37th Meeting of the Standing Committee
20-21 September 2006

Structural and Management Change Process
Progress Report: September 2006

Item 4 (c)

A. Introduction

1. In February 2006, the High Commissioner launched a process of Structural and Management Change. The aim of the initiative is to ensure that UNHCR's structures, processes and workforce composition are aligned with current needs and challenges and that, by being optimally cost-effective, they enable the Office to devote a maximum level of its resources to its beneficiaries.

2. The Change Process has been sparked by a number of key concerns. The first of these is to ensure that UNHCR is properly positioned, in a changing international environment, as a central humanitarian agency with a key role in addressing the problem of human displacement. Refugee numbers around the world are falling. Certainly, responding to the needs of refugees in insecure and difficult environments remains a core responsibility and a daunting task for the Office, but the challenges of today relate equally to internal displacement and to mixed flows of migrants and asylum seekers. Consequently, the Office needs to ensure that it is properly structured and equipped to play a role in meeting these challenges and in supporting the efforts of the broader United Nations system to bring the required degree of coherence and effectiveness to the system-wide response to humanitarian needs. For UNHCR, this entails not only bringing its own systems to their maximum level of effectiveness, but recalibrating them where necessary to respond to different and more collaborative ways of working.

Table 1: Changing beneficiary profile 2000 / 2006

Year	Refugees	Asylum-seekers	Returned refugees	IDPs of concern to UNHCR	Returned IDPs	Various (incl. Stateless persons)	Total population of concern
end-2005	8,570,000	804,000	1,197,000	6,617,000	519,000	3,259,000	20,967,000
end-2000	12,130,000	1,088,000	767,000	5,999,000	369,000	1,654,000	22,006,000

3. As part of its effort to achieve maximum responsiveness and cost-effectiveness, UNHCR also needs to ensure that an increased percentage of its resources is devoted to its operations and its beneficiaries. This involves reversing the upward trend in staffing and administrative costs in its overall budget. There is a moral and an efficiency imperative for UNHCR to make sure that what it spends on its administration is not at the expense of the assistance it provides to refugees and others of its concern.

4. Amongst the key outputs expected from the Change Process are: enhanced operational responsiveness, flexibility and effectiveness; a greater portion of the budget allocated to operations; a leaner Headquarters, with support functions closer to the point of delivery; and administrative services located where they are the most cost-effective and yield the greatest impact.

B. Progress against Work Plan

5. Given the range and complexity of the issues involved and the investment of time required in the management as well as the conceptualization of change, it is estimated that several more months will be needed to complete necessary planning. Expected completion dates on the various issues included in the Terms of Reference of the Structural and Management Change Process are indicated in Annex 1. Significant progress has been achieved in key areas. This is further described in the following sections of this progress report.

Consultation and communication

Field consultation

6. At the beginning of the Change Process, a Field Reference Group comprising 18 country and regional Representatives was established. It provides a sounding board for the content and direction of the Change Process, while also ensuring that it is strongly informed and guided by the needs of the Field.

Communication with staff

7. Various communication tools have been developed to ensure dialogue with staff. An intranet Forum has been set up for all staff. It serves as a vehicle for the Change Team to disseminate reports on recent developments as well as for staff to express their ideas and concerns. Newsletters, issued at regular intervals via e-mail and in hard copy, provide another important channel for the Change Team to relay messages and to address the concerns of staff. These tools are complemented by direct contact with the staff, through all-staff meetings such as the one convened by the High Commissioner on 12 May 2006, and "Food for Thought" sessions led by the Director for Structural and Management Change. The first "Food for Thought was held on 14 June and another will follow in late September. Additionally, the Director holds a regular weekly meeting with the Staff Council to keep the latter abreast of progress made and issues emerging in the Change Process. All-staff meetings have also been held with the Division of Human Resource Management (DHRM), the Division of Financial and Supply Management (DFSM) and the Division of Information Services and Telecommunications (DIST), with a particular focus on proposals for outposting. Some managers have established, within their respective Bureaux/Divisions/Sections, internal consultations with staff, which provide an important opportunity to share information as well as to generate feedback and ideas on the Change Process.

