

UPDATE ON MANAGEMENT REFORMS:

UNHCR'S RESPONSE TO THE RECOMMENDATIONS OF THE
JOINT INSPECTION UNIT

1. In its General decision on Administrative, Financial and Programme Matters (A.AC.96/1003, paragraph 24), the Executive Committee last October expressed appreciation for the comprehensive report of the Joint Inspection Unit on its review of management and administration in UNHCR as a contribution to the broader efforts of the High Commissioner to improve the Office's capacity and efficiency; and asked UNHCR to discuss with the Standing Committee, in the course of 2005, the Report's recommendations and UNHCR's response thereto.
2. The High Commissioner's letter of 5 November 2004 to the JIU, with its annex containing his comprehensive comments on the JIU's report and recommendations, is attached (it was earlier circulated to Executive Committee members and Standing Committee Observers on 22 November 2004).
3. In accordance with the ExCom decision referred to above, these recommendations and comments are the subject of discussions by the Standing Committee and ExCom in 2005.



COPY

Case postale 2500
1211 Genève 2
Suisse

5 November 2004

Sir,

In my letter to you dated 20 August 2004, I addressed myself to three recommendations contained in your report entitled *Review of Management and Administration in the Office of the United Nations High Commissioner for Refugees*, while reserving my opinion and response on the analyses and other recommendations forming the basis of the report. Having had the opportunity to consider the report and its ramifications in full, I am pleased to attach herewith UNHCR's official response to the report.

As you will recall, I also informed you in my August letter of my intention to submit the report for a preliminary consideration at the Standing Committee. This was done at the thirty-first Standing Committee meeting held in September 2004. I am pleased to inform you that the report was well received by the Committee and generated some comments from our members as well as requests that certain issues be tabled for further consideration during the 2005 Executive Committee cycle of meetings. The report was also considered by the ACABQ at their annual meeting in September 2004. My Office has taken note of the comments made by these key bodies in relation to the recommendations made in the report, many of which touch on some of the management initiatives already being implemented by UNHCR.

The Headquarters Review process, the independent review of UNHCR's senior management structure and the formulation of a comprehensive IT strategy – all of which are currently under way – will, *inter alia*, address some of the issues highlighted in your report. We shall involve key stakeholders in relevant discussions surrounding these initiatives and keep them informed of steps we are taking to implement those recommendations contained in the report with which we are in agreement. As previously stated, we will ensure that the JIU report is included on the agenda of issues to be deliberated upon during the course of 2005 with a request to complete discussion of the report by the fifty-sixth plenary session of the Executive Committee in October 2005.

In conclusion, let me once again extend to your office our appreciation for the efforts that have gone into this Report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ruud Lubbers', written over a horizontal line.

Ruud Lubbers

Mr. Ion Gorita
Chairman
Joint Inspection Unit
Palais des Nations

UNHCR's Response to the Joint Inspection Unit's Review of Management and Administration in UNHCR.

1. UNHCR finds the JIU report on management and administration in general to be of high quality with many insightful comments. Some of the recommendations of the JIU report coincide with managerial initiatives already being acted on by UNHCR. Only in a very few cases does senior management have reservations about implementing the JIU recommendations on the grounds that they could have unintended consequences on other elements of our management system. The High Commissioner has asked the Deputy High Commissioner to lead a Headquarters Review to develop reforms with the objective of rationalizing and streamlining management processes. The recommendations of the JIU Report will be carefully considered during this Review.

JIU's mandate, the role of EXCOM and the Statute of the High Commissioner

2. As described in the Statute of the Joint Inspection Unit, the Inspectors address their recommendations "to the competent organs" of organizations falling under the purview of the Unit. In the case of UNHCR, the Office is directly subject to more than one legislative body. The High Commissioner reports, by the terms of the Statute of his Office, to the General Assembly, through ECOSOC rather than through the Executive Committee of the High Commissioner's Program (EXCOM). He remains subject to policy directives issued by the General Assembly and ECOSOC. These two bodies, in creating EXCOM, limited its decision-making powers to program, funding and budgetary matters, as implied by EXCOM's full title. On other questions, the relevant reference in EXCOM's mandate is its general task to "advise the High Commissioner, at his request, in the exercise of his functions under the Statute of his Office." Owing to its statutory responsibility to determine and review the use of funds put at the disposal of the High Commissioner, EXCOM clearly has a role to play in reviewing any recommendations affecting the long-term management of those funds.

