

# **Serving Palestine Refugees More Effectively**

**Strengthening the Management Capacity of UNRWA**

**UNRWA's Organizational Development Plan 2006-09**

## Acronyms

|       |   |
|-------|---|
| AdCom | Advisory Commission                                       |
| AHRD  | Administration and Human Resources Department             |
| CBB   | “control through budgets and bureaucracy”                 |
| DOS   | Department of Operational Support                         |
| ERD   | External Relations Department                             |
| ERP   | Enterprise Resource Planning (System)                     |
| ETF   | Emergency Task Force                                      |
| FOD   | Field Office Director                                     |
| HQ    | Headquarters  |
| HRM   | Human Resources Management                                |
| HRTF  | Human Resources Task Force                                |
| ICT   | Information and Communications Technology                 |
| ISD   | Information Systems Division                              |
| JPO   | Junior Professional Officer                               |
| MC    | Management Committee                                      |
| MMP   | Microfinance and Microenterprise Programme                |
| MTP   | Medium Term Plan  |
| NGO   | Non-governmental organization                             |
| OD    | Organizational Development                                |
| ODT   | Organizational Development Team                           |
| OTSD  | Operational and Technical Services Department             |
| PAU   | Policy Analysis Unit                                      |
| PBC   | Programme Budget Committee                                |
| PD    | Programme Director  |
| PIO   | Public Information Office                                 |
| PLD   | Procurement and Logistics Division                        |
| PMC   | Programme Management Cycle                                |
| ROA   | Rapid Organizational Assessment                           |
| RSS   | Relief and Social Services (Department)                   |
| SPARE | “strategy, policy, accountability, results and envelopes” |
| SSA   | Special Service Agreement (used to engage consultants)    |
| UNV   | United Nations Volunteer                                  |

# Introduction

## Purpose of this document

This document, *Serving Palestine Refugees More Effectively—Strengthening the Management Capacity of UNRWA*, describes the Agency's organizational development (OD) process for 2006-09.

This document has been written for the management and staff of UNRWA and its external stakeholders, including hosts and donors. Consultations on a draft were held in June 2006 with the members of UNRWA's Advisory Commission (AdCom) and with focus groups of UNRWA staff.

## Background

In 2004, we began our *Medium Term Plan (MTP) 2005-2009*, with the following sobering words about our declining performance on indicators of our services to Palestine refugees:

*For more than a half century, UNRWA has made substantial contributions to the human development of Palestine refugees. It is well known, however, that indicators which once documented the Agency's successes in health, education, relief, social services and other sectors are now in decline. In many areas these indicators compare unfavourably with host authority services as well as with international standards. UNRWA is contending with high population growth rates among Palestine refugees, worsening socio-economic conditions in the region, several years of (inflation adjusted) negative-growth in its General Fund budget and - in some Fields - military blockades and restrictions on movement and access to labour markets.*

*Education and health facilities in many areas are overcrowded and under-equipped; installations are in urgent need of renovation and/or reconstruction, and staff development requirements have been left unmet. Refugee homes and the infrastructure in their communities are in a dilapidated condition. UNRWA is overburdened by the demand for its services and conditions in many refugee camps - where almost one third of all refugees (1.3 million persons) live - are squalid. An increasing number of refugees in need are falling through the gaps in service provision, either on account of failing to meet strict eligibility criteria for certain services, or because they live in rural areas where access to services is restricted. Any further decline in the quality and availability of UNRWA's services could threaten the long term human security and human development of Palestine refugees.*

The MTP was an attempt to significantly strengthen the resources for, and the quality of, our services for Palestine refugees. It also acted as a springboard for discussions on how to strengthen our capacity to deliver better resourced programmes and services to refugees. In parallel, we took a number of capacity-building steps, such as enhancing the operations

management function<sup>1</sup>, strengthening the Programme and Budget Committee (PBC) and establishing a Human Resources Task Force (HRTF).

In late 2005, the Commissioner-General decided to launch a comprehensive OD initiative designed to strengthen and sustain the Agency's capacity for programme management and delivery<sup>2</sup>. She asked the Deputy Commissioner-General to coordinate the OD process.

## **The OD process**

### ***Organizational assessment***

The strengths and weaknesses of the Agency were identified by reviewing various external reports and internal studies<sup>3</sup> and by engaging consultants to carry out a rapid organizational assessment (ROA).

During the ROA, the consultants visited the five Fields and the Headquarters Offices<sup>4</sup>. The consultants found staff extremely interested in the OD process and very articulate about the issues. There was a strong demand for change, but considerable scepticism<sup>5</sup> about the possibilities of successful change.

In general, the consultants found an Agency that was extraordinarily resilient despite the complexity of the political and institutional constraints. This resilience was, however, matched by a lack of dynamism in the programmes, staff and processes.

The consultants summarised staff views in terms of eight key messages or themes:

- Lack of clarity in strategic direction, focus and priorities.
- Inadequate internal communication, dialogue and information flow.
- Departments and offices working as 'islands' (a.k.a. silos).
- Disconnects between responsibility and delegated authority—and the lack of accountability.
- Concerns about salaries, benefits, conditions, and about being cared for and respected.
- Convoluted and time-consuming processes, as well as bureaucratic mindsets.
- Stifling of new ideas and creativity.
- Management malaise, especially middle managers' sense of disempowerment.

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<sup>1</sup> Department of Operations (DOPS) is to be renamed Department of Operational Support (DOS).

<sup>2</sup> The Governments of Canada and Switzerland have financed a consultancy to help UNRWA develop this OD strategy and work plan.

<sup>3</sup> Our ongoing reflections are informed and stimulated by the 2005 External Review of UNRWA, the 2006 Review of UNRWA's Emergency Activities and other studies.

<sup>4</sup> They talked to representatives of hosts and donors, senior and middle managers, area officers, community service officers and the staff unions.

<sup>5</sup> Many different reasons for this scepticism were offered, primarily related to the Agency's capacity to change.

### ***Subsequent consultations with the staff***

The Deputy Commissioner-General visited each Field and Headquarters Office to establish a dialogue with staff at all levels on the OD process and to hear their views on the main issues in their specific areas of work. Staff were receptive and contributed actively during the discussions. They were pleased with management's desire to consult with them at this stage of the process. They expressed many concerns about salaries and their own conditions of service, and they contributed ideas on how management could be more responsive to, and could communicate more effectively with, staff and refugees, and how the OD process could be better designed to obtain buy-in from those who were sceptical.

Staff were frustrated by the centralized nature of the organization and welcomed initiatives to cut process times, review and revise rules and regulations, and delegate decision-making to the Field Offices. Lack of morale was a major theme, with calls for more relevant training and for more opportunities for career development and succession planning.

### ***Task forces and teams***

Based on the results of the ROA and previous organizational assessments, we identified a wide range of issues that need to be analysed in more detail. We organized task forces and focus groups to analyse the findings and develop solutions. We included the existing Human Resources Task Force (HRTF) as part of the process.

We also established an informal "organizational development team" (ODT) to advise the Deputy Commissioner-General on the process, to help him keep it firmly grounded and connected to operational realities, and to develop an effective and credible communication plan.

In April 2006, we organized a retreat of the Management Committee to discuss a draft strategic framework, the principles underlying the organizational design, and the approach to the OD strategy.

Following the retreat, this document was drafted.

### ***Aims of the OD process***

The OD process brings together all the initiatives designed to strengthen UNRWA's capacity to serve Palestine refugees effectively and efficiently. Embracing a holistic and comprehensive approach, OD is a continuous process of reflection, learning and action.

This process, initiated by the Commissioner-General and owned by the Management Committee (MC), has already started.

While OD is a continuous process, this document presents a three-year programme of specific initiatives. Although they are presented individually, the initiatives are best appreciated as components of an integrated whole. Their importance and value for our Agency lie in their

aggregate impact. Some of these initiatives<sup>6</sup> have already started, others will begin shortly and still others will have to wait for external funding.

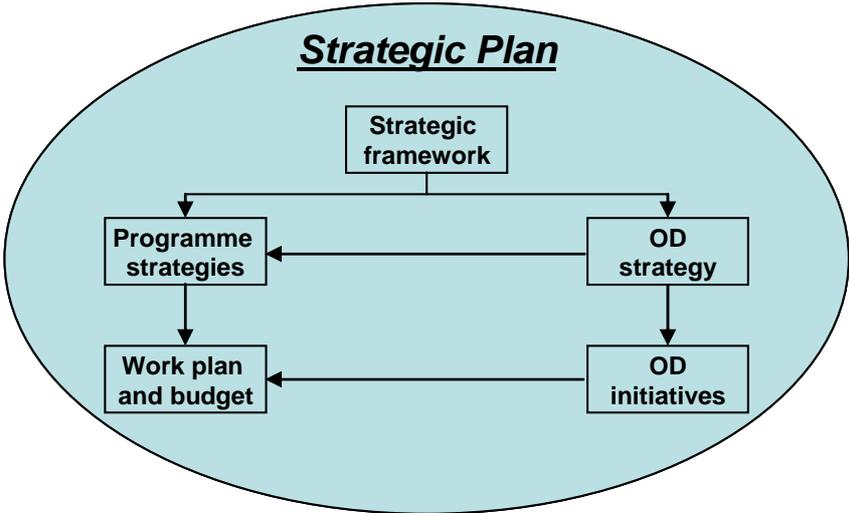
For those initiatives requiring external financing, we are seeking sufficient funds to cover implementation until the end of 2009<sup>7</sup>. We are fully aware that before December 2009, we must either complete such initiatives or incorporate them into our regular budget.

**Relationship between the MTP and the OD process**

The aim of the MTP is to increase the resources for, and to strengthen the quality of, our services for Palestine refugees. The aim of the OD process is to ensure sustained and strengthened internal capacity for operations management and delivery.

The MTP will now evolve into a more comprehensive *strategic plan* for the Agency. This will take some time, but the aim is to have a multi-year revolving strategic plan<sup>8</sup> that will incorporate:

- a strategic framework;
- programme strategies, work plan and budget; and
- the OD strategy and OD initiatives.



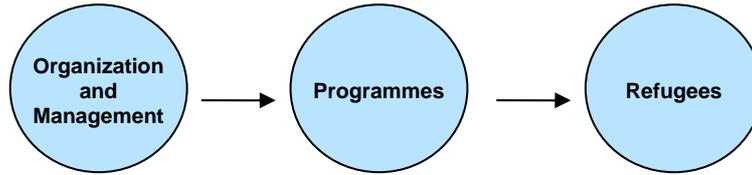
**Serving refugees**

The Agency’s purpose can be summed up in three words: *servicing Palestine refugees*. We are committed to strengthening our programmes for refugees. In the MTP, as we mentioned earlier, we focussed on increasing the resources for, and the quality of, our programmes.

