americas in 2009 with the dual aim of reinforcing UNHCR's strategic presence in these regions and achieving greater economies of scale and responsiveness. The Director for Europe will be based in Brussels to: i) oversee all European affairs; ii) develop UNHCR's European policy and strategy; iii) fulfil representation functions for the European Union (EU) institutions; iv) supervise country and regional offices in the EU/European Free Trade Association (EFTA) region; and v) coordinate UNHCR's global functions based in Brussels. A Deputy Director will remain at Headquarters to coordinate and support UNHCR's offices in Eastern and South-eastern Europe as well as to carry out external and internal liaison functions. For the Americas, the Bureau's Deputy Director will be transferred to Panama in 2009 to represent UNHCR in Central America and to coordinate with UNHCR's offices in Mexico and countries affected by the Colombia situation. The Deputy Director of the Americas Bureau will also liaise with United Nations regional offices and with the UN Regional Directors' Team, as well as supervising UNHCR's Technical Support Hub and Regional Legal Unit.

## VI. HUMAN RESOURCES REFORM

33. UNHCR's most important asset is the strength and commitment of its staff worldwide. In many ways, the high level of job satisfaction in UNHCR (a sense of purpose and of achieving results) is what sets this organization apart from many others. The goal of UNHCR's human resources (HR) reform, therefore, is to modernize workforce management while building on and reinforcing staff dedication.

34. The Global Staff Survey, implemented in 2006 and 2008 by UNHCR with pro bono assistance from external experts, is an important lens for the organization to identify and address vulnerabilities and weaknesses in its management performance. Responses to the survey, which will now become a regular exercise, have therefore guided the organization's HR reform.

35. Overall, the results from the 2008 survey (which had a response rate of 57 per cent) are consistent with those from 2006 (which had a response rate of 44 per cent). UNHCR's strengths are remarkably stable. Staff report high levels of job satisfaction – beyond the international and cross-industrial benchmarks – and feel that they have the skills and competencies required to do their jobs. Staff are proud of the work they do, proud to be members of UNHCR and proud of the work the Office does. They also speak highly of the organization, indicating both an understanding for what they are expected to deliver and a feeling that they will be held accountable for their performance.

36. Weaknesses highlighted by the 2008 survey are slightly different from those identified in 2006. The recruitment and selection process is not perceived as credible. Many staff feel that human resource policies, including rotation, are not implemented in a consistent way. While communication in the local environment is reported as satisfactory, vertical communication is not perceived as transparent.



37. Responding to the weaknesses of the organization identified in the first Global Staff Survey and in accordance with the terms of reference of the structural and management reform, UNHCR has:

- developed a whistleblower policy to ensure protection of individuals who report misconduct, provide information in good faith on alleged wrong-doing or cooperate with or participate in a duly authorized audit, inspection, investigation or inquiry;
- established an independent and impartial Ethics Office, which reports directly to the High Commissioner;
- developed a gender policy and ensuring its implementation by making related changes to the organization's postings and promotions procedures;
- streamlined and improved the Fast Track Model to ensure a more rapid deployment of staff to emergency operations or operations undergoing a significant, unanticipated change in orientation;
- created a Staff/Management Consultative Council to engage field staff more systematically in joint staff-management consultations;
- strengthened its Performance Management and Appraisal System (PAMS) to ensure accountability, transparency and fairness;
- established a Career Management Service to provide staff with more and better career counselling; and
- developed policy and transitional measures to identify suitable assignments for staff in the international professional category in between assignments.

Having completed the first phase, UNHCR is set to conclude its HR reform by June 2009. In December 2008, the Senior Management Committee endorsed a comprehensive set of proposals from DHRM aimed at strengthening the postings and recruitment process. These are now undergoing broad consultations with staff and management, including the Joint Advisory Committee (JAC).

## VIII. CONCLUSION

38. Although the structural and management reform launched in 2006 is now entering its final year, UNHCR has embraced a culture of change. The guiding principles of the reform have become embedded in the thinking of the organization. In looking to the future, UNHCR will continue to review its processes and structures, maximizing opportunities to simplify, streamline and reduce duplication as part of an overall drive to respond effectively and coherently to the needs of the world's forcibly displaced populations. Changes to UNHCR's systems – such as the Results Framework and *Focus* – have meanwhile fully wedded the organization to results-orientation. They have enabled the organization to measure its performance at all levels, and thus assume greater accountability vis-à-vis staff, external stakeholders and people of concern.