General Comments on the JIU Report

3. The JIU report does not acknowledge the process and outcome of the UNHCR 2004 initiative, i.e. the conclusion adopted by the Executive Committee in October 2003 and report of the High Commissioner to the General Assembly and subsequent resolution in November 2003. While the report does reference the High Commissioner's report and quotes the General Assembly resolution, no recognition is given to the fact that the UNHCR 2004 process was an exercise in defining a long-term strategy for the Office ("determining how the Office could be better positioned to meet new challenges which have affected its capacity to carry out its mandate") in close cooperation with States and other stakeholders. The High Commissioner's report, in particular, contains recommendations, some of which were endorsed by the Executive Committee and the General Assembly, that give guidance to how the organization will evolve over the next several years.

4. A number of key processes and functions are absent from the draft report, e.g. ESS, fundraising and governance. In particular, with regard to paragraph A of the Executive Summary, the description of the "organizational or management culture" of the organization could be clarified.

5. As far as operations are concerned the paper extrapolates from a small research base. Certain key Sections should be consulted to arrive at a fuller picture. The operational recommendations (12-15) in particular do not represent the range of UNHCR activities (why protracted situations and not emergencies, for example). Similarly, certain conclusions are being drawn from the experience of one field mission (Tanzania), and the perspective of one agency (WFP) e.g. on the purposes of registration (Project Profile)

6. We recognize and agree with the need for strong links between the Donor Relations and Resource Mobilization Service (DRRM) and the Division of Financial and Supply Management (DFSM) in order to ensure synchronization of expenditures and obligations with the level of income and projections. This cooperation is already taking place on a regular basis and should be further strengthened with the implementation of MSRP. It should be noted that that the work of DRRM also has a very strong external affairs and communication component, which needs to be coordinated with the other services of DCI, i.e. SIOS, the NGO Unit, PSPA and Public Information. (See Paragraph 12)

7. With the changes introduced in 2003 (new APPB Guidelines), the Office addressed effectively the key issues of the issuance of indefinite contracts, the rotation framework and promotions. Furthermore, UNHCR introduced the International Professional Roster as a tool to enhance the recruitment of highly qualified candidates, especially for posts where the Office has difficulties to identify suitable internal candidates. The APPB is indeed using the 'second tier' alternative only on an exceptional basis. The new rotation framework as enshrined in the APPB Guidelines spells out very clearly that staff, who have served for six consecutive years in hardship duty stations, must be posted to a duty station in the H to C categories. (See paragraphs 25-28)

Comments on the Recommendations contained in the Report.

Recommendation 1

The Executive Committee may wish to recommend to the United Nations General Assembly that it (paragraphs 6-8):

- (a) Authorize the creation of another Deputy High Commissioner post by converting the existing Assistant High Commissioner post, thus the Office of the High Commissioner will have two Deputies – one in-charge of Program/Operations and the other in-charge of Administration/Management; it being understood that this measure will incur no financial implications; and
- (b) Amend Chapter III, paragraph 14 of the Statute of the Office of the High Commissioner accordingly.

Response

Disagree.

- At the same time as the Inspectors were coming to this opinion, the High Commissioner was formulating a proposal to establish a post of Assistant High Commissioner for Protection, focusing on advocacy with States on protection and durable solutions and to assist them in these endeavors. This new Assistant Secretary General position would be in addition to the post of Assistant High Commissioner for Operations, which focuses on protection-related assistance. This proposal is fully endorsed and supported by the Secretary General.

- The High Commissioner also believes strongly that there are organizational benefits to having only one Deputy, as foreseen by the Statute. We have consulted with agencies similar to UNHCR and are convinced that a double deputy structure will result in an ambiguous chain of command and make it difficult to establish clear lines of accountability at the level of senior management. The High Commissioner's aim is to create a unified and efficient management structure. UNHCR presented to the Executive Committee in October 2004 a senior management structure consisting of one Deputy High Commissioner and two Assistant High Commissioners, namely the Assistant High Commissioner (Operations) and the Assistant High Commissioner (Protection). EXCOM members have requested that this proposal is discussed further at the March 2005 Standing Committee Meeting following an independent review of UNHCR's senior management structure.
- Careful consideration should be given to proposing to amend UNHCR's Statute, as this risks opening discussion on other aspects of the Statute and may not be in the best interest of the organization. Several members of UNHCR's Executive Committee also cautioned against such a move during the October meeting of EXCOM.