Stocktaking

8. This is not the first time UNHCR has engaged in a comprehensive change process and, as such, the Change Team undertook, as one of its first tasks, an analysis of previous institutional reform efforts to identify lessons learned and recurrent concerns. The findings of this initial stocktaking exercise, which are reflected in the current change agenda, include the need to: i) strengthen policy and strategy formulation and the setting of corporate priorities; ii) address the imbalance between Headquarters and the Field; iii) delegate and empower management, particularly field-level management; iv) institutionalize a situational approach to operations; v) streamline and enhance the resource allocation process; and vi) strengthen human resources management. In parallel, the Change Team has charted the many changes that have occurred within the organization over the last decade.

Review of key processes

Corporate objective setting and prioritization

9. UNHCR's Global Strategic Objectives need to be at the centre of its planning and budgetary processes and to provide a sound basis for prioritization and results-based management. Significant progress has been made in recent years in better articulating a set of corporate objectives and integrating them into annual planning.

10. Building on feedback received from the Field Reference Group in response to a survey conducted early in the process, the Change Team has initiated a consultation on the Global Strategic Objectives for 2008-2010. It has made suggestions for a revised formulation that would make a clearer distinction between what UNHCR aims to do and how it aims to do it, which better distinguishes the different aspects of UNHCR's protection responsibilities, and which gives greater prominence to its emergency response role, in view of the critical importance of these activities to the credibility of the Office.

11. The Change Team has also suggested that a different process is needed for formulating corporate objectives and priorities – one which more explicitly involves the Quartet and Senior Management. To date, the process of setting objectives has taken place largely at the middle management level. Henceforth, corporate objectives and priorities will be articulated and agreed in a senior management discussion at the beginning of the planning cycle, so as to ensure that they capture the vision and direction that the organization wishes to pursue and frame the subsequent planning and resource allocation processes.

Next steps:

– *An SMC retreat in October 2006 will finalize revised objectives to frame 2008 planning and the 2008-2010 Corporate Plan*

Resource allocation process

12. Problems with UNHCR's resource allocation process have been highlighted by recent organizational reviews, notably those carried out by the Joint Inspection Unit (JIU) in 2004 and the independent study by Mannet in 2005. At the March 2006 Standing Committee, EC/57/SC/CRP.3 recalled that: "The Mannet Report, and indeed other analyses of UNHCR, found UNHCR's resource allocation process to be overly centralized, burdensome and incapable of adequately allocating funds across divisional and regional boundaries" (para 14).

13. Against this background, the Change Team undertook a detailed analysis of UNHCR's resource allocation process and formulated a proposal for a revision revolving around the following principles:

- The need for UNHCR to fulfill its mandate in a predictable way;
- The importance of resource allocation being firmly rooted in a set of clearly articulated corporate objectives that cascade down to the level of regions and operations;
- The requirement for delegation, empowerment and accountability of operational managers in the Field; and
- The requirement that delegation be balanced by adequate controls and accountability both during the resource allocation process and implementation.

14. The new model considers the introduction of a two-tier budget structure with the aim of taking pressure off the budget ceiling and eliminating the detrimental effects of capping. Objectives and priorities are clearly set and cascaded through a structured process at the beginning of the programming exercise. A budget ceiling and programme and budgetary parameters are set early in the process to permit orderly planning and avoid sequential cuts during the planning and budgeting process. Substantial additional authority is given to Directors and Representatives for the reallocation of funds within agreed parameters. Roles are delineated and accountabilities clarified, most notable being the separation of responsibilities for programme content and for the financial aspects of budgeting. To ensure an integrated and field-oriented approach to planning, both Field and Headquarters plans are reviewed by the Assistant High Commissioner (Operations) in close consultation with the Assistant High Commissioner (Protection). Under the chairmanship of the Deputy High Commissioner (DHC), a small Budget Committee, comprising the DHC, Controller and Director of the Division for External Relations (DER), recommends the budgetary ceiling and oversees the financing of budgets, manages the reserves, with the exception of emergencies, and approves the budgetary level of SBs. The Budget Section (in DFSM) and the Programme Coordination and Operational Support Section (PCOS, in the Division of Operational Services) are assigned clearly delineated roles.