<sup>6</sup> For example, we have started to draft the Human Resource Management (HRM) strategy; strengthened the MC and many of the other management committees; appointed the Director for the Department of Operational Support; started to design new approaches to our work, such as the Programme Management Cycle (PMC); and built our own capacity to carry out OD by establishing the Agency’s OD Team, which is being replicated in the Field Offices.

<sup>7</sup> Much of the funding will be required for 2007 and 2008.

<sup>8</sup> Part Five, *Programme Management Cycle (PMC)*, describes the process in more detail.



In the OD process, we are consciously taking a step back and focussing on how we can strengthen our organization and our management, so that we will have improved programmes and thus be better able to convince our donors to provide more support. In this way, we will improve the quality of our services for Palestine refugees.

The MTP and the Strategic Plan, which we will develop, represent the basis for our efforts to improve our programmes—the OD process complements but does not replace the MTP.

**Agency’s staff**

During the ROA, staff provided eight main messages for the management of the Agency. In the OD process, we are attempting to respond as follows:

| Key messages from the staff   | Response in the OD strategy   |
|---|---|
| Lack of clarity in strategic direction, focus and priorities.                               | The strategic direction in Part One is the starting point for the OD process. This text will be further developed into a framework for the strategic planning that will follow.         |
| Inadequate internal communication, dialogue and information flow.                           | Initiative 3-B in Part Six specifically addresses this concern. In addition, the decisions in Part Two and many of the initiatives will contribute to improving internal communication. |
| Departments and offices working as ‘islands’ (a.k.a. silos).                                | Addressing this issue is a major priority of the OD process and is covered in Parts Three, Five and Six.  |
| Disconnects between responsibility and delegated authority—and lack of accountability.      | These issues are closely linked to the previous concern and are covered in Parts Three, Five and Six.   |
| Concerns about salaries, benefits, and conditions, and about being cared for and respected. | Part Four focuses on Human Resources Management (HRM) and, specifically in Initiatives 1-D and 1-E, we will explore ways to review our post classification and compensation systems.    |
| Convolutd and time-consuming processes, as well as bureaucratic mindsets.                   | This is one of the priorities in the OD process and is covered in Part Seven—Organizational Processes.  |
| Stifling of new ideas and creativity.   | The SPARE paradigm presented in Part Two encourages initiative and creativity.  |

| Key messages from the staff  | Response in the OD strategy   |
|--|---|
| Management malaise, especially middle managers' sense of disempowerment. | Dealing with this is a key aspect of the SPARE paradigm discussed in Part Two; it is also specifically covered in Part Six—Leadership and Management. |

As the title suggests, *Serving Palestine Refugees More Effectively—Strengthening the Management Capacity of UNRWA*, the OD process is focussed on management. It is by strengthening management that we aim to help the staff to be more effective in the delivery of programmes.

### Contents of this document

The remainder of this document is divided into nine parts:

- Part One—Strategic direction;
- Part Two—Organizational design;
- Part Three—OD strategy;
- Part Four—Human resources management;
- Part Five—Programme management cycle;
- Part Six—Leadership and Management;
- Part Seven—Organizational processes;
- Part Eight—OD work plan;
- Part Nine—OD Budget.

Annexes containing detailed descriptions of and budgets for the OD initiatives accompany this document.

## Part One—Strategic Direction

*UNRWA strives to create conditions for human development and sustainable self-reliance for refugees under its mandate.<sup>9</sup>*

### Introduction

The strategic direction states our vision; describes the Agency’s identity, values and roles; and articulates the methods and tools we will apply to achieve our stated outcomes.

Palestine refugees are the focus of our thinking, planning and activities. Promoting their interests as individuals with rights and entitlements under international law and ensuring their well-being and long-term human development are the engines that will continue to drive all aspects of our activities. The Agency’s identity remains that of a public service organization that provides essential services to Palestine refugees. This is the core of who we are and what we do.

However, we are conscious that our management approaches and working methods—as in any other organization—need review and renewal. Therefore, we have embarked on a process of reflection and consultation about how we could sharpen the Agency’s strategic focus through a process of positive change. We began by asking whether our core programmes remain valid today. We reviewed the information we have, from formal and informal sources, on refugee needs, assets and expectations. We assessed the programmes and services provided to Palestine refugees by other organizations. We conducted broad consultations, inside and outside the Agency.

A fundamental question emerged. Given our well-defined mandate and the clear focus of our programmes, how can we define the space within which we can improve and renew ourselves? In other words, What is our “strategic space”?

To answer, we must consider two fundamental elements guiding our work.

The first is the re-affirmation of our mandate to deliver vital services in education, health, relief, social services and microfinance.

The second is our determination to shape everything we do in terms of the human development outcomes that we have set as our goals: community empowerment, professional and personal development, poverty alleviation, the realization of economic potential, protection and human rights. Our education or health programmes, for example, are not ends in themselves but means for achieving the outcomes we seek.

To better link these two elements, there is clearly a need to become more strategic about human development in all aspects of our work. We need to reframe and reorient our traditional programmes to ensure that they provide an integrated and cohesive platform to

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<sup>9</sup> UNRWA was established in 1949 as a subsidiary organ of the United Nations with a mandate “to carry out direct relief and works programmes” for Palestine refugees. The UN General Assembly has repeatedly renewed UNRWA’s mandate, acknowledging in the process that given the continuing needs of Palestine refugees and pending a just settlement of the Palestine refugee problem, the functioning of UNRWA remains essential in all fields of operation.

achieve our stated outcomes. This must be done in an environment of extraordinary complexity and dynamism, alongside multiple actors with responsibility for various aspects of Palestine refugee issues, including—eventually—a comprehensive solution to their plight.

In short, we aim to strengthen the approaches and principles of human development and—whenever necessary—of humanitarian action, in our role as a provider of essential public services. This is the “strategic space” within which we have sought opportunities for renewal.

### **Why a strategic framework?**

This strategic direction is a flexible frame of reference within which each staff member can define his or her specific roles and responsibilities, and through which our Agency can strengthen its ability to fulfil its responsibilities towards Palestine refugees. It is the basis on which the Medium Term Plan will become a truly strategic foundation for future programme activities. We will use this framework to guide and inform the preparation of a series of key, mutually integrated documents in the coming years, including the 2008-2009 Biennial Programme of Work and a full-fledged strategic plan for subsequent biennia.

The strategic direction reflects three perspectives:

1. What we want to see achieved for and by Palestine refugees.
2. What we deliver to Palestine refugees.
3. Who we are.

The three perspectives are important.

The first, “What we want to see achieved”, is our vision of the desired future situation of Palestine refugees. We use the term “vision” to indicate that this is not what we do but rather what we would like to see achieved for—and by—Palestine refugees, and to which we will contribute. We have also defined this perspective in terms of more specific outcomes, where we will see measurable results.

The second, “What we deliver”, focuses on our programmes and services, the outputs for which we are responsible and our programming approaches.

The third, “Who we are”, defines our purpose, identity, values and principles.

### **Our vision**

Our vision is for every Palestine refugee to enjoy the best possible standards of human development, including:

- attaining his or her full potential as an individual and as a member of his or her family and community;
- being an active and productive participant in the socio-economic and cultural life of his or her community and the region; and
- feeling assured that his or her rights are being defended, protected and preserved.

### **Outcomes<sup>10</sup>—what difference will our work make?**

1. Improved living conditions.
2. Improved economic potential.
3. Improved livelihoods and reduced vulnerability.
4. Increased individual and community capacity to use available assets and to organize and manage themselves in a sustainable manner.
5. Improved coping strategies for the most vulnerable members of the community.
6. Human rights enjoyed to the fullest extent possible.

We are currently working on the further definition of these outcomes and will develop indicators of success for each.

### **What we deliver**

We are mandated to operate in the areas of education, health, relief, social services and microfinance. These will continue to be the main programmes through which our services are delivered in an effort to achieve our outcomes, for example for refugees to attain economic potential and enjoy their rights as fully as possible.

### **Outputs**

The outputs in each of these programme areas are directly linked to the achievement of the outcomes discussed above and represent results for which the Agency is directly responsible.

The following illustrates our current thinking on outputs, which will be tested and further evolved in the coming months:

- Through our Education Programme, we provide Palestine refugees with opportunities to acquire knowledge, life skills, experiences and values in an environment that is conducive to learning. Our educational services include education at the elementary, preparatory and secondary level (in Lebanon only), technical and vocational education and training, teacher training and placement and career guidance.
- Through our Health Programme, we protect, preserve and promote the health status of Palestine refugees by providing access to a comprehensive, quality health service, consistent with the policies and strategies of the World Health Organization. Our health services include medical care (laboratory services, outpatient services, maternal and child health, disease prevention and control, physical rehabilitation, oral health, school health, and hospital services), environmental health (sewerage and drainage, solid waste management and water supply) and supplementary feeding.
- Through our Relief and Social Services Programme, we provide a social safety net for the most disadvantaged Palestine refugees and promote the self-reliance of less advantaged members of the refugee community, especially women, the aged, youth and persons with disabilities. Our relief and social services include food support;

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<sup>10</sup> The vision is, by its very nature, very broad. We use the term “outcomes” to define more specifically those areas where we can expect to see measurable differences for Palestine refugees. To date, we have identified the listed outcomes as areas where our work will make a difference.

shelter rehabilitation and cash assistance to families in special hardship; the development of community-based social services for women, the disabled, children and youth; and community support through access to subsidized credit.

- Through our Microfinance and Microenterprise Programme, we promote economic development and alleviate poverty by providing credit for enterprise, household consumption and housing needs. This credit improves the quality of life of householders, small business owners and microentrepreneurs; sustains jobs; decreases unemployment; reduces poverty; empowers women; and provides income-generating opportunities for Palestine refugees and other proximate poor and marginal groups. Specific services include microenterprise credit, solidarity group lending, small-scale enterprise, consumer lending, housing loans, and small and microenterprise training.
- Improving living conditions in houses and camps through a more systematic and participatory approach is a cross-programme priority which will require adequate attention and resources; to this end, we are in the process of establishing dedicated structures at Headquarters to manage activities related to this important area.

### ***Programme approach***

Our approach to programme delivery will be revitalized to ensure that:

- the programmes are more strategic, focused, innovative, dynamic and agile;
- programme implementation reflects a coherent approach to human development that is sustainable and based on fundamental rights;
- our planning reflects a thorough understanding of refugee needs, assets and aspirations;
- we work more with partners, based on a better analysis of our stakeholders and improved knowledge of all the services provided to the refugees; and
- we continuously develop our ability to learn and communicate, inside and outside the Agency.