Recommendation 2

The High Commissioner should present for comment to the Executive Committee a streamlined and rationalized structure of the Secretariat by, inter alia, consolidating fragmented functions, and relocating some organizational units, on the basis of a uniform organizational nomenclature to be established by taking into account relevant Secretary-General's Bulletins (paragraphs 9-12).

Response

Agree.

- This recommendation is in line with the findings of Action 2 as contained in the Action 1-3 Report. The Office organigramme is regularly included for the Committee's information within the annual budget proposal. The High Commissioner agrees to reexamine the structure of the agency with the intention of rationalizing functions and finding efficiencies. In compliance with (ST/SGB/1998/9) the High Commissioner will report any administrative changes to the Secretary General.

Recommendation 3

The Executive Committee, at its 55th session, should consider modifying the program budget cycle from annual to biennial, in alignment with the UN regular budget cycle, in view of a number of positive results expected from the shift (paragraph 13).

Response

Agree.

- This issue was discussed at the October 2004 meeting of UNHCR's Executive Committee. EXCOM decided to refer this recommendation for further consideration to the Standing Committee, "in the course of 2005, based on further analysis by UNHCR, with a view to reaching a decision on the matter no later than the 56th session of the Executive Committee."

Recommendation 4

To further enhance the results-based approach to planning, programming, budgeting, monitoring and evaluation, the High Commissioner should (paragraphs 14 – 15):

- (a) Apply, as appropriate, the UN logical framework to the UNHCR budget;
- (b) Integrate the Management Systems Renewal Project (MSRP) into the Results-Based Management process; and
- (c) Incorporate evaluation findings and recommendations into planning, programming, budgeting and monitoring, in addition to enhancing real-time (as opposed to ex-post) evaluation during an operation's process to achieve the specific objectives (expected results).

Response

Agree.

- UNHCR has for some time now, adopted Results Based Management (RBM) and introduced the Logical Framework in its planning and programming process. Efforts are underway, however, to further consolidate RBM implementation and the use of standards and indicators.
- UNHCR intends to integrate RBM into the MSRP but is working on back office functionalities in earlier phases. A task force has been established to support the expedited integration of RBM with our developing information technology systems.
- UNHCR is strengthening its real-time evaluation capacity and developing more effective means of ensuring that recommendations of evaluation reports are incorporated into planning and programming processes.

Recommendation 5

The High Commissioner should prepare a long-term strategic framework, for submission to the Executive Committee. The framework should contain the guiding principles, the organizational priorities and strategic goals, and link them to activities, indicators of achievement, and target dates for completion. Operational partners should be engaged in drawing up the strategic framework to achieve a comprehensive approach in guiding the work of the Organization (paragraphs 16 – 19).

Response

Agree.

- Starting in 2001 work was begun on developing a long-term strategic framework which helped establish Global Objectives for the organization. UNHCR continues to be engaged in further refining the work already done in this area and this is an area of focus for the Headquarters Review led by the Deputy High Commissioner.

Recommendation 6

The High Commissioner should combine the program planning and coordination functions of Program Coordination and Operations Support (PCOS) currently in the Division of Operational Support (DOS) into the Budget Section (in the Division of Financial and Supply Management – DFSM) (paragraph 20).

Response

- The Headquarters Review is carefully assessing this issue as part of its review of resource allocation processes at Headquarters.

Recommendation 7

With a view to strengthening information management, the High Commissioner should take the following measures (paragraphs 21 – 24):

- (a) Preparation of a comprehensive information (and knowledge) management (including ICT) strategy;
- (b) Integration of modules supporting RBM in the context of developing MSRP, as well as designing an interface between MSRP and Project Profile to feed registration-related information in the planning, budgeting, and monitoring processes;
- (c) Structural consolidation of ICT related functions into a centralized organizational entity (which may be called Information Management Unit);
- (d) Designation or appointment of a senior official as Chief Information Officer (CIO) (as the head of the organizational unit in (c) above) with the following organizational-wide responsibilities:
 - i) Keep the organization's information management strategy and ICT in alignment with its corporate plan and priorities;
 - ii) Ensure the information management policies and standards are strictly followed and the ICT infrastructure is well managed;
 - iii) Ensure that key decision makers on both substantive and administrative matters have accurate and timely information;
 - iv) Facilitate developing and maintaining a culture for improving information (and knowledge) management in the organization by exploring new technological possibilities as required.