15. With the exception of the proposal to introduce a two-tier budget, with the second tier run on a project basis (a proposal requiring further detailed internal and external consultation), the Quartet and the Senior Management Committee (SMC) have agreed to the core structural and process elements of the framework, which now need to be developed into a full-fledged model.

Next steps:

- *Framework model will be developed into a full set of procedures*
- *Consultations will be organized on issue of two-tier budget*

Structural review of Headquarters

Mapping headquarters functions

16. In accordance with its Terms of Reference, the Change Team has sought to: "Identify the attributes of an ideal UNHCR Headquarters whose size and functions are determined by the need to provide overall direction and maximum support to the Field from the smallest, most efficient platform".

17. Following consultations with the Field Reference Group, and building on earlier work done by the Organizational Development and Management Section (ODMS), the Change Team developed an annotated list of essential headquarters functions. The list was deliberately minimalist, including only those functions that must be located at Headquarters as a matter of imperative necessity and excluding functions that might be located there as a matter of intelligent choice. All headquarters Divisions and Bureaux were asked to use the list as a point of reference to identify functions that could potentially be relocated outside of Headquarters or decentralized.

Outposting of back office administrative and service functions

18. As part of this process, a number of back office administrative functions and operational support services have been examined with a view to identifying those that might be better and more cost-effectively performed at non-headquarters locations. The results of benchmarking against other agencies are set out in Table 2 below.

Table 2: Outposting by other agencies

Agency	Functions
UNDP	Outposted human resources functions to Copenhagen (2003)
IOM	Outposted human resources, administration, finance, security and IT to Manila (2001)
World Bank	Outposted accounting, financial services, treasury, internal auditing and IT support functions to Chennai (2001)
ICRC	Outposted field finance and accounting control to Manila
UNU	Is outposting administrative functions to Kuala Lumpur

19. Outposting offers UNHCR two benefits. First, by maximizing cost efficiency, it would enable the Office to channel more of its resources into the protection and assistance it owes to its beneficiaries. Second, it would make space for modest but important and much needed strategic strengthening of key management functions, including in the fields of human resources and finance.

20. In examining the outposting option, the conclusion has been reached that any outposting of UNHCR's "back office" administrative and service functions that do not have a direct operational interface would best be consolidated at a single Administrative Support Centre. Such an approach would minimize dispersal, reduce potential duplications and maintain essential synergies between different outposted services.

21. A number of outposting proposals are at an advanced stage of elaboration. These include: Human Resources Administration and Payroll; Finance, Budget and Treasury; and Supply Management.

22. Various factors need to be considered when selecting an outposting location. These include the quality, availability and cost of staff; communications, accessibility, and time zone; physical and technological infrastructure; and political stability. While no decisions have yet been taken, cost comparisons of various locations have been made. The following comparison (2007 estimates) in Table 3 illustrates the cost benefits of outposting at various locations in comparison with Geneva.

Table 3: Indicative cost comparison by location

Location	P-4 (USD)	Savings if P-4	NOD (USD)	Savings if NOD (instead of P-4)	G-5 (USD)	Savings
HQs (Geneva)	175,641	-	n/a	-	101,423	-
Location A	154,556	12%	91,122	48%	23,969	76%
Location B	155,876	11%	116,799	34%	20,363	80%
Location C	160,436	9%	85,937	51%	18,659	82%

23. Indicative costing scenarios have been developed concerning the outposting of 150 and 100 positions, taking "Location B" as a basis for the calculation of staff costs:

- Should 150 positions be outposted, it is estimated that savings on staff costs would amount to up to USD 10 million per year from 2009 onwards. Given the requirement to put in place transitional arrangements to ensure transfer of knowledge, it is estimated that the total savings for 2007 – 2009 would be in the range of USD 18 million.