Within these broad programme approaches, our programme areas will place particular emphasis on cohesive, integrated, rights-based programming. This means that in both emergency situations and stable contexts, our programmes and projects will incorporate policies, tools and outputs that reflect and implement the Agency's commitment to:

- Gender mainstreaming.
- Protection.
- Youth.
- Other groups with special needs, including women, children, the elderly, the mentally ill and persons with disabilities.

### **Who we are—purpose, identity, values and principles**

The Agency's purpose, identity, values and principles constitute the foundation upon which we build our efforts on behalf of Palestine refugees.

Our purpose is to contribute to the human development of Palestine refugees in UNRWA's "Fields" of operation in the Gaza Strip, West Bank, Jordan, Lebanon and Syria until a just and lasting solution is found to the refugee issue. We do this by providing basic services and other support within the framework of international human rights and other relevant standards.

Among United Nations agencies, we are unique in delivering a variety of services directly to refugees. Our strategic choices are influenced by the nature of our work and by the fact that our services are similar to those provided by governments. We are considered the embodiment of the international community's support for Palestine refugees and are committed to contributing to their human development and self-reliance. We rely particularly on the skills and dedication of our staff, and we pride ourselves on maintaining a relationship of trust and mutual respect with the refugees we serve.

We work in a particularly complex and dynamic political context and are able to react quickly and flexibly to changes that take place in our regional and operational environment. We strive to be strategic, focused, innovative, dynamic and agile—especially in programme delivery; we base our work on refugee needs, assets and aspirations, we work in partnership with other organizations, we build synergies among programmes, and we learn from one another and from other actors.

We take particular pride in the variety of services we have consistently delivered to Palestine refugees since UNRWA was established in 1950. We are advocates of—and seek to safeguard—the rights of Palestine refugees, and we act as a witness and a protecting presence in areas of humanitarian crisis and conflict.

Our values contribute to the realisation of our vision and the implementation of our overarching programmatic objectives. They are rooted in the United Nations Charter; in the Agency's mandate, directives, rules, regulations and code of conduct, and in human rights instruments.

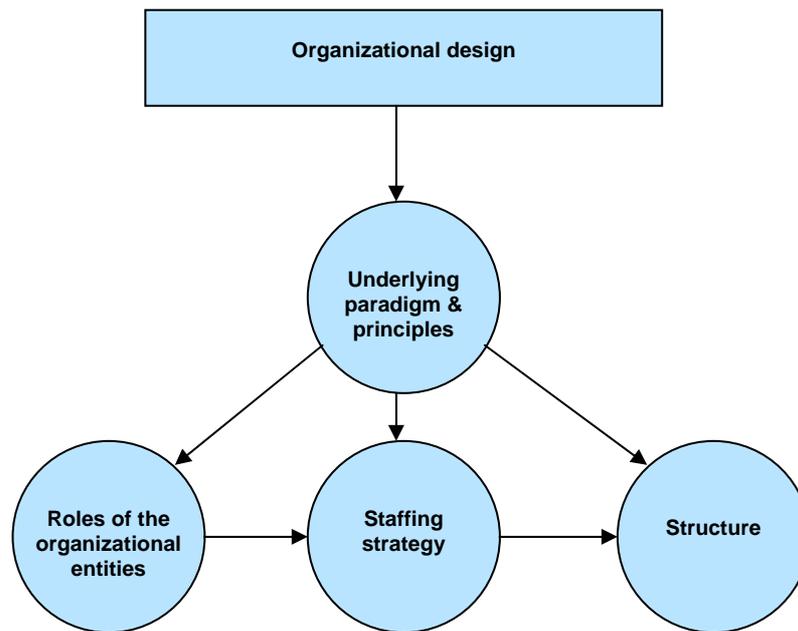
Our values include a strong emphasis on human rights for all, non-discrimination and respect, sharing of information and knowledge, and with an emphasis on consultation, cooperation and consensus-building.

Our most important resource is our staff, and we are committed to providing a working environment that empowers everyone, promotes lifelong learning and ensures fairness to all through full accountability and transparency.

## Part Two—Organization Design

### Introduction

Organization design refers not only to organizational architecture and roles and responsibilities, but also to underlying paradigms and ways of operating. Organization design thus demonstrates how an organization balances tensions between adaptability and accountability, consistency and creativity, oversight and empowerment.



The design is based on an underlying paradigm and set of operating principles, which are discussed below.

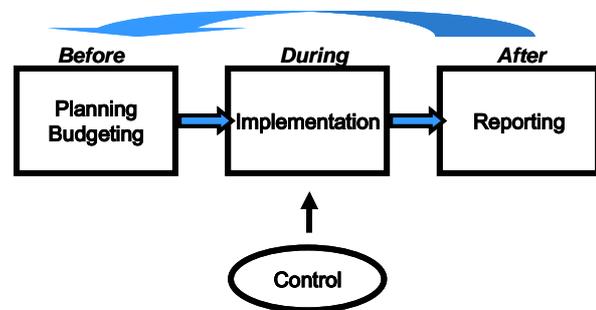
The paradigm leads to the definition the *roles* of the different organizational entities (for example, HQ and the Fields). This enables a *staffing strategy* to be developed which outlines what staff we need, where, and what their roles and profiles should be. The final section examines the *structure*, in other words, how the staff should be organized.

### Underlying paradigm

We started our reflections on the design by looking at two contrasting paradigms that are commonly found in public service organizations.

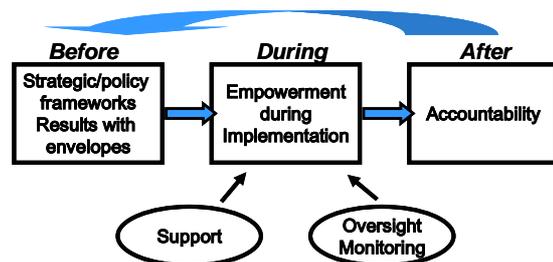


**The CBB paradigm:** CBB stands for “control through budgets and bureaucracy” and is the classic organizational model for traditional government departments and large organizations. As its name suggests, the emphasis is on detailed budgets that determine all aspects of expenditure. Budgets tend to be input-based and to focus on activities. There tends to be insufficient strategic planning; frequently, the only strategic statements are in the preamble to the budget. Managers have little freedom to manoeuvre, as there are complex and time-consuming controls during programme implementation. Accountability tends to be weak and focused on the use of inputs. There is a low tolerance for risk, and processes are usually very complex.



**SPARE paradigm:** SPARE stands for “strategy, policy, accountability, results and envelopes (of resources)”. The main thrust of the SPARE paradigm is empowerment of managers and staff during programme implementation.

Achieving this requires that there be comprehensive strategic and policy frameworks—including well-defined standards—that guide managers’ decision making. Before implementation, there must be agreement on the results to be achieved, and an envelope of resources must be allocated. The concept of *envelope* is critical, as it indicates considerable decision-making freedom for the manager regarding the financial and human resources entrusted to him or her.



The SPARE paradigm implies results-based management and budgeting, robust accountability focused on outcomes and outputs, streamlined and flexible processes and a measured tolerance for risk. Support is provided to managers as needed, and controls are kept to a minimum.

In analysing our current way of working, we found much of the CBB paradigm in evidence. We acknowledged that this paradigm has served us well in the past, but we also acknowledged that it was no longer doing so, that new technology and new ways of working need to be brought to life in UNRWA.

We also recognized that an organization of this size working with such complex political and institutional constraints cannot transform its management approach overnight. However, we have committed to moving our systems and our behaviours from the CBB paradigm to the SPARE paradigm in a continuous and persistent manner.

These considerations are further developed below and in Part Three.

## **Building blocks for SPARE**

For us to operate under the SPARE paradigm, the following five key organizational building blocks must be in place.

### ***Strategic and policy frameworks, tools and standards***

The strategic framework, strategic plans (including programme and country/field strategies) and policy frameworks, guided by international standards, must be in place to guide the implementation and evaluation of Agency work. These must be complemented by tools, standards and guidelines in operations, programme, budget, finance, HRM and procurement.

### ***A culture of accountability***

Without accountability, there cannot be effective empowerment; and without effective empowerment, there cannot be the trust that is the bedrock of the SPARE paradigm. In addition to the strategic and policy frameworks mentioned above, an accountability framework with a robust definition of roles and responsibilities must be developed, and the corresponding delegated authority must be specified. This must be complemented by the courage to exercise accountability and impose consequences.

### ***Empowerment through envelopes***

Envelopes are key to the SPARE paradigm. The current budgeting process will be reviewed to clarify the roles and processes relating to:

- the formulation of financial and human resource needs<sup>11</sup>;
- decision-making on the overall budget;
- allocation of the financial resources actually received (especially when they are less than we had budgeted for); and
- approval of the allotments, which become the envelopes managed by the manager.

### ***An enhanced management culture***

We must enhance the management culture of UNRWA. This will require validating the role of managers, providing proper training to current and future managers and, most important, ensuring that managers assume this role and are held accountable for these managerial responsibilities. Managers are expected to take decisions and to manage finances, people, programmes, performance and risk. Managers also need better information management systems than those currently in use.

### ***Streamlined organizational processes***

The SPARE approach depends on having simplified, streamlined processes that are based on clear definition of roles and particularly of the delegated decision-making authority of managers during the processes. To run smoothly, the Agency must have efficient processes that ensure the respect for the roles of the different actors and that do not contain hidden and

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<sup>11</sup> See the human resources and PMC-related initiatives in the Annexes.

unnecessary controls. And, we need to align our processes with reform efforts throughout the UN system.

This means that the Agency's rules and regulations, policies and procedures must be overhauled and the role of HQ must be focussed on facilitating management decision-making rather than on narrowly interpreting antiquated rules.

### ***Challenges to implementing SPARE***

Moving to and operating under the SPARE paradigm will not be easy. Certain aspects of our culture will require attention:

- We are very hierarchical, but we easily bypass hierarchy when we want to move the agenda forward. The SPARE principles imply that we should be less formal and less hierarchical while still respecting delegated authority and roles.
- There is a weak culture of accountability in the Agency today. But without robust accountability, the SPARE paradigm cannot work—indeed, it can represent a high risk. Promoting a culture of accountability will require significant changes in the roles of managers in HQ and the Field Offices, clear definitions of decision-making authority and a determination to hold managers and staff accountable.
- All senior managers must work together in a genuine spirit of partnership<sup>12</sup> and of mutual respect for each other's spheres of authority.
- In many UN agencies, managers are promoted because of their technical or operational expertise, and managerial competencies are not always valued. As a result, managers may tend to emphasise their programme/technical roles at the expense of their responsibilities for managing people.
- The SPARE paradigm can work effectively only if there are high levels of trust among and between staff and work units.
- Current processes have been described as very bureaucratic and cumbersome. It will be necessary to overcome not just the processes but also the historical mindset behind them<sup>13</sup>.
- The control function needs to be used sparingly during programme implementation. We must ensure that exercising control does not undermine the manager's authority and accountability.
- The CBB paradigm often leads to a rule-bound, risk-averse culture that resists change. These characteristics need to be addressed through the application of SPARE principles.
- Adopting the SPARE paradigm entails making positive changes in our attitudes and our approach to our work and to all colleagues. A significant injection of funds is also required to build capacity, provide training and put in place the sustainable systems that will support the paradigm shift. It will not be possible to implement SPARE without the required support from donors.