39. Throughout the organization there is a shared commitment to strengthen performance and to respond to the complex environment in which forced displacement occurs. As described in this paper, the large-scale and comprehensive reorientation and realignment of UNHCR's structures, processes and ways of working will yield both immediate and long-term results that will require regular and vigilant monitoring, review and revision. UNHCR has therefore pledged to maintain the capacity to monitor and manage continuous improvement and necessary change, responsibly and effectively, in the years to come.

Annex I

<b>UNHCR's Structural and Management Change Process March 2009 Overview</b>	
<b>RESULTS-BASED MANAGEMENT</b>	
<b>Results Framework</b>	<ul style="list-style-type: none"> <li>Results framework issued in December 2008 with the instructions and guidelines for UNHCR's offices and headquarters on reporting in 2008, implementation in 2009 and planning for 2010-2011</li> </ul>
<b>Focus Software</b>	<ul style="list-style-type: none"> <li>Piloted in 2008</li> <li>Currently being rolled out to offices worldwide through a series of workshops in the first quarter of 2009</li> </ul>
<b>Global Needs Assessment</b>	<ul style="list-style-type: none"> <li>Piloted in 8 countries in 2008</li> <li>Currently being rolled out to offices worldwide through a series of workshops in the first quarter of 2009</li> </ul>
<b>Global Management Accountability Framework</b>	<ul style="list-style-type: none"> <li>Regional workshops convened from December 2007 to May 2008</li> <li>Template for the Global Management Accountability Framework finalized in July 2009</li> <li>Headquarters-based workshops convened from July to December 2008</li> <li>Final Global Management Accountability Framework to be issued in 2009</li> </ul>
<b>HEADQUARTERS REVIEW</b>	
<b>Outposting</b>	<ul style="list-style-type: none"> <li>Decisions to outpost administrative functions and strengthen the supply management service in July 2007. The Global Service Centre housing these functions was inaugurated in February 2008</li> </ul>
<b>DIST Review</b>	<ul style="list-style-type: none"> <li>A review of the Division of Information Systems and Telecommunications is underway by an external consultancy. Final report is expected in February 2009</li> </ul>
<b>Supply Management Service</b>	<ul style="list-style-type: none"> <li>Evaluation of the supply chain management was finalized by the Fritz Institute in November 2008</li> </ul>
<b>Global Learning Centre</b>	<ul style="list-style-type: none"> <li>Decision to establish a Global Learning Centre taken by the High Commissioner in October 2008</li> </ul>
<b>DIPS/DOS</b>	<ul style="list-style-type: none"> <li>Discussions regarding the restructuring of the Divisions of International Protection Services and Operational Support are ongoing</li> </ul>
<b>Office of the Inspector General</b>	<ul style="list-style-type: none"> <li>Independent review of the Office of the Inspector General is finalized by the European Commission's Anti-Fraud Office (OLAF) in November 2008</li> </ul>
<b>HR Process Simplification</b>	<ul style="list-style-type: none"> <li>A review of HR processes is underway by an external consultancy. The final report is expected in February 2009</li> </ul>
<b>FIELD REVIEW</b>	
<b>Design Guidelines</b>	<ul style="list-style-type: none"> <li>50 country programmes surveyed in March 2008</li> <li>Design guidelines updated based on the findings of the survey and issued to all staff in December 2008</li> <li>Design guidelines will be used to review operations plans from April to June 2009</li> </ul>
<b>National Professional Officers</b>	<ul style="list-style-type: none"> <li>Policy note on National Professional Staff issued in November 2008</li> </ul>