- Should 100 positions be outposted, annual savings in staff costs from 2009 onwards would be in the order of USD 6 million per year, with cumulative savings for the period 2007 – 2009 estimated at USD 11 million.

24. Other savings deriving from a reduction in the size of Headquarters (notably rental costs), and start-up and transition costs related to the establishment of a New Administrative Support Centre need to be factored into a full cost-benefit analysis.

25. A consultancy retained under the Canadian Management Trust Fund is expected to complete its work by end September 2006. The consultants are assisting with finalizing and integrating outposting proposals, evaluating risk assessments and transition strategies, and testing the proposals against international best practice. It is planned to retain a second international consultancy in October/November 2006 to carry out a full feasibility study before a final decision is taken on the outposting proposals. Consultations with staff will be conducted on the consolidated proposal produced by the current consultancy prior to the second feasibility study.

Outposting to other locations

26. In the meantime, separate consideration has been given to the outposting of a number of additional support functions to other locations. The need to maintain a strong operational interface as well as to enhance overall effectiveness, delivery orientation and responsiveness is a strong consideration in the geographic location of some functions, so they would not necessarily be co-located with administrative services at the New Administrative Support Centre.

27. Despite the fact that costs are only marginally below those of Geneva, Dubai is under consideration for certain supply management and communications functions involving small numbers of staff, because of the potential synergies with other agencies and since it is a location which provides easier access to UNHCR's major operations in the Middle East, South Asia and East Africa. It is to be noted that WFP has established a presence in Dubai dealing with emergency response (IT and Telecoms) and that UNICEF, UNOPS and IFRC have established facilities to administer emergency stockpiles and vehicles out of Dubai.

Outsourcing

28. The UNHCR Structural and Management Change Process does not envisage outsourcing core functions. Nevertheless, partnership options are being examined for various aspects of information technology and telecommunications in cases where this is seen to be more effective and cost-efficient than insourcing such functions with highly specialized internal staff resources.

29. IT support functions under consideration for partnership arrangements even prior to the launch of the Structural and Management Change Process but mentioned here for the sake of completeness include: WAN/VSAT, and a variety of support, hosting, maintenance and applications development functions.

Next steps:

- *Finalize consolidated outposting proposal by end September 2006*
- *Finalize human resources policy dealing with the impact of structural reform on existing staff*
- *Undertake detailed feasibility study with international consultancy: October/November 2006*
- *Depending on results of the above, proceed with outposting of administrative functions in 2007*

Review of operational support functions

30. In parallel, other Headquarters structures and functions are being analyzed to identify duplications and redundancies and maximize efficiencies. Earlier this year, the Division of Operational Services (DOS) carried out its own client survey, which provided critical yet constructive feedback from the Field that will guide future planning. The Change Team, meanwhile, consulted the Field Reference Group with regard to the role and functions of the Division of International Protection Services (DIPS). The results of these consultations have been synthesized and fed into the Change Process.

31. Against this background, the Change Team is examining a number of proposals aimed at rationalizing headquarters structures. A decision has been taken to move the Supply Management Service (SMS) from DFSM to DOS, in recognition of the crucial role that supply and logistics play in emergency preparedness and response – the enhancement of which is a key goal of the Change Process. Furthermore, within the context of the review of the resource allocation process described above, responsibilities for servicing the budgeting process will be consolidated in DFSM in accordance with the 2004 JIU recommendations.

32. While the detailed scrutiny of Headquarters functions and structures will continue in consultation with the Bureaux and Divisions, this work has reached a crossroads in the sense that Headquarters and the Field need to be viewed as part of a continuum. Proposals made on the scope and depth of the Headquarters restructuring therefore need to be formulated in tandem with any recommendations on any reconfiguration of the Field.