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<sup>12</sup> The concept of partnership is discussed later. It is based on clearly differentiated roles and accountabilities, with well-defined obligations on both parties.

<sup>13</sup> This mindset sometimes leads to staff hiding behind the "rules" to avoid decision-making.

## Differentiating roles of the main organizational entities

Another essential part of organization design is the definition of the roles of the major organizational clusters or functions. The Agency has five broad organizational functions:

| These organizational functions...   | are performed by the following functional areas  |
|---|--|
| Operations delivery and management  | The five Field Offices   |
| Programme strategies and policies, co-ordination, technical direction and operational support | The four Programme Departments: Education, Health, Relief and Social Services, and Microfinance and Microenterprise; and DOS |
| Organizational support  | Budget, finance, HRM, information technology, administration, engineering, procurement, logistics                            |
| External relations  | Resource mobilization, donor relations, public information, advocacy, support to intergovernmental fora                      |
| Executive management  | Executive Office, Legal Services, Audit and Inspection, spokesperson, Ombudsperson   |

These five distinctions are somewhat artificial<sup>14</sup>, but they facilitate the discussion of roles. The term *support*<sup>15</sup> for operational, programme and organizational support to capture the fact that one of HQ's key functions is to support Field Offices in providing services to refugees.

### **Empowerment of managers**

Through the SPARE paradigm, we want all managers<sup>16</sup> to assume responsibility for the management of their work units, including the management of the programmes or services they deliver, the staff and the budget.

If they have responsibility, they must also have decision-making authority. Clearly, there are always some limits to their authority as some decisions have to be cleared by more senior managers or by the relevant HQ department, but most operational decisions on implementation should be taken by the manager, within the *framework*<sup>17</sup> established by the Commissioner-General.

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<sup>14</sup> Some departments carry out more than one function: Legal Affairs, for example, also provides organizational support services.

<sup>15</sup> In this sense, *support* includes all the roles implicit in the SPARE paradigm, including strategic, policy, technical and oversight roles.

<sup>16</sup> All managers and supervisors of established units and teams, including sections, divisions, and departments.

<sup>17</sup> As mentioned earlier, the "framework" includes: the strategic framework, strategic plans (including programme and country strategies), policy frameworks, tools, rules and regulations, standards and guidelines in operations, programme, budget, finance, HRM and procurement.

In a way, the “framework” can be compared to a beacon shining in the dark. The Agency is saying: ‘if you stay within the light, take decisions on the implementation of programmes and services using your best judgement; if you go into a grey area, ask for guidance before taking a decision; and—don’t go into the dark’.

Take an example of a programme chief who wants to send a member of staff on a training workshop. If s/he has enough funds and if the training course falls within established policies and plans, s/he should be able to take the decision without asking for clearance higher up.

This is not a major decision but one that can cause a lot of frustration if it is subject to a complex clearance process as it is now – going all the way up to the Commissioner-General.

The question of budgetary envelopes is one of the crucial elements of the SPARE paradigm. The basic concept of an envelope is to give the manager maximum flexibility in deciding how to spend his/her financial resources within the “framework”. In other words, the Agency is saying: ‘Here are the results we want you to achieve, this is the “framework” that governs all your decisions, and here are the financial resources that we can allocate to you. Use these resources according to your best judgement and be held accountable at the end’.

It will take us some time before we can adapt our current budget and financial management systems to the “envelope” concept and we clearly must underpin the new approach with robust accountability systems.

The same approach applies to the management of human resources. We want to give managers greater responsibility and authority in recruiting and managing their staff. However, the manager’s authority in managing human resources has to be balanced by the interests of the Agency and the interests of the staff. For example, a decision to hire a member of staff may imply, directly or indirectly, a long-term commitment which cannot be made by the manager alone.

During the coming months, we will be thinking through the SPARE paradigm, the empowerment of managers and the concept of envelopes and then applying them to the management of financial and human resources.

### ***HQ and the Field Offices***

The SPARE principles have significant implications for the respective roles of HQ and the Field Offices. Under the SPARE paradigm, HQ and the Field Offices have equally important but complementary roles.

In essence, under the SPARE model, HQ has the primary roles of:

- setting strategy and policy;
- determining programme plans;
- allocating resources;
- establishing and monitoring standards;
- establishing mechanisms and processes for coordinating and harmonizing field operations;
- clarifying issues and taking decisions on policy interpretation;

- developing tools and guidelines for translating policy into effective operations;
- providing technical and professional guidance, oversight support to the Field Offices;
- monitoring implementation to ensure that standards are met and guidelines observed;
- developing standards, processes and mechanisms for the systematic evaluation of operations;
- evaluating programme delivery and results (in collaboration with the Field Offices); and
- external relations, including resource mobilization and public information.

In addition, the Commissioner-General<sup>18</sup>:

- takes high-level decisions relating to all aspects of the Agency’s operations and management;
- supervises the Field Office Directors;
- speaks on behalf of the Agency;
- protects the Agency’s interests;
- acts as a “court of final instance” in situations of disagreements on resource allocation, policy interpretation and operational decisions; and
- facilitates and ensures accountability.

Within this context, Field Office Directors have the primary responsibility—and delegated decision-making authority—for the implementation of operations. Field Office Directors are our managers closest to the point where we deliver services to refugees. They should be held primarily accountable for efficiency and effectiveness of those services.

At the same time, the responsibility entrusted to Field Office Directors must be exercised in close collaboration with Programme Directors who supervise the translation of standards into operational activities in their role as custodians of technical and professional expertise.

The relationship between HQ and Field Offices can be categorised as one of *partnership*, but it is a partnership based on complementary and well-differentiated roles.

We use the term partnership to capture both the need for close working relationships *and* the importance of differentiating roles. The latter allows us to differentiate accountability for the responsibilities of the various actors in the process. This means that the mutual obligations of both parties are clearly defined and observed in practice. The success of this partnership depends on highly collaborative ways of working.

The respective roles of HQ and Field Offices are explored in more detail below in two important areas: programme support and organizational support.

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<sup>18</sup> Or senior managers or management committees to which she delegates the appropriate authority to.

### Programme support functions

The SPARE principles apply to the roles of Programme Directors. They take the lead in developing<sup>19</sup> strategy and policy in their respective programme areas. They take decisions on operational policy and oversee the technical implementation of these decisions. They ensure that policies are implemented in a cohesive and integrated way. They are closely involved in the resource allocation process. They monitor implementation and evaluate results.

Programme Directors have a substantive leadership role. As part of this role, they should set up professional clusters<sup>20</sup> that include all the professional staff in their programme area and they will work closely with the programme chiefs.

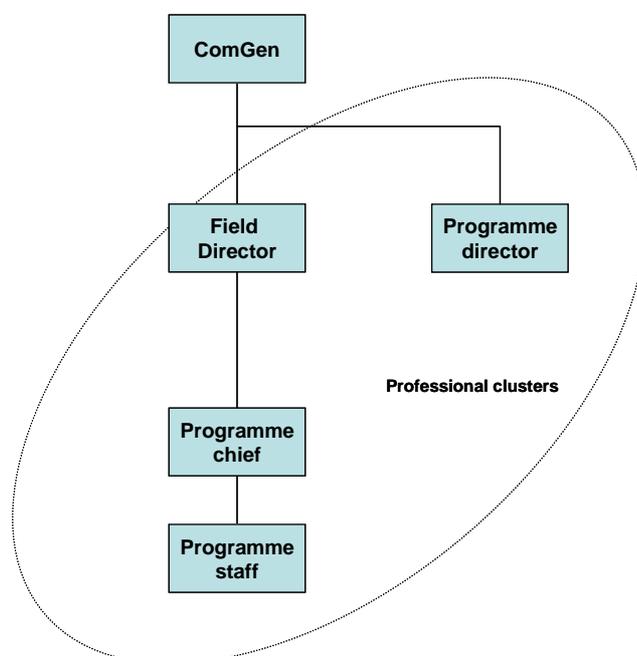
Programme Directors are the substantive leaders in their areas. They should therefore be involved in the recruitment, promotion and termination of senior programme staff in the Field Offices; they should provide policy direction, and they should catalyse the learning and career development of professionals. However, the professionals in the Field are managed by the Field Office Directors at the operational level.

As mentioned earlier, Programme Directors and Field Office Directors will work together on the basis of differentiated roles and each will have *primacy* in their respective roles. For example, Field Office Directors have full authority over the management of operations (the “implementation” phase) and the Programme Directors have primacy over strategy, policy and programming in their respective areas.

There is *only one management line of authority*, and it flows from the Commissioner-General to the Field Office Director and then to the latter’s own managers.

This authority will, of course, be exercised in close collaboration with the Programme Directors and in accordance with programme policies, standards and guidelines.

All of this does not imply a significant change in the current *structure*. What we have done is clarify the roles to avoid overlapping responsibilities and ensure that things do not fall through the cracks. For example, this approach:



<sup>19</sup> It is assumed that high-level programme strategy and policy are approved by the Commissioner-General after consideration by the MC.

<sup>20</sup> These clusters replace the “dotted lines” in the current organizational charts. Substantive guidance, information and professional training and collegiality are maintained through the professional and technical cluster.

- Clarifies the line management responsibility of the Field Office Director for the delivery of services to the refugees and his or her accountability to the Commissioner-General.
- Underlines the obligation of Field Office and Programme Directors to work collaboratively and in close consultation.
- Acknowledges that, as managers at the final point of service delivery, Field Office Directors have the final authority for operational decisions, though this authority must be exercised in close consultation with Programme Directors.
- Enables Programme Directors to concentrate on setting strategy and policy, establishing standards, developing tools and guidelines, supporting the Field Offices, especially the programme chiefs, monitoring implementation and facilitating and ensuring accountability.

The respective roles of the Programme Directors, the Field Office Directors and the programme chiefs will be developed in more detail during the coming months. We need to see the SPARE paradigm as providing the guiding principles as we think through the practical implications.

