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

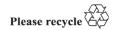**Standing Committee
81st meeting**

UNHCR's transformation

Summary

UNHCR's transformation aims to make the organization more agile, efficient and collaborative in delivering protection and solutions for persons of concern. The Office is working to consolidate the newly decentralized and regionalized organizational design and leveraging its full potential through the modernization of key internal processes, systems and tools. This paper reviews the reforms realized and those currently underway, including the Business Transformation Programme.

Contents

I. UNHCR's transformation

1.   UNHCR's transformation process began five years ago. The United Nations General Assembly's affirmation of the Global Compact on Refugees (GCR) represented a seminal development during the transformation process that has reshaped how UNHCR and the international community respond to refugee crises. UNHCR's role in implementing the GCR and the broader United Nations reform process are key drivers of the organization's transformation.

A.   United Nations reform

2.   UNHCR supports key reforms to the United Nations development system and the Resident Coordinator system, including development of the Management Accountability Framework and the United Nations Sustainable Development Cooperation Framework (UNSDCF). UNHCR's new Global Results Framework is aligned with the sustainable development goals. This, along with the progressive introduction of multi-year planning, will enable UNHCR to ensure that refugees and other persons of concern are reflected in development planning and to link its results to those achieved by partners and stakeholders, including through the UNSCDF and the GCR.

3.   UNHCR and the World Food Programme (WFP) lead the Business Innovation Group tasked by the United Nations Secretary-General with simplifying and harmonizing business processes. While the initial design and testing phase of common back offices – one of the Business Innovation Group's strategic goals – has proceeded slowly, 122 United Nations country teams have now rolled out the Business Operations Strategy. In the next phase, UNHCR will focus on scaling up global service offerings, with the UNHCR-WFP joint mobility partnership providing an example of such collaborative efforts to achieve efficiency gains.

B.   UNHCR's structural transformation

4.   Responding to this evolving landscape, UNHCR has made significant structural changes at Headquarters to strengthen support for solutions and programme planning, implementation, monitoring and reporting on results, including creation of the Division of Resilience and Solutions, the Division of Strategic Planning and Results, and the Copenhagen-based Global Data Service. Decentralization and regionalization are the centrepiece of UNHCR's structural transformation, and section II below sets out the progress achieved and current state of these efforts.

C.   Data and digitalization

5.   UNHCR is investing in data and digitalization, which is a pillar of the transformation. UNHCR's "Data transformation strategy 2020-2025" will further establish UNHCR as an evidence-informed organization and trusted partner in the provision of data on refugees, stateless persons and forced displacement more broadly. The Global Data Service works with country operations and data, identity management and analysis teams in each regional bureau to improve operational data management and analysis. The World Bank-UNHCR Joint Data Center on Forced Displacement supports the collection and analysis of population and socioeconomic data, in collaboration with other partner institutions.

D.   Risk management

6.   UNHCR's risk management initiative 2.0, which was launched in 2017, concluded in 2020. Over a three-year period, UNHCR invested systematically in people, processes and tools, bringing marked improvements in the quality of risk analysis and mitigation measures

and in the organization's overall risk culture. Building on this solid progress, a five-year strategy will now guide further efforts to embed and strengthen risk management through 2025.

E.   Managing transformation

7.   UNHCR has implemented a new framework to ensure the systematic management of change processes under the overall coordination of the Transformation Governance Board chaired by the Deputy High Commissioner. The Board systematically reviews, prioritizes and approves transformative ideas and proposals to ensure alignment with UNHCR's strategic priorities and its capacity for change. The Director for Change and Transformation and the Change Service guide, support and ensure coherence in the overall transformation process.

8.   The Field Reference Group established by the Assistant High Commissioner (Operations) draws upon the experience and expertise of UNHCR colleagues working in country operations and the regional bureaux. The Field Reference Group provides advice and serves as a sounding board on key change initiatives, and is available as a resource for the Transformation Governance Board.