Next steps:

- *The results of the Headquarters analysis will be brought together with structural options emerging from the Field Review, as Headquarters and Field need to be viewed as a continuum*
- *The results of this analysis will be discussed by the Quartet and the SMC*
- *Following that discussion, proposals will be elaborated in relation to Headquarters structure*

Field review

33. In parallel with the overall review of Headquarters and the analysis on outposting and outsourcing, work has advanced on the Field Review. In a first phase, five working groups were tasked with looking at the issues on the agenda of the Field Review in terms of specific situations. Four working groups looked at the following situations: i) Afghanistan (Afghanistan, the Islamic Republic of Iran and Pakistan); ii) Colombia (Colombia, Ecuador and the Bolivarian Republic of Venezuela); iii) Sudan (Kenya, Uganda and Sudan); and iv) Liberia (Ghana and Liberia). A fifth working group reviewed the regional configurations in Western and Central Europe, Southern Africa, and the Asia Pacific. Working groups were comprised of six to eight participants from the relevant Bureaux as well as from DER, DOS, DIPS and the Change Team. They adopted a consultative approach with the Field, to ensure that their work was informed by a field perspective.

34. The field working groups gave particular emphasis to reviewing the feasibility of situational approaches, and to the question of how the configuration of UNHCR's field presence can be optimized, with a view to striking the most effective balance between headquarters, regional and country-level structures and functions. A range of options and recommendations were put forward by the groups at the end of August, some of which would entail a significant degree of decentralization to the Field of functions currently performed by headquarters Bureaux. While no

conclusion or final recommendation has yet been reached, should such a restructuring of the Regional Bureaux take place, it would provide a platform for further decentralization of certain substantive support functions currently carried out from Headquarters by DIPS, DOS and DER.

35. The field review working groups have reached less substantive conclusions on other issues that were included in their terms of reference, notably those relating to workforce composition, implementation arrangements, and parameters and metrics for office size. The first two issues will now be taken forward through issue-specific working groups, while ODMS will continue to work on parameters and metrics for ranges of office size in different types of situations.

Next steps:

- *An issue-specific working group will be constituted on workforce composition, with particular focus on the balance between international and national staff*
- *A second issue-specific working group will be tasked with the development of policy guidelines on direct/indirect implementation and the use of implementing partners*
- *Findings from the working groups to be presented to a high-level task force in September/October*

Impact of restructuring on staff

36. UNHCR's broader efforts to streamline its operations and reduce the components of its budget related to staffing and administrative costs have already led to a significant reduction of posts in the 2007 planning exercise. A total of 612 posts have been discontinued, 480 of them in the General Services and 132 in the International Professional category, the great majority in the Field.

37. Outposting as well as other aspects of the Change Process could have a significant further impact on UNHCR's present staffing distribution and levels, including at Headquarters.

General Service staff at Headquarters

38. Of posts at Headquarters likely to be impacted by outposting proposals, 75 per cent are in the General Service category. Similarly, any decentralization of substantive support services may lead to a further reduction of the need for support staff as well as international professional staff at Headquarters. Since General Service posts are location-specific, restructuring has an impact on employment as well as posts.

International staff

39. Outposting "per se" has an impact only on the location of professional posts, since International Professional staff members are in great majority rotational. Nevertheless, although not yet quantifiable, other aspects of the Change Process may have an impact on International Professional staff numbers as a result of any recalibration of the balance between international and national staff and any increased use of implementing partners with a corresponding decrease in direct implementation by UNHCR – issues which are under review in the Change Process.

40. In light of the above, a framework human resources policy has been elaborated by DHRM in consultation with the Change Team and has been put into a process of staff/management consultation through the Joint Advisory Committee (JAC). It includes early separation packages for staff meeting a given set of criteria; enhanced counselling and transition support; training to

upgrade the skills of staff leaving the organization; and a proposed universal postings exercise to the extent that it is necessary to bring staff numbers into alignment with the needs of the organization.