At a deeper level, there needs to be a shift in mindset that will enable Field Offices to assume responsibility for operational delivery while, at the same time, providing HQ with sufficient confidence in the Field Offices' capacity to assume this responsibility. We have to invest in building the capacity of Field Offices, especially the crucial programme chiefs and we have to recognize that we can never legislate for a perfect definition of roles—there will always be grey areas and these can be managed only through close cooperation, based on trust.

### ***Professional clusters***

The concept of *professional clusters* is key to the SPARE paradigm. Programme Directors and HQ Support Directors (see below) are the substantive or technical leaders in their areas for the Agency.

Professional staff from the relevant areas of expertise and responsibility should be members of a *professional cluster*, led and organized by the HQ Programme Director.

The directors should, therefore:

- set up, oversee and animate the professional clusters;
- be fully engaged in the recruitment, promotion and dismissal of senior specialists;
- provide policy and technical direction, guidance and support;
- establish frameworks and guidelines for performance evaluation and for holding Field Offices accountable for the quality and effectiveness of service delivery;
- catalyse the learning and career development of professionals; and
- facilitate sharing of information and knowledge on technical matters.

The professional clusters complement the line management responsibilities of the Field Office Directors or other managers. Programme Directors work closely with the Field Office Directors. These professional clusters are part of the framework on which we build effectiveness, cohesion and accountability for programme delivery in the Agency.

### **Organizational support and external relations functions**

The same principles discussed in the section on programme support apply to the roles of the directors of the organizational support functions<sup>21</sup> and the Field Office Directors.

Of course the SPARE principles apply to the roles of HQ Support Directors. These directors take the lead in developing<sup>22</sup> strategy and policy in their respective areas, take decisions on operational policy, are closely involved in the resource-allocation process, monitor implementation and evaluate results.

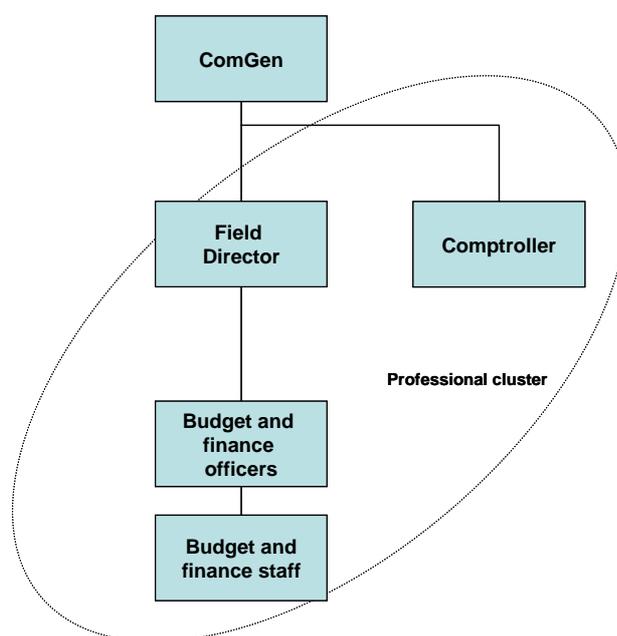
Field Office Directors are allocated envelopes of human and financial resources and are empowered to manage those resources and to take decisions on the implementation of the programmes. They do this within the Agency's strategic and policy framework, defined standards and the Agency's rules and regulations.

HQ Support Directors monitor implementation and advise Field Office Directors on operational policy decisions and on the interpretation of rules and regulations. In certain well-defined cases, these directors take decisions on exceptions to the rules and regulations.

The HQ directors also have a role as the guardian of the institutional interests of the Agency. For example, the Comptroller is responsible for managing the budget and is accountable to the Commissioner-General for the management of the financial resources of the Agency as a whole. He or she must balance the needs, the approved budgets and the actual income, and this requires constant discussions with managers. Another example: the Director of Administration and Human Resources (DAHR) must balance institutional needs in terms of staffing and sound HRM with the manager's needs to recruit and manage staff.

The word "balance" is critical here. Under the SPARE paradigm, it is essential that the different interests and principles are balanced in a positive and strategic manner.

HQ Support Directors have a technical leadership role. As part of this role, they facilitate *professional clusters* that include all the professional staff in their programme area.



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<sup>21</sup> We include the Comptroller, DAHR, DOTS, Director of ERD, and the Legal Adviser with respect to organizational support.

<sup>22</sup> It is assumed that high-level programme strategy and policy are approved by the Commissioner-General after consideration by the MC.

### ***Executive management***

Operating under the SPARE paradigm does not require any significant changes in the roles of the executive management. However, a strong executive management function is essential in the SPARE paradigm as it ensures:

- the development of the overall strategic and policy frameworks;
- the exercise of accountability; and
- institutional coherence and cohesion.

This is discussed in Part Three.

### ***Staffing strategy***

The *staffing strategy* is an essential component of the organization design. The staffing strategy should:

- define the main categories of staff according to their job occupation and provide a high-level description of the desired competency profile;
- define the different career streams and broad contractual arrangements, for example, international and area staff;
- assess, define and allocate the staffing requirements of HQ departments and Field Offices; and
- establish policies and ratios on gender issues, geographical balance, mobility, alternative sourcing arrangements, partnerships with NGOs and UNV, secondments, external recruitment and other issues.

The staffing strategy will be developed as part of the HRM initiatives (see Part Four).

### ***Assessment of current staffing patterns***

We have not carried out a detailed staffing review during the past few months as we first needed to develop the strategic framework, the organization design and the staffing strategy.

In particular the SPARE paradigm and the staffing strategy will provide the essential framework in which we can situate a staffing review, in other words, any assessment of current staffing needs and patterns can be done only when we have clearly determined what organizational structure we will have.

Nevertheless, we can state the following:

- First, front-line staff—those providing services directly to refugees—are stretched to the breaking point. The MTP demonstrated clearly that, for example, teacher/pupil ratios and health worker/social worker caseloads are unacceptably high. We must therefore obtain resources in our regular budget for reducing the pressures on the vast majority of our staff.
- Second, when HQ was moved from Vienna to Gaza, the number of international staff was significantly reduced. Given the current political situation and refugee needs, we need to increase the number of international staff while recognizing that we can—and will—redeploy some of our existing international staff to other functions. In

particular, we will eventually shift some international posts currently in administrative support functions to programme management functions;

- Third, we will examine the need for, and possibility of, creating a national professional officer category which could allow us, over a period of time, to transform some of our international posts into national officer posts and possibly convert some senior area management posts into national officer posts.
- Fourth, we do not believe that there are opportunities for significant financial savings with respect to staff in HQ or the Field Offices. We will however carry out a staffing review of HQ and the management levels of Field Offices to see if we can shift some resources to higher priorities.

## **Structure**

The final part of the organization design is the structure.

So far, the emphasis is primarily on clarifying roles, responsibilities, reporting lines and delegated decision-making authority. There will, however, be some adjustments in the management structures of HQ and the Field Offices. The following decisions have been taken, or are being considered. All relate to the application of the SPARE paradigm to the design<sup>23</sup>.

### ***Field Office management structure***

There are core Agency functions that underpin the rationale for a common core structure for all Field Offices.

Principles and considerations underpinning the proposed structure and staffing changes are:

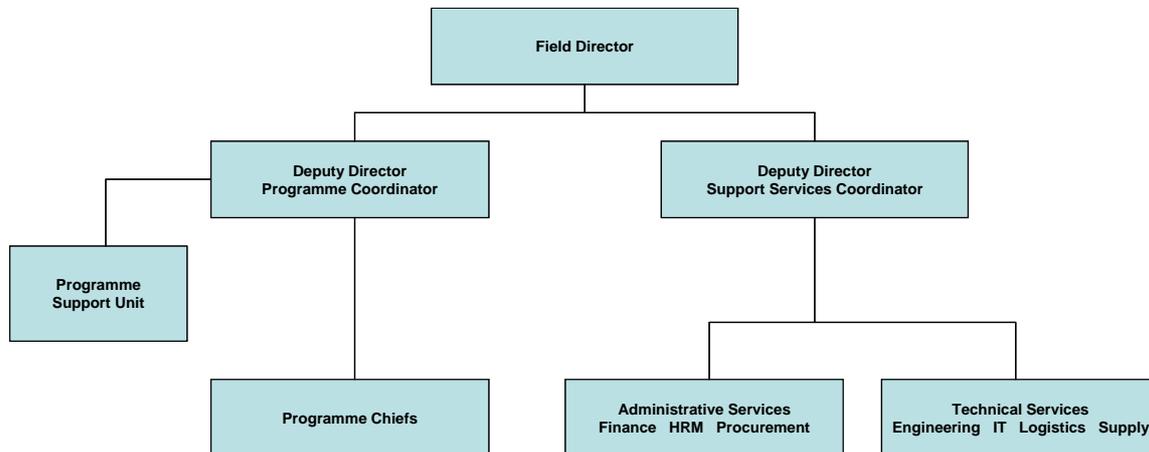
- A common core structure must be based on the functions of the offices and must be flexible and adaptable to the circumstances of each field, having particular regard to the diversity in scale and breadth of the different field operations as well as the differing pools of human resources available locally.
- Consistent with the SPARE paradigm and the realignment of resources with priority, this will necessitate minimal increases in international staffing at field level, primarily related to the management and oversight of programmes.
- Reporting lines must be streamlined in the spirit of the SPARE paradigm and the definition of roles earlier in this chapter.
- Empowerment of the Field Office Director within the SPARE paradigm must be built into the new programme management cycle, the streamlined organizational processes and the revised rules and regulations.
- This empowerment of Field Office Directors will then be delegated to middle managers in each of the Field Offices.

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<sup>23</sup> One small change consistent with the SPARE paradigm will be to stop calling Directors by an acronym and to use acronyms only for departments and other organizational units.

- The new structure should promote cross-cutting synergy on the programmatic side and streamlining efficiencies on the administrative side.

The following chart represents the approach that we intend to take in each Field Office, while recognizing that it may not be possible to fund separate posts for each function in each Field Office.



The chart implies the following changes:

- *Structure:* The functional structure of each field operation is divided into two pillars, namely programmatic and support services, thus reducing the number of staff reporting directly to the Field Office Director and enhancing coordination, cross-cutting synergies on the programmatic side and optimal efficiency on the support services side.
- *Programme management:* There is an evident need to strengthen all elements of programme and project management at field level, working closely with the Programme Directors and DOS, and to build the capacity of programme staff in project management.
- *Resources:* Two additional management functions, the first a Deputy Field Office Director<sup>24</sup> and the second a senior programme officer for the PMC (as mentioned above) will be created, thus ensuring the effective management of each functional pillar in the field—the first depends on the reallocation of international posts and the second is included in this work plan; additional area staff will be appointed to reinforce the PMC and project management;
- *Reporting lines for Area Officers:* Area officers will continue to report to the Field Office Director. The structure of the area offices will be evaluated in the context of the SPARE principles.