<b>Partnerships</b>	<ul style="list-style-type: none"> <li>▪ Amount UNHCR can contribute to overhead costs of partners increased from USD 4,000 to USD 6,000 in 2008</li> <li>▪ A risk management policy and pre-selection checklist for UNHCR's implementing partners issued in January 2009</li> </ul>
<b>DECENTRALIZATION AND REGIONALIZATION</b>	
<b>Decentralization</b>	<ul style="list-style-type: none"> <li>▪ Revised resource allocation framework issued in July 2007</li> <li>▪ Decision to authorize full spending authority in the field taken in 2007</li> <li>▪ Decision to transfer the Bureau for Europe to Brussels taken in September 2008</li> <li>▪ Decision to transfer the Deputy Director for the Bureau for the Americas taken in September 2008</li> </ul>
<b>Regionalization</b>	<ul style="list-style-type: none"> <li>▪ Terms of Reference for a Regional Office issued in August 2008</li> <li>▪ 67 country/national offices covered by 16 regional offices in 2009</li> </ul>
<b>HUMAN RESOURCES MANAGEMENT</b>	
<b>Global Staff Survey</b>	<ul style="list-style-type: none"> <li>▪ First survey conducted from November to December 2006</li> <li>▪ Second survey conducted from August to September 2008</li> </ul>
<b>Whistleblower Policy</b>	<ul style="list-style-type: none"> <li>▪ Policy on protection of individuals against retaliation issued in September 2008</li> </ul>
<b>Ombudsman</b>	<ul style="list-style-type: none"> <li>▪ Decision to change the UNHCR Mediator's Office title to the Office of the UNHCR Ombudsman to harmonize with accepted practice in the United Nations in January 2009</li> </ul>
<b>Ethics Office</b>	<ul style="list-style-type: none"> <li>▪ Decision to upgrade the Ethics function in UNHCR to report directly to the High Commissioner in June 2008</li> </ul>
<b>Gender Policy</b>	<ul style="list-style-type: none"> <li>▪ The Policy on achieving Gender Equity in UNHCR Staffing was issued in March 2007. Further implementation rules were issued in June 2008</li> </ul>
<b>Fast Track</b>	<ul style="list-style-type: none"> <li>▪ High Commissioner approved modifications to the Fast Track model, to enhance its effectiveness and reduce the timeframe of deployments in an emergency operation, in May 2008</li> </ul>
<b>Staff/Management Consultative Council</b>	<ul style="list-style-type: none"> <li>▪ Establishment of the Staff/Management Consultative Council (SMCC) in June 2008</li> </ul>
<b>Performance Evaluation</b>	<ul style="list-style-type: none"> <li>▪ Decision to implement the new policy for the UNHCR Performance Management and Appraisal System (PAMS) in December 2008</li> </ul>
<b>Career Development</b>	<ul style="list-style-type: none"> <li>▪ Established a Career Management Service to provide staff with better career counselling in 2009</li> </ul>
<b>Staff-in-Between-Assignments</b>	<ul style="list-style-type: none"> <li>▪ Policy and transitional measures to identify suitable assignments for staff members in the International Professional category in-between assignments and the consequences of refusal issued in October 2008</li> </ul>

## Annex II

### **UNHCR Note on Outposting**

Originally, the savings accruing from outposting were expected to be in the range of \$10 million per year as of 2010, once the initial investment in the establishment of the new Global Service Centre in Budapest (GSC) had been made. The start-up and transitional costs were estimated at some \$20 million. The Government of Hungary provided top grade premises in central Budapest, together with office furniture and free utilities for a period of 10 years.

Furthermore, in parallel with the outposting of UNHCR's Supply Management Service (SMS) to the GSC, this service was also strengthened. Significant reinforcement of SMS staffing was approved, both for Budapest and the global supply platforms in Beijing, Dubai and Pretoria. On the basis of a number of audits and evaluations, it is estimated that improved supply chain management will also yield substantial savings.

Thus, 129 posts were originally discontinued in Geneva and a total of 176 new positions were approved, of which 166 were in Budapest (including 4 transferred from Dubai). The new posts were introduced in a phased manner from late 2007 to mid-2008.

The Geneva costs of the targeted services was \$16 million per annum, budgeted at the initial rates established for staff costs for 2008/2009. Following the necessary investment in start-up and transition costs, savings realized by the move to Budapest were estimated to be some \$9.5 million per annum from 2010 onwards.

Since these original estimates were established, staff and administrative cost increases have occurred in both Geneva and Budapest, which means that UNHCR is still on track as regards expected savings. By way of example, the 129 posts discontinued in Geneva would have cost some \$17.4 million at 2009 salary scales, had they remained in Geneva. The same 129 posts would only cost \$9.5 million at the Hungary salary scales, thus giving a theoretical saving of \$7.9 million ("theoretical" because, on the one hand, a part of the savings was used to increase the number of posts in Budapest and, on the other, there are no rental costs in Budapest).

The Government of Hungary made two additional floors in the building in Budapest available and UNHCR is moving more functions to Budapest. A number of posts and functions in the Programme Budget Service in Geneva have already been transferred to the Financial Control Section in Budapest. In the course of 2009, UNHCR will also consolidate training functions currently spread across Headquarters in Geneva into a Global Learning Centre based in Budapest. This additional outposting will allow UNHCR to give up an entire office building currently rented in Geneva by mid-2009, which will result in further savings of over \$3 million per year.

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