Response

Agree

- The High Commissioner took a number of important steps in mid-2004 to provide a stronger IT management structure. In June the DHC informed the Standing Committee of initiatives being taken for better IT Management, including the creation of the new Division to be headed by a Chief Information Officer. The newly appointed CIO is currently preparing a comprehensive IT strategy. The CIO is charged with the organizational responsibilities suggested under (d) above.
- The CIO is currently working closely with proposals related to Project Profile and the Results Based Management task force to ensure enhanced technical support.
- As already indicated earlier in this response, the implementation of RBM / RBB support functionalities into the MSRP (or a separate but related project) is a much needed correction.

Recommendation 8

The High Commissioner should (paragraphs 25 – 29):

- (a) Request the Division of Human Resource Management to prepare a comprehensive strategic corporate policy on Human resources Management (HRM) to be submitted to the Executive Committee for its review at its 56th session, in addition to enforcing existing rules and guidelines and monitoring their implementation pending the establishment of the corporate policy; and
- (b) Submit an annual report to the Executive Committee on the composition of the Secretariat, which should include, inter alia, statistics on geographical diversity (distribution), movements of staff across duty stations, SIBAs and exceptions.

Response

Agree

- This is a positive recommendation. The development of a comprehensive Workforce Management Strategy is a key element of the HQ Review.
- UNHCR provides the Executive Committee with a comprehensive list of staff by nationality and according to their present duty station on an annual basis.

Recommendation 9

The High Commissioner should strengthen the role of the Oversight Committee by (paragraphs 30-34):

- (a) Ensuring the Committee's compliance with the provisions contained in its current Terms of Reference, in particular, with respect to the coordination of oversight functions (audit, investigation, inspection, and evaluation);
- (b) Reinforcing the Terms of Reference by adding provisions on the need:
 - i) To take specific decisions on all oversight recommendations addressed to the High Commissioner;
 - ii) To monitor the implementation of all recommendations accepted by the High Commissioner and those approved by the Executive Committee; and
 - iii) To improve the annual oversight report by focusing on the main findings and recommendations, and by providing information, inter alia, on the impact of recommendations implemented, as well as lessons learned and best practices;
- (c) Streamlining/limiting the membership of the Committee to enhance the efficiency of its work.

Response

- This is a positive and useful recommendation. UNHCR has already taken steps to overhaul and strengthen the Oversight Committee. However the evaluation function, which is a collective learning process, is not included on the Committee as a member.

Recommendation 10

The Executive Committee may wish to approve the following (paragraphs 35-36):

- (a) The IG position should be a non-career position serving a five year non-renewable term at the D-2 level, and be appointed by the High Commissioner after consultation with the Executive Committee, and subject to dismissal by the High Commissioner only for cause, following similar consultations with the Executive Committee;
- (b) The IG should submit individual reports to the High Commissioner, but, at the request of the IG, any such report shall be submitted to the Executive Committee together with the HC's comments thereon; and
- (c) Clarification should be sought on the functional relationship between IGO and OIOS with respect to the investigation function.

Response

- There is a good practice in place whereby the IG post is filled by a staff member who will retire thereafter. UNHCR's Executive Committee has included the issue of the independence of the Inspector General under the Standing Committee's work plan for 2005. The High Commissioner is not obliged to consult the EXCOM on the appointment or dismissal of an Inspector General. This infers a role for EXCOM that it does not have.
- This recommendation (10 b) is contrary to agreed parameters for the functioning and reporting of the IG's Office and the role of the Executive Committee. Reports produced by the IG are not shared with EXCOM.
- The functional relationship between the Inspector General's Office and OIOS needs to be enhanced through a process to harmonize legal standards. This would involve the General Assembly. Presently referrals are made to OIOS by the IGO for those cases where it is felt that OIOS have a particular expertise or where there are other considerations which would warrant referral in addition to the provisions of UNHCR's policy document.

Recommendation 11

The High Commissioner should eliminate the rotation requirements for the staff involved in investigation, inspection and evaluation (paragraph 37).

Response

- The issue of the rotation requirements for staff involved in the Investigation, Inspection and Evaluation is one that UNHCR will need to consider in more detail before a blanket waiver can be given to all staff working in the IGO. There is a strong argument to be made that inspectors of field operations should be experienced field managers. This can only be assured if candidates for inspectors benefited from rotations to field posts.
- The non-rotation recommendation may apply to investigation, but should not apply to evaluation or inspection.