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<sup>24</sup> We may not be able to create additional posts immediately for each Field Office.

### ***Department of Operational Support***

In late 2005, the Commissioner-General decided to separate the previously combined position of Gaza Field Office Director and HQ Director of Operations and transfer the latter to Amman in order to establish an enhanced operational support function to cover all Fields.

The aim of the Department of Operational Support (DOS) is to provide, facilitate and coordinate HQ's support to the Fields in strategic planning, integrated programming and operational policy within a PMC framework. This includes project management and emergency programming<sup>25</sup>.

The Programme Directors will report to the Director, DOS to achieve the optimum level of integrated operational and programmatic support to the Field Offices.

DOS will be supported by a unit, headed by the Assistant Director/DOS which will:

- be the focal point for the development and facilitation of the programme management cycle, including strategic planning and coordination;
- develop guidelines and tools to enable the Field Offices to carry out situation and needs analysis as well as monitoring, reporting and evaluation;
- build the project management capacity of the Field Offices;
- be the focal point for strengthening emergency preparedness/contingency planning within the Agency;
- integrate cross-cutting issues—mainly protection, gender, youth, disability, social inclusion— into programme policy (including the development of policies, policy analysis, development of standards, knowledge management, and the development of tools and guidelines for managers).

### ***Organizational and operational support***

There are some overlapping functions between the responsibilities of two departments (Administration and Human Resources, and Operations and Technical Support) that are currently responsible for:

- Human resources management.
- Information and communication technology.
- Engineering.
- Procurement and logistics.
- Administration.

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<sup>25</sup> The Department is also responsible for Administration and Finance at Headquarters, Amman. Although the Director, DOS has certain administrative and security-related responsibilities which flow from his status as head of mission of Headquarters Amman – day-to-day responsibility for these functional areas will be transferred to the department with the responsibility for administration.

The ability of the two departments to effectively carry out all functions effectively is diminished by the current, considerable workload, which will further increase once reforms start in key areas (for example human resources management, ICT, and housing and camp improvement).

We are currently considering different configurations but clearly an additional department will be required to carry out effectively the five functions mentioned above.

### ***External cluster***

We will create a post of Spokesperson in the Executive Office and then amalgamate the functions of the current ERD and PIO into one department, called External Relations Department.

This department will have three main functions:

- resource mobilization;
- support to intergovernmental fora (Advisory Commission and Hosts and Donors meetings); and
- public information and communications<sup>26</sup>.

The three functions will become separate divisions within the department and, in addition, the Director will supervise the Liaison Office in Cairo.

The Director and the Chief of the Public Information Division will work closely with the Spokesperson, who will require considerable support from the Public Information Division. A clear division of responsibilities between the Spokesperson and Public Information staff at HQ and in the Field Offices will be established.

At present the Public Information function handles translation and interpretation<sup>27</sup>. We are expanding our translation capacity and will continue to do so as part of this development process (see, for example, Lever 1, Initiative 1-H).

### ***Executive management***

The executive management function will comprise the following units:

- the Executive Office, including the Spokesperson;
- Audit and Inspection Department;
- Legal Affairs Department;
- New York and Geneva Representative Offices; and
- Ombudsperson.

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<sup>26</sup> With all external stakeholders including refugees, host countries, local communities and donors.

<sup>27</sup> A P3 post in Amman has been frozen and will probably be replaced by alternative sourcing arrangements. The post will be utilized to support a different function.

This means that the Policy Analysis Unit<sup>28</sup>, the Public Information Office, and the Cairo Liaison Office<sup>29</sup> will no longer report directly to the Commissioner-General.

**Commissioner-General and the overall management structure**

We have decided to streamline the number of directors that report directly to the Commissioner-General<sup>30</sup>.

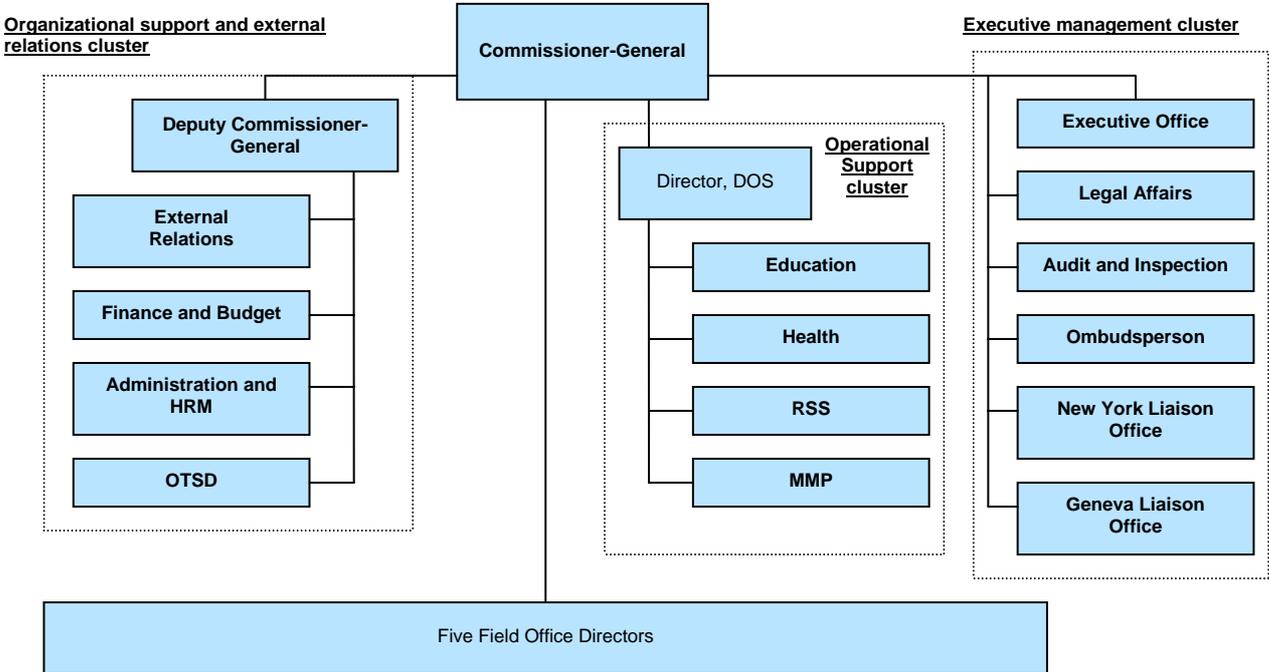
The five Field Office Directors will continue to report to the Commissioner-General.

The Commissioner-General has asked the Deputy Commissioner-General (DCG) to oversee the organizational support and external relations functions.

This means that there will be four main clusters in the organization, each one reporting to the Commissioner-General:

- DCG, overseeing external relations and organizational support functions.
- DOS overseeing the four Programme Directors and the new Department of Operational Support.
- Five Field Office Directors.
- Executive management function comprising the Executive Office, Department of Audit and Inspection, Legal Affairs Department, Ombudsperson and the New York and Geneva Representative Offices.

The organizational charter for the Agency will be as follows:



<sup>28</sup> To be merged into the Department of Operational Support.

<sup>29</sup> The Public Information Office and Cairo Liaison Office will be supervised by the Director, ERD.

<sup>30</sup> The DFID-commissioned report addressed this issue.

***Management Committee***

The Management Committee (MC) will continue to support the Commissioner-General in matters of policy, in its present format. All the other management committees will report to the Commissioner-General through their Chairpersons, while keeping the MC fully informed of their decisions and/or recommendations.

## Part Three—OD Strategy

### Introduction

In the introduction to this document, we described UNRWA’s OD process as a holistic and comprehensive approach designed to bring together all the initiatives which will strengthen the Agency’s capacity to serve Palestine refugees effectively and efficiently.

Having an effective OD process depends in turn on having an effective OD strategy. As mentioned earlier, the organization design is the heart of the OD process as it describes what sort of organization we are intent on building.

The OD strategy focuses on *how* we will carry out this process.

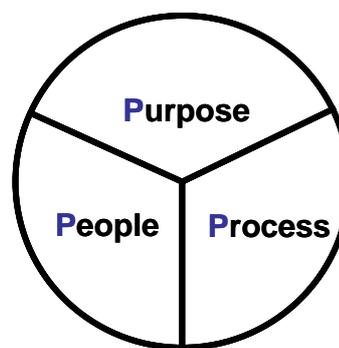
### Conceptual framework

We have based our thinking about OD on the idea that an organization is a structured group of people who work together for a common purpose.

*Purpose* focuses on such questions as why we are here, who we are and what we want to achieve—in other words, our vision, strategies and programmes. This has been covered in Part One.

*People* covers the number and distribution of staff; their expertise, attitudes and commitment; and the organizational culture.

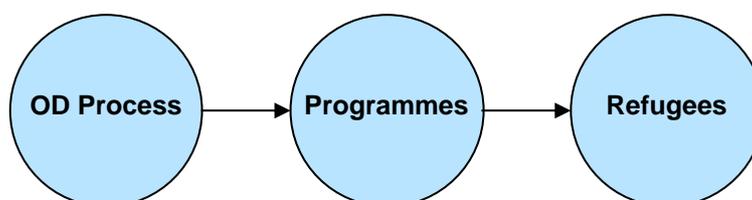
*Process* includes everything to do with how we are organized, in other words, the organizational design, systems, structures and technology.



All three components must be aligned, integrated and mutually supportive.