II.   Decentralization and regionalization

9.   Decentralization and regionalization have moved strategic direction, management guidance, technical support and key decision-making processes out of Headquarters and closer to the operations. In January 2020, the regional bureaux became fully operational in Addis Ababa, Amman, Bangkok, Dakar, Panama and Pretoria, with only the Europe Bureau operating from Geneva.

10.   The new regional bureaux contain strong capacities for protection and operational support, strategic planning and resource management, monitoring, internal control, risk management, and external engagement in these forward locations. The COVID-19 pandemic provided an early stress test for the new regional architecture, which proved to be key in UNHCR's response to the pandemic and its ability to "stay and deliver". It has also opened opportunities to work more closely and achieve synergies with regional organizations and regionally-based counterparts from United Nations entities and non-governmental and civil society organizations.

11.   UNHCR has reinforced these more visible structural changes with greater delegation of authority for budget, supply and human resources management, increasingly moving the centre of gravity for decision-making away from Headquarters and closer to the point of delivery. This includes greater autonomy for heads of sub-offices to manage budgets and human resources.

12.   The positive results are measurable. Budget management decisions taken at the country or regional level doubled in 2020, in comparison with 2019. In financial terms, the value of such decisions, which included changes in spending authority and the reallocation of resources, grew from $282 million to $618 million. In 2020, increased authorities for procurement enabled the regional bureaux to approve nearly twice as many requests than in the previous year. Two-thirds of all procurement requests by country operations that required higher level approval were handled at the regional level in 2020, without the need for referral to Headquarters. Process steps previously taken at Headquarters have been simplified or removed entirely.

13.   Improvements have also followed the delegation of new human resources management authorities to country representatives and regional bureau directors, who are more attuned to the operational requirements and the need for rapid decisions. Regional bureau directors are now empowered to make appointments to international professional positions in country operations up to the P4 level, and the time required to fill such vacancies fell by 20 per cent in 2020.

14.   Decentralization and regionalization will enable further strengthening of country operations and the progressive realignment of headquarters functions, capacities and structures. During 2020, UNHCR created 121 new positions to fill urgent gaps in country operations. Headquarters realignment is already underway, and the process will continue over the next few planning cycles, particularly as the roll-out of new processes, systems and tools through the Business Transformation Programme moves forward. UNHCR is further revising the framework of roles, accountabilities and authorities for country operations, regional bureaux and headquarters divisions to support the organization's decentralized and regionalized architecture.

III.   UNHCR's Business Transformation Programme

15.   The Business Transformation Programme initiated in 2020 supports key pillars of UNHCR's transformation: results-based management, people management and human resources, business processes and systems, and data and digitalization. The Programme will have an impact on all areas of UNHCR's operations – including programme and results-based management, financial, supply chain and human resources management, and partnership and external engagement – and has strong links to UNHCR's Data Transformation Strategy. The goal is to deliver the greater agility and simplification that UNHCR operations and partners have been demanding, as well as the improved efficiency, effectiveness, accountability and transparency that the governments and others that support UNHCR expect and that persons of concern deserve.

A.   Leveraging new technology

16.   To deliver the Business Transformation Programme, UNHCR is adopting Software-as-a-Service (SaaS) cloud-based platforms. The SaaS approach allows the organization to move away from monolithic systems and select the best available technological solution for each business area. Cloud computing also affords the flexibility to introduce new functionality, software updates and best practices rapidly as they are released. Rather than simply transposing existing ways of working into these new tools, UNHCR is re-engineering key business processes, streamlining and simplifying them and adopting best practices to realize the full potential of the new platforms.

B.   Programme and results-based management

17.   UNHCR launched Compass, its new results-based management system, in early 2021. All country operations, regional bureaux and headquarters divisions and entities developed their 2022 strategies and resource plans in Compass. About a quarter of the field operations prepared multi-year strategies that will facilitate work toward durable solutions and collaboration with other stakeholders, including governments, United Nations entities and development partners. Compass will improve strategic multi-year planning, budgeting, monitoring and reporting on results, allowing UNHCR to convey a more compelling account of the impact that the organization is having on the lives of persons of concern.