41. Any general postings exercise should be preceded by a staff profiling exercise that matches the skills of staff with the needs of the organization, and which also factors in staff profiles needed to support UNHCR's expanded role with IDPs. Terms of Reference are currently being drawn up for an expert consultancy to develop the methodology for such an exercise.

Next steps:

- *Agreement in JAC on framework human resources policy*
- *Establishment of TOR for a comprehensive reprofiling exercise*

Other key human resources issues

Management assessment

42. Particular focus is also being placed by the Change Team on developing a more rigorous approach to management assessment, and on the introduction of an annual Global Staff Survey as a diagnostic and accountability tool.

43. A proposal has been developed to use an assessment centre approach to undertake a compulsory assessment of management competencies before staff take up positions such as Head of Office or other important management responsibilities at the P5/D1 levels. In the process of benchmarking against other agencies, however, it has been seen that an assessment centre approach is difficult to sustain financially (as was the experience of the Rome-based United Nations agencies). An alternative approach is therefore being developed, which would link functional training, management training, and assessment for management positions. Funding for the management assessment has been secured and the programme will be introduced in 2007.

Global Staff Survey

44. UNDP has found its Global Staff Survey to be the single most useful instrument in its process of organizational transformation. The survey is currently in its eighth year. Given limitations on UNHCR's budgetary resources, the Change Team has negotiated a "pro bono" agreement with the international corporation, Manpower Inc., covering the design and first year of implementation of a UNHCR Global Staff Survey. Administered annually thereafter, this survey will allow the Office to identify and address management and other weaknesses at the corporate level, as well as at the level of individual offices and departments, and to track performance improvements over time. The design of the Survey is at an advanced stage of completion and it is expected to be administered in October 2006.

HR policy and strategy

45. In the meantime, work continues on the finalization of a gender policy and on a policy proposal for minimum working and living conditions for staff in the Field.

Next steps:

- *Agreement in JAC on remaining revisions to appointments and posting procedure*
- *Finalization of proposals on fast track appointments*
- *Finalization of management assessment methodology and programme for implementation in 2007*
- *Finalization of Global Staff Survey for implementation in October 2006*
- *Finalization of Gender Policy*
- *Finalization of Policy on minimum living and working conditions in the Field*
- *Agreement on agenda of diagnostic workshop to be held by Manpower as a basis for determining a broader range of pro bono human resources assistance*

C. Conclusion

46. While the Structural and Management Change Process has made significant progress in a number of areas, considerable work remains to be done. It is important in this regard to reconcile the need to avoid precipitous decisions in relation to fundamental aspects of UNHCR's operational and administrative infrastructure with the need to demonstrate improved efficiencies and cost-effectiveness within a reasonable and determined time frame. With this in mind, completion dates for various aspects of the Structural and Management Change Process are set out in the Annex.