### The OD strategy

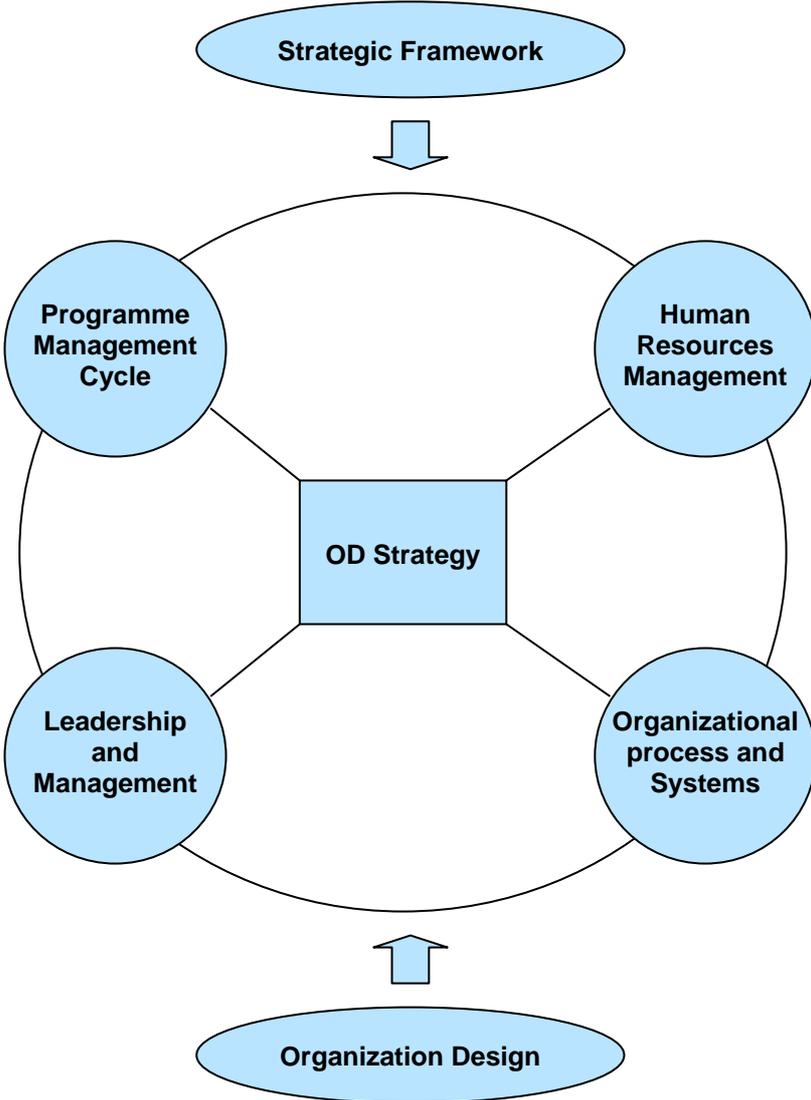
The OD strategy exists within the context of the strategic framework and organization design described in Parts One and Two of this document.



The OD process for the Agency will strengthen our organizational capacity to deliver effective programmes<sup>31</sup>.

**Four levers of change**

In developing our OD strategy, we identified four key levers of change that will help the entire Agency adopt and operate under the SPARE paradigm. These levers are mutually reinforcing, and they are critical to the desired changes taking hold. These levers will lead to significant improvements in efficiency and effectiveness in all aspects of the organization, thereby facilitating both better services to refugees and a more satisfying internal work environment.



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<sup>31</sup> As mentioned in the Introduction, the OD process does not replace the MTP. On the contrary, it will strengthen our ability to deliver the MTP and it will help us be more substantive in presenting the MTP. The programme development aspects of the MTP do not, therefore appear in the OD strategy.

The four levers of change are:

- Human Resources Management (HRM).
- Programme Management Cycle (PMC).
- Organizational processes and systems.
- Leadership and management.

The four are very much grounded in the SPARE paradigm in that:

- Our staff are the major resource of the Agency, at the very core of our functioning.
- The PMC will allow us to set strategic and policy frameworks, to empower managers and to hold them accountable.
- The organizational processes represent the machinery that facilitates the functioning of the PMC and the organization as a whole.
- Effective managers, assuming responsibility, taking decisions and being accountable are at the heart of SPARE.

We are using the concept of *levers of change* because these four are much more than stand-alone activities; each one will support the development of other parts of the organization and will generate pressure on the Agency to unblock obstacles that may be hidden well below the surface.

The concept of a lever of change is central to the OD process. The levers are designed to bring about systemic change. They are not owned by any particular department; on the contrary, they are owned by, and affect, all departments.

The examples already given demonstrate how interrelated the levers are. For example, an effective PMC requires sound management and efficient processes; streamlining organizational processes makes little sense without a comprehensive PMC and HRM strategy. Similarly, HRM is a partnership between the HR department and managers.

The four levers are described in the following four sections:

Part Four—Human Resources Management;

Part Five—Programme Management Cycle;

Part Six—Leadership and Management;

Part Seven—Organizational Processes and Systems.

Each lever contains a number of OD initiatives which are described in detail in the accompanying annexes.

## **OD and change**

The SPARE paradigm and the four levers imply that we are going to have to change the way we approach our work.

If we want to bring about change, it is not enough to change surface issues, for example, by introducing a new policy or an improved management tool. It is not even enough to change the organizational structure.

Rather, we need to look at the “deeper” dimension—our organizational culture. This refers to the collectively held beliefs and ways of working, the norms and patterns of behaviour that act as the glue that maintains the status quo in an organization.

Unless we can change old beliefs, new systems or policies will be implemented within an old framework and may fail.

This is why we began our reflections on strategic direction and organizational design with a discussion of the underlying paradigms. This approach allows us to fully understand the deep dimension of an organization.

In designing our OD strategy, we need to ensure that individual initiatives reflect the paradigms we have adopted, as well as the values and principles of the organizational culture we desire.

Our current culture has been described as resilient and stoic, which is not surprising considering the context in which we have always worked. Our staff are committed to the Agency’s mandate and the work in support of Palestine refugees. We tend to be very practical and we pride ourselves on getting the work done (the schools and clinics stay open, and under all circumstances we deliver our services).

We must keep the strengths of our culture and, at the same time, we must evolve to a culture that is based on:

- Fairness and consistency.
- Flexibility and adaptability.
- Responsiveness and results orientation.
- Respect for staff.
- Cohesion and collaboration.
- Trust and transparency.
- Commitment and hard work.
- Accountability.

## Part Four—Human Resources Management

### HRM strategy

The MTP recognized the Agency's workforce as its most valuable asset. It is for this reason that HRM has been chosen as a lever.

The importance of the Agency's staff to the provision of service standards across the Agency is reflected in the following passage from the MTP:

*Over recent years, insufficient attention to staff training and development has been a factor in the deterioration of service standards across the Agency. From this standpoint, renewed investment in building the capacity of UNRWA's human resources is an independently worthy objective as well as a vital means by which strategic objectives can be realized. Given that 99% of UNRWA's 24,234 staff<sup>32</sup> are Palestinians, most of them refugees, investing in staff capacity will ultimately benefit the Palestinian community, while also contributing to the quality and impact of the Agency's interventions. For these reasons, the MTP incorporates multi-faceted capacity-building components, embracing human resource and career development needs, management information skills and enhance capacity for research and analysis. These components could form the basis for a more comprehensive strategy for staff development.*

One of the capacity-building steps taken by the Agency in furtherance of the MTP was the establishment of a Human Resources Task Force (HRTF) in late 2005 with the goal of drafting a Human Resource Strategy for the Agency. The HRTF's work on the development of a Human Resource Strategy is largely complete and will be finalized in September 2006. It is on the basis of the HRTF's work that the Initiatives in Annex 1 have been developed.

### The application of SPARE to HRM

The key organizational building blocks in a SPARE paradigm (see pages 14 - 15) cut across all elements of HRM. In particular:

- the Human Resource Management Strategy guides the implementation and evaluation of all HR actions (including the Initiatives in Lever 1);
- the Initiatives in Lever 1 aim to complement the above guiding principles by (i) establishing tools, standards and guidelines and (ii) streamlining organizational processes;
- solid and reliable HR processes (such as performance management, compensation management, disciplinary procedures) are essential if staff (and, in particular, managers) are to be accountable for their performance/actions; and
- if the management culture in the Agency is to be enhanced, managers (current and future managers) must be given proper training.

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<sup>32</sup> As of 28 August 2006, the Agency employed 26,554 staff.

By implementing SPARE, the HR function in the Agency will move from “personnel management” (namely an administrative function focussing on processes such as recruitment, pay and conditions of service (entitlements), absence management, discipline and grievance procedures) to “strategic human resource management” (namely for the formulations of HR objectives, strategies and policies in such a way as to enable the provision of the skills and abilities needed to meet the requirements of the organization’s overall objectives; in other word, providing the framework that ensures the organization’s people need are met).

### ***Desired situation***

The Agency’s approach to Human Resources Management will be transformed as follows:

- We will recruit and retain qualified, competent and motivated staff. Our staff will perform effectively and flexibly and will accept responsibility and accountability for their work.
- Our managers will be committed to and competent in their people-management roles; they will lead and motivate their staff and manage performance in a fair and responsible manner, without resorting to micromanagement.
- Our managers will accept responsibility and accountability for their work.
- We will maintain attractive and competitive conditions of service, thereby allowing us to recruit and retain qualified staff.
- Our HR policies, processes and systems will be clearly communicated, user-friendly and efficient, thereby facilitating staff retention, mobility, career development, promotion and succession planning.
- Our staff will receive timely, consistent and client-oriented support and advice on HR issues, including information on rights, obligations and conditions of service.
- The department responsible for human resources management will be a strategic partner to senior management by initiating policies, monitoring their implementation and providing sound and timely advice on HR matters.
- Gender equality and gender balance will be achieved throughout the Agency.
- Our staff will be treated with respect, dignity, cultural sensitivity and fairness. Their work will be valued. We will have a climate of trust, transparency, responsiveness and commitment to serving Palestine refugees. Our staff will consider UNRWA a good and fair employer.

### ***Seven HRM strategies***

Seven strategies have been developed to guide HRM in the Agency:

1. *Staffing*: To provide the Agency with a sustainable, competent, motivated and adaptable workforce, thereby ensuring that knowledge is retained and enhanced in the Agency.
2. *Training and Development*: To ensure that staff have the knowledge, skills and attitudes to perform their current duties and responsibilities successfully, and are prepared for future challenges and opportunities.

3. *Performance Management:* To establish and maintain a performance management system for staff that is clear and objective, is free of bias and abuse, encourages dialogue and feedback and is consistent with the strategic objectives for the Agency, thereby ensuring that all staff perform effectively.
4. *Compensation Management:* To develop a competitive, motivating and cost-effective compensation system that: (i) enhances the Agency’s ability to attract and retain high-calibre staff; (ii) recognizes team and individual contributions; and (iii) ensures that all posts are classified at appropriate levels in accordance with transparent, objective and equitable principles.
5. *HR Service Delivery in the Field Offices and HQ:* To provide HR services that are clear, flexible, reliable, confidential and empowering, through the development of HR capacity and user-friendly and efficient HR policies, processes and systems.
6. *Gender Equality:* To develop and implement measures to enhance the gender balance, particularly among senior staff; to develop policies to promote and empower women; to promote gender awareness among staff at all levels—through training; to ensure managers are accountable for achieving gender equality;
7. *Line Management:* To ensure that all managers are competent and accountable for their HRM roles in partnership with the relevant HR service providers.

### ***The HR Initiatives (Annex 1)***

The HRTF has identified the inputs and actions necessary to accomplish these strategies. It is these inputs and actions that form the basis of the Initiatives in Annex 1.