C.   Human resources

18.   UNHCR will introduce Workday, a cloud-based enterprise resource planning solution for human resources management. It will help streamline and simplify current business processes, with the dual aim of increasing efficiency and ensuring a positive employee experience. The Workday@UNHCR project will move the organization away from a transactional understanding of human resources management towards a more strategic approach. The new system will improve data quality and enable analysis; strengthen UNHCR's capabilities for strategic workforce planning, internal mobility and succession, and talent management; enhance staff development and learning; and allow the organization to achieve key strategic objectives for diversity and inclusion.

D. Finance and supply chain

19.   UNHCR is replacing its aging enterprise resource planning (ERP) system, commonly referred to as MSRP, with a new cloud-based solution for finance and supply chain management. The Cloud ERP project will introduce new systems and processes for budget, finance and supply management, cash and treasury management, and logistics and inventory management. Where feasible, the use of artificial intelligence will also be employed. The current system, first introduced in 2004, is no longer flexible enough to support new digital ways of working that are mobile centric and require quick access to data from multiple systems. Work is ongoing to develop simple, efficient and user-centred processes, facilitate access to data and analytics, and reduce the need for manual, offline work.

E. Partnership and delivery

20.   The Project Reporting, Oversight and Monitoring Solution (PROMS) will provide UNHCR operations and partners with an end-to-end automated system to support delivery and a modernized partnership framework that facilitates collaboration and encourages flexibility.   PROMS will improve oversight and accountability, both for activities implemented by partners and those directly implemented by UNHCR. It will deliver a user-friendly electronic system that reduces the need for paper-based agreements and reporting templates. Spending less time on the preparation and signature of agreements, data entry and other manual functions will free up time for UNHCR and its partners to focus more on engaging with persons of concern and achieving results.

F. External engagement

21.   The Synergy project will develop and implement a comprehensive relationship management system extending across the organization using Salesforce, a platform already used by UNHCR's Private Sector Partnerships team and United Nations system partners. The new system will support UNHCR in building and strengthening key external relationships by facilitating information-sharing, retaining institutional knowledge and providing visibility on related activities taking place at all levels of the organization. The Synergy project will enable UNHCR to engage with an increasingly complex external landscape that extends well beyond governments and the humanitarian sphere to include development partners and international financial institutions, non-governmental and civil society organizations, and private sector entities and individuals.

G. Integration

22.   The Link project will ensure that the systems developed through the Business Transformation Programme are interoperable and can establish an interface with other important internal and external systems. Link will deliver a data analysis and reporting platform that will facilitate secure access by UNHCR teams to accurate and timely information to support strategic planning, decision-making, reporting and advocacy. A key deliverable will be a portal that allows UNHCR personnel to navigate across the multiple systems, handling their tasks in a logical and intuitive way.

H. Change management

23.   The Business Transformation Programme will introduce comprehensive changes to key systems over the next two years. Even in the best of times, change is disruptive and difficult. Beyond the intense demands they normally face, UNHCR teams in many operations continue to grapple with the uncertainty and challenges of the COVID-19 pandemic. This makes effective change management essential.

24.   UNHCR has brought these projects together under the Business Transformation Programme to ensure strong overall coordination and to manage the demands, particularly on colleagues working on the front lines. The Programme and each project have dedicated capacity for change management. The project teams are drawing upon the expertise of UNHCR colleagues in the field as subject matter experts during the design, development and implementation, so that the systems are adapted and responsive to their needs. The Field Reference Group is also an active sounding board and provides advice and insights on field requirements and the impact of change initiatives. Training and capacity-building programmes and ongoing support will give the teams the knowledge they need to fully leverage the potential of the new systems.

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