

FINAL REPORT ON FEASIBILITY STUDY CONDUCTED BY PRICEWATERHOUSECOOPERS  
ON UNHCR OUTPOSTING PROPOSALS

1. As part of efforts to reverse the upward trend in administrative, staffing and Headquarters costs, UNHCR has been considering the outposting of a number of administrative and support services currently carried out at Headquarters. The aim is to ensure that services are located where they are most efficient and cost-effective, and that a maximum level of UNHCR's financial resources is channelled to operations and beneficiaries.
2. Over the last few months, PricewaterhouseCoopers (PwC) has undertaken a feasibility study on the outposting proposals drawn up by the Office with the assistance of an earlier consultancy. The exercise has been funded by a special contribution from the Netherlands Government.
3. The UNHCR services that are involved to different degrees in the outposting proposals are:
  - Division of Human Resources Management (Personnel Administration and Payroll, Recruitment and Postings, and Staff Development);
  - Division of Financial and Administrative Management (Finance, Budget and Treasury);
  - Division of Operational Services (Supply Management); and
  - Division of Information Systems and Telecommunications (which would provide on-site support to the other outposted services).
4. In the course of its study, PwC has examined documentation provided by management and staff, conducted a broad range of stakeholder interviews, and undertaken a participatory risk assessment exercise. It has also carried out a detailed cost-benefit and location analysis to determine whether outposting is a viable option and, if so, which potential locations would best meet the needs of the Office.
5. PwC's findings are contained in the document '*UNHCR Outposting Feasibility Study – Final Report*', dated 16 April 2007, which is being shared with delegations together with this Note. The report reaches the conclusion that there is a clear case in favour of outposting.
6. In the four final locations shortlisted by PwC – Bucharest, Budapest, Chennai and Kuala Lumpur – cumulative net savings for the first five years (without inflation) are, depending on location, in the range of USD 18.1 to USD 27.6 million. This figure takes account of total investment of some USD 25 million required to support transition in the first three years, including USD 12 million in general service staff separation costs. Again depending on location, annual savings from outposting would range from USD 10.1 to USD 12.1 million per year (without inflation) from year five onwards.

7. The following table gives details of posts affected by the outposting proposals:

Divisions / HQ Units		Before Outposting	After Outposting	Increase/ Decrease
Division of Financial and Administrative Management	Geneva	55	16	(39)
	New Location	-	30	30
	<b>Total</b>	<b>55</b>	<b>46</b>	<b>(9)</b>
Division of Human Resources Management	Geneva	127	37	(90)
	New Location	-	84	84
	<b>Total</b>	<b>127</b>	<b>121</b>	<b>(6)</b>
Supply Management Service	Geneva	22	5	(17)
	New Location	-	15	15
	<b>Total</b>	<b>22</b>	<b>20</b>	<b>(2)</b>
IT Support	Geneva	9	-	(9)
	New Location	-	9	9
	<b>Total</b>	<b>9</b>	<b>9</b>	<b>-</b>
Hub Management	Geneva	-	-	-
	New Location	-	6	6
	<b>Total</b>	<b>-</b>	<b>6</b>	<b>6</b>
Grand Total	Geneva	213	58	(155)
	New Location	-	144	144
	<b>Total</b>	<b>213</b>	<b>202</b>	<b>(11)</b>

8. The breakdown of the 155 posts that would be reduced at Headquarters through outposting is as follows:

Divisions / HQ Units	P/D	GS	Total
Division of Financial and Administrative Management	8	31	<b>39</b>
Division of Human Resources Management	16	74	<b>90</b>
Supply Management Service	9	8	<b>17</b>
IT Support	9	-	<b>9</b>
<b>Total</b>	<b>42</b>	<b>113</b>	<b>155</b>

9. As the next step in the process, the High Commissioner has invited the Staff to provide comments on the PwC report. In parallel, discussions will begin with the Governments of the countries where the cities shortlisted by PwC are located. Once these processes are completed or sufficiently advanced, the High Commissioner proposes to take a decision. In the event of a decision in favour of outposting, the transfer of services would be staggered over a number of months in late 2007 and the first part of 2008.