Many such inputs and actions relate to more than one strategy. For example, for (i) the performance of a staff member to be properly evaluated (staffing strategy 3), (ii) the training and development needs of a staff member to be identified and addressed (staffing strategy 2), and (iii) the staff member to be compensated for good performance (staffing strategy 4), it is necessary that the competencies of the staff member be properly established. This will require review and amendment of each post description (see Initiative 1-F (Staffing Reviews)). Such review and amendment cannot take place without first establishing a competency framework (see Initiative 1-B (Competency Framework)), which framework can only be established after a review of the categories of staff in the Agency (see Initiative 1-A (Staffing Strategy)). However, the categories of staff can only be determined (see Initiative 1-A (Staffing Strategy)) after some consideration of the competencies that are shared by different posts (Initiative 1-B (Competency Framework)).

The above is merely one example of (i) how each strategy is dependent upon the completion of numerous Initiatives, and (ii) how the completion of an individual Initiative is linked with the completion of other Initiatives.

For the Agency to move from “personnel management” to “strategic human resource management” it is vital that certain Initiatives be completed by a core group of dedicated experts. Given the amount and complexity of work involved, the Initiatives cannot be completed using AHRD’s already-stretched resources. For this reason, it is proposed that three sets of experts be engaged.

#### ***Expert 1 – Classification and grading review***

One of the greatest sources of dissatisfaction and frustration in the Agency (particularly for area staff) concerns the classification of posts. In this regard, it is a common perception that the classification system used to classify posts in the Agency is not fair or consistent. The Agency has not, with its existing resources, been able to explore and analyse this perception

to determine, for example, whether a fundamental problem with the classification system actually exists or whether it is simply the case that a few anomalies exist that can be addressed without having to make substantial changes to the Agency's classification system. One of the first HRM related activities to be undertaken under Lever 1 is the conduct of an external study/review into the Agency's existing classification guidelines and methods, job descriptions and organization chart to determine the existence (and significance) of problems/anomalies in the present classification system. This study/review will need to be conducted by external experts.

***Expert 2 – Implementation Partner***

One or more consultancy firms (referred to in Annex 1 as the "Implementation Partner") will be engaged to assist the Agency with completion of the majority of the HR Initiatives in Lever 1 – namely:

- 1-A (Staffing Strategy)
- 1-B (Competency Framework)
- 1-C (Performance Management)
- 1-D (Post classification) (the implementation partner's work under this Initiative will depend on the outcome of the study/review conducted by Expert 1 (above))
- 1-E (Compensation Management)
- 1-F (Staffing Reviews)
- 1-G (HRM Department)
- 1-J (Training and Development)

It also proposed that the Implementation Partner be responsible for reviewing and streamlining HR-related organizational processes and systems (see Part Seven and Initiative 4-C).

***Expert 3 – Change/project manager***

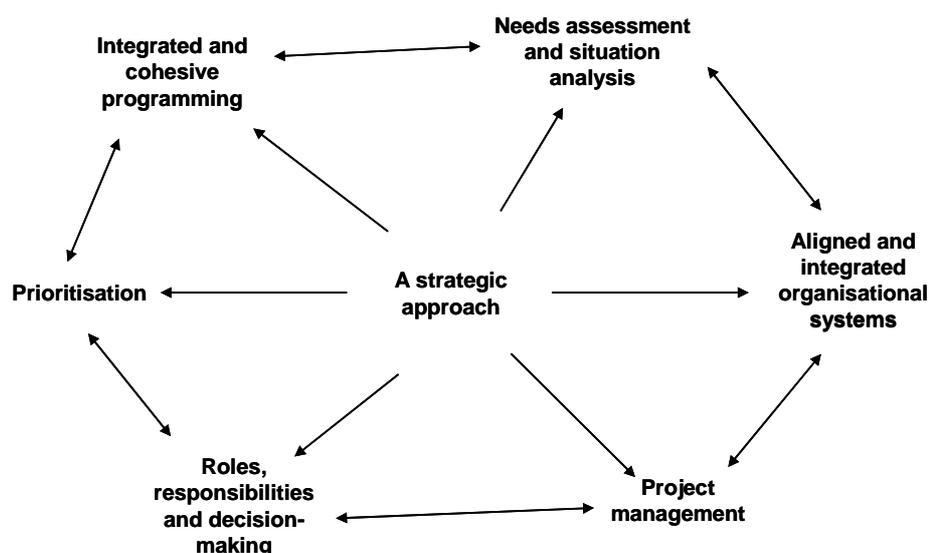
Given the size of this undertaking, it will be necessary to engage a single HR change/project manager to administer the above consultancy on behalf of the Agency and to coordinate the work of the implementation partner with other HR-related activities. Devoting an existing staff member to this exercise will be to the detriment of AHRD's already-stretched resources. In addition, because of the importance of this function, it is vital that the change/project manager be engaged for the entire process. Accordingly, rather than engage an individual as change/project manager, it is proposed that a firm be engaged (see Initiative 1-L).

## Part Five—Programme Management Cycle

### The need for strengthened programme management

In the ROA, many managers and staff argued strongly for the need to establish a programme management cycle (PMC) that would provide an integrated, comprehensive, strategic and results-based approach to the way we manage our programmes, projects and activities.

There are six major concerns that have led to this initiative:



A strategic approach has been placed in the middle because strategy drives all six areas of concern.

### ***Integrated and cohesive approach***

In Part One, we wrote:

*A fundamental question emerged. Given our well-defined mandate and the clear focus of our programmes, how can we define the space within which we can improve and renew ourselves? In other words, What is our “strategic space”?*

*To answer, we must consider two fundamental elements guiding our work.*

*The first is the re-affirmation of our mandate to deliver vital services in education, health, relief, social services and microfinance.*

*The second is our determination to shape everything we do in terms of the human development outcomes that we have set as our goals: community empowerment, professional and personal development, poverty alleviation, the realization of economic potential, protection and human rights. Our education or health programmes, for example, are not ends in themselves but means for achieving the outcomes we seek.*

*To better link these two elements, there is clearly a need to become more strategic about human development in all aspects of our work. We need to reframe and reorient our traditional programmes to ensure that they provide an integrated and cohesive platform to achieve our outcomes. This must be done in an environment of extraordinary complexity and dynamism, alongside multiple actors with responsibility for various aspects of Palestine refugee issues, including—eventually—a comprehensive solution to their plight.*

*In short, we aim to strengthen the approaches and principles of human development and—whenever necessary—of humanitarian action, in our role as a provider of essential public services. This is the “strategic space” within which we have sought opportunities for renewal.*

In the Strategic Framework, we re-affirmed the centrality of our programme areas: education, health, relief and social services (RSS) and microfinance and microenterprise programme (MMP). At the same time, we said that we need to build much better synergies between the programmes and to integrate a number of critical human development perspectives in everything we do, such as protection and mainstreaming gender.

We know from the experience of many years that cohesion and integration do not come easily and hence that we have to work together and build in integrated approaches in every phase of programme management: needs assessment, strategizing, programming, resource allocation, implementation and evaluation.

#### ***Needs assessment and situation analysis***

A second concern, which flows directly from the Strategic Framework, is the need to harmonize our programming, management and evaluation much more closely with the needs of refugees and the situation in which they find themselves—and we can do this only through more systematic interaction with them.

Clearly, we do not do this in a vacuum. We place all of our programming in the context of our mandate, our strategic framework, and the programme policies and standards we have developed.

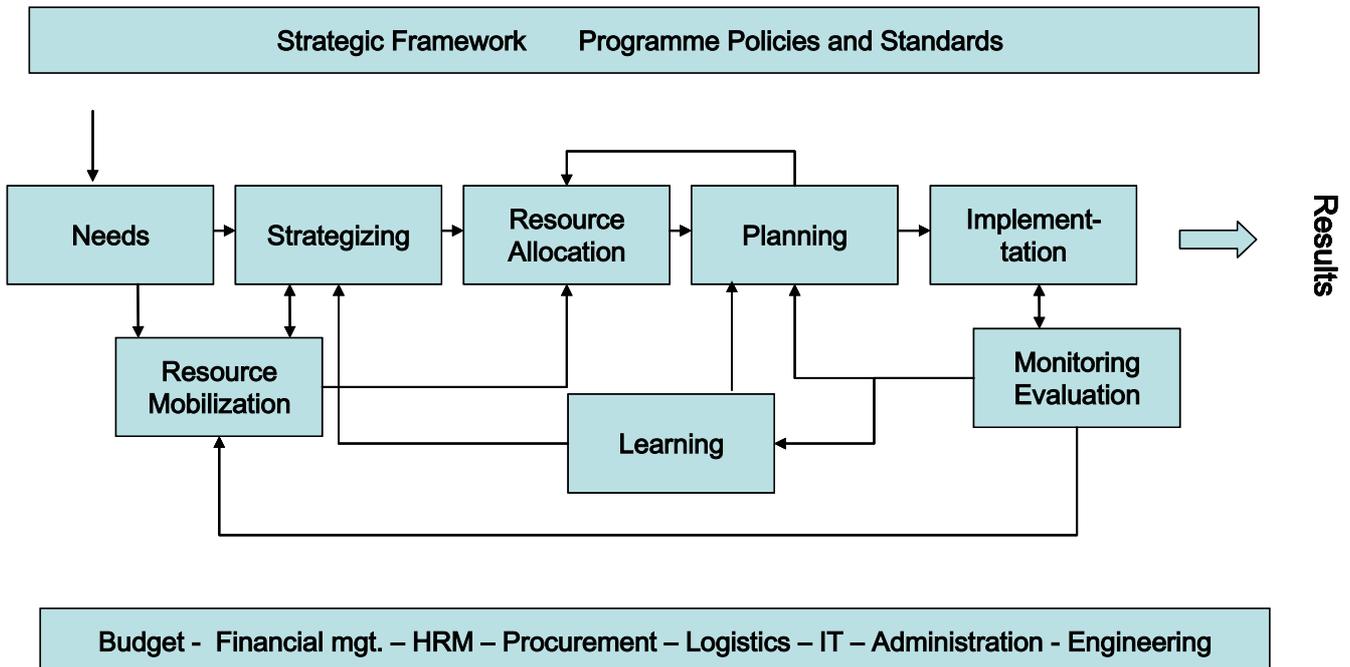
But within this context and framework, we will further integrate our understanding of refugee needs and assets into our thinking and programming.

#### ***Aligned programming and support systems***

The third concern relates to the need to align our organizational systems, particularly the programme management and the support systems.

It is not good enough, for example, for us to decide to build a clinic, only to find that we cannot obtain vital supplies at the right time, we cannot hire the health staff or pay for the contractors for many months. At one level, this can be seen as a failure of project management but at another level, it may be due to the fact that that our institutional systems (i.e. the main organizational functions) are not sufficiently synchronized.

The following diagram attempts to capture the institutional processes and systems.



This model is a simplification of a complex set of interacting systems. We do not “