ANNEX

Workplan: UNHCR Structural and Management Change Process (updated September 2006)				
Priority Areas	Objectives	Actions Required	Completion by	Progress
Preliminaries	Conceptualize review	Draft and approve terms of reference	Complete	TOR issued by the High Commissioner on 21 February 2006
		Agree on priorities	Complete	Prioritization paper issued by the Change Team on 19 April 2006
	Establish infrastructure	Establish core team to work with the Director for Structural and Management Change	Complete	Core team composed (Director plus 2.8 staff on "ad hoc" basis)
		Establish a Field Reference Group comprising Representatives	Complete	Support Group of 18 Representatives established
		Prepare a budget	Complete	Budget and staffing requirements submitted and approved for 2007 (Director plus 2 professional and 1 support staff)
	Maintain transparency and generate understanding and support for the Change Process	Develop and launch communications strategy	Complete	● Online (intranet) Forum launched in mid-April to share information and documentation on the Change Process with staff and receive their ideas, views and concerns ● All staff meeting convened by the High Commissioner in mid-May to explain rationale and objectives of the Change Process ● "Food for Thought" session, open to all staff, convened by the Director for Structural and Management Change in mid-June; a further session scheduled for 19 September ● Newsletters issued to all staff by the Change Team to address recurring themes on the Forum and to relay the latest information on the Change Process (three issued so far) ● Regular weekly consultations between the Director for Structural and Management Change and the Staff Council
Stocktaking	Draw up lessons learned from past and present change initiatives	Consult Field Reference Group, obtain initial feedback and prepare an analysis	Complete	● Field Reference Group (see above) surveyed by means of a questionnaire ● Responses analyzed and synthesized as a foundation for subsequent consultations on an issue-specific basis
		Review past organizational reform initiatives to identify lessons and recommendations applicable to the current context	Complete	● Analysis undertaken of major past initiatives and institutional studies to identify recurring themes ● Work completed on a set of annotations on changes which have taken place as a result of these studies
		Consult with other UN agencies, preparing an initial set of benchmarks	Complete	● Consultations undertaken with UNDP, UNICEF, WFP, the World Bank and ICRC ● Particular attention given to benchmarking issues relating to decentralization, outposting and outsourcing (see below for a list of benchmarked agencies)
Organizational Mission and Strategy	Draw implications of changing external environment for mission and functions	Review mission statement and global strategic objectives (GSOs) in relation to broader environment	October/November 2006	● Global Strategic Objectives reviewed in consultation with the Field Reference Group ● An initial reformulation proposed (i.e., corporate objectives) and discussed in the Quartet ● Following further internal consultations, corporate objectives will be incorporated into the planning instructions for 2008, to be issued in November/December 2006, and into the Corporate Plan for 2008-2010
		Assess impact of work with IDPs	December 2006	Dialogue established with UNHCR's IDP support group with particular emphasis on the implications of work with IDPs for: ● UNHCR's role as a central multilateral agency for forced displacement ● Staff profile ● Resource allocation An internal UNHCR review of IDP operations and inter-agency coordination is scheduled for mid-October, the results of which should provide further input into UNHCR's overall policy on IDPs and the impact of this on its work