Recommendation 12

In order to further rationalize UNHCR representation at field level and to attract qualified staff in hardship duty stations, the High Commissioner should:

- (a) Build on previous internal reviews made on office size and staffing parameters and translate them into a management tool which correlates refugees' caseload and operational budget with office size and staff structure. Such a tool should be used by management at

Headquarters and in the field to ensure the rationalization of office structures, to allow for comparative analysis and to facilitate the review of country operations plan (paragraphs 41 - 44);

(b) Review current living conditions in hardship duty stations and establish, upon consultations with UNSECOORD and other UN agencies operating in the area (especially WFP and UNICEF), the criteria to be used for attributing the status of special operations areas as envisaged in the IOM/FOM/012/2004 (paragraphs 45 – 46).

Response

Agree.

- This recommendation (12a) is positive and is being considered by the HQ Review in its work on resource allocation processes. While such tools can enhance the resource allocation process, there are drawbacks to making the budget and the cost of the operations the main criterion for evaluating the size of staff in particular operations or country offices. In relation to protection activities, the budget could turn out not to be a correct indicator of the importance of activities or of presence of staff.
- Recommendation (12b) is a positive one, and points towards ongoing developmental work needed within the organization. There remains, however, considerable work to be done if we are to be able to develop such a tool and to use it in prioritization and resource allocation. In particular, there is a need to examine issues of centralization and decentralization of field level operations. Most of the work done on centralization and decentralization within UNHCR has concentrated on the relationship between HQs and Branch Offices. The relationship between Branch Offices and Sub/ field offices remains largely unstudied.
- It should be noted that in line with this recommendation, UNHCR has for the last two years endeavored to field UNSECOORD and JMS missions in order to make an informed decision on the administrative status of the offices in relation to the available services.

Recommendation 13

Based on the situation prevailing in each UNHCR operation in the field, the High Commissioner should:

(a) Ensure that no undue delays are put in the process of registration or re-registration of refugees in order to establish as accurately as possible the number of beneficiaries to whom assistance is provided (paragraphs 47 – 48);

(b) Submit to the 56th session of the Executive Committee information indicating the extent to which established international standards for the provision of assistance to refugees are being met by region and program, and propose options/scenarios for improving the situation, where required, in order to bring such assistance in line with those standards (paragraphs 49 – 51).

Response

Agree.

- UNHCR's recent efforts to improve registration through Project Profile are well documented. The recommendations on registration and assistance are ambitious and would be difficult to meet by the 56th meeting of the Executive Committee. UNHCR agrees on the importance of credible registration to ensure food provision to refugees but

also emphasizes the broader protection, assistance and management benefits of registration.

- Progress has been made in developing a set of core standards and indicators for use in UNHCR operations, and the comprehensive set of indicator data already received for camps through the CIR, including for camps in Tanzania.

Recommendation 14

Bearing in mind the provision of General Assembly resolution 58/153 calling for the integration of humanitarian and development needs in the common country assessment process, the High Commissioner should ensure that, as appropriate, program goals and objectives included in the Country Operations Plans (COPs) establish clear linkages with the related UNDAF/CCF exercises for the concerned refugee host countries (paragraphs 52 – 54).

Response

Agree.

- The text of General Assembly resolution 58/153 was inspired by the High Commissioner as a result of the UNHCR 2004 process, as reflected in his report to the General Assembly (A/58/410). The Office has every intention to follow through with this initiative.
- The HQ Review's work on resource allocation processes emphasizes the need for UNHCR offices to work closely with UN country teams and other partners in establishing and meeting the needs of refugees in a given operation.

Recommendation 15

In the framework of his focus on durable solutions concerning refugees, the High Commissioner should:

(a) Instruct UNHCR offices at field level to pursue more vigorously, in liaison with the UN Country Teams, their efforts to collate and disseminate in the official and/or local languages of host countries as appropriate, the information on bilateral and multilateral projects, initiatives and other measures taken by various actors to alleviate or redress the impact of refugees on local host communities, as well as to highlight the potential contribution of refugees as agents for development of the host country (paragraphs 55 - 57);

(b) Further review the resettlement opportunities offered by developing countries on the basis of lessons drawn from past experiences and submit action-oriented proposals to the Executive Committee and to the General Assembly, in order to take full advantage of such opportunities (paragraphs 58 – 59).

Response

Agree.

- Recommendation 15(a) is valuable and relates to work already being carried out by the High Commissioner's Convention Plus initiative. UNHCR discusses activities and developments in these areas through the High Commissioner's Forum. On 15 (b), UNHCR is committed to expanding the base of resettlement countries and regularly reports on developments in this area to the Standing Committee.

November 5, 2004