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Priority Areas		Objectives	Actions Required	Completion by	Progress
Organizational Mission and Strategy *(continued)*		Prioritize and rationalize activities as basis for resource allocation	Establish mechanism and methodology for identifying activities that UNHCR should start or continue to implement and those that should be eliminated or implemented only when additional funding is available	October/November 2006	Issue considered in relation to the revision of the corporate objectives and redesign of resource allocation process
Organizational Design	Centralization vs. Decentralization	Identify attributes of an "ideal" UNHCR Headquarters	Identify core functions of Headquarters	Complete	● A list of essential HQ functions drawn up and compared to a detailed map of existing HQ functions, with a view to identifying functions that can be rationalized, relocated and/or decentralized ● Proposals for outposting of administrative support functions developed in relation to aspects of human resources, finance and budget, and supply management with a view to decreasing administrative costs, increasing resources available for beneficiaries, and creating space for limited strengthening of strategic management functions in the respective areas ● Consultancy retained under the Canadian Consultant Management Fund (CCMF), to assist with the finalization, integration and validation of these outposting proposals by end September 2006 ● Potential for further decentralization of operational support functions being examined in
			Identify protection, programme and other operational support functions that can be devolved to the Field	November/December 2006	
			Examine on a case by case basis how and where admin functions can be best and most cost effectively performed	September 2006	
			Benchmark against other agencies (UNDP, IOM, UNOPS, UNICEF, WFP, World Bank, ICRC and UN)	Complete	
			Establish timeframe for MSRP stabilization to determine its consequences for decentralization/outposting	Complete	
			Conduct feasibility studies with regard to outposting options	October/November 2006	
	Structure	Rationalize field presence	Develop models and parameters for field configurations and deployment	December 2006	● Four situational Working Groups and one cross-regional Working Group completed review of field configurations and made recommendations on arrangements and mechanisms required to support situational approaches ● Findings and recommendations of Working Groups being analyzed with a view to further developing options and proposals ● Work underway to further develop parameters and metrics for office design in relation to a typology of situations ● Options for rightsizing or closing legacy offices dealt with in the context of the 2007 planning exercise
			Develop parameters in relation to office size	December 2006	
			Examine options for rightsizing or closing legacy offices	Complete	
			Develop accountability frameworks	January/March 2007	
		Optimize Headquarters structure as a support platform for field operations	In light of conclusions on decentralization and Field Review, optimize: ● interface between DIPS, DOS and Bureaux ● role, size and configuration of Bureaux ● budget and programme coordination functions	October/December 2006	● Work is proceeding on the basis of the completed HQ mapping exercise ● An analysis of HQ Divisions and Bureaux and associated proposals for rationalization are being completed ● Scope for additional change will depend, inter alia, on any proposals for field restructuring in recognition of fact that the Field and Headquarters need to be viewed as a continuum
			Develop accountability frameworks	March 2007	
			Prepare a framework organizational chart	December 2006/ January 2007	
	Processes	Develop streamlined processes to enhance overall efficiency	Develop proposals for policy formulation and dissemination processes	January 2007	● A detailed mapping of UNHCR's resource allocation process has been undertaken and a framework model prepared for a revised resource allocation process ● Model agreed by the Quartet and SMC, and put into further development ● Elements involving possible development of a two tier budget structure will be the subject of further internal and external consultation ● The appointments and postings process is undergoing an extensive revision to increase its responsiveness to operational needs ● Fast track procedures are being fine-tuned to ensure a smooth and effective interface with emergency team deployments
			Redesign resource allocation process	Complete	
			Make all necessary structural and procedural changes required in support of the redesigned resource allocation process	December 2006	
			Undertake consultations on a two tier budget	December 2006	
			Redesign appointments and postings process to ensure responsiveness to organizational priorities	December 2006	
			Develop proposals for the implementation of a results-based management approach throughout the organization	2007	
			Identify and implement additional measures to streamline and simplify field reporting requirements	Ongoing	
			Develop strategies to strengthen mechanisms for knowledge and information management	Ongoing	

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Priority Areas		Objectives	Actions Required	Completion by	Progress
Organizational Design *(continued)*	Implementing Arrangements	Maximize efficiency of field operations	Review direct and indirect implementation, and formulate recommendations	October/November 2006	● Analysis undertaken of implementation trends ● Working Group established to develop a policy and guidelines with regard to activities/functions that must be carried out directly by UNHCR, and those that could be transferred to implementing partners or could be better carried out by other agencies with their own resources
People		Finalize integrated workforce strategy and align workforce policies with organizational needs	Implement management assessment	January 2007	● Budgetary facility put in place for implementation of a management assessment programme in 2007, as a compulsory requirement for the assumption of management responsibilities ● Strategic Leadership Programme currently being developed as a complement to the management assessment
			Introduce annual Global Staff Survey	October 2006	Pro bono design and implementation of annual Global Staff Survey as a diagnostic and management accountability tool
			Review performance evaluation	March 2007	
			Adopt contracts policy	March 2007	Contracts policy being developed in tandem with the broader UN contracts policies
			Adjust workforce composition	October 2006 and March 2007	● Finalization of gender policy underway ● Terms of Reference being drawn up for staff consultancy on reprofiling exercise to match staff skills profile with organizational needs
			Strengthen career and transition counselling	October 2006	Career and transition counselling being strengthened
			Improve field conditions	October/November 2006	Finalization underway of policy proposal for minimum working and living conditions for staff in the Field
			In relation to Headquarters restructuring and Field Review, develop rightsizing strategies in the area of Human Resources	October/November 2006	A framework human resources policy has been elaborated by DHRM in consultation with the Change Team and has been put into a process of staff/management consultation through the Joint Advisory Committee (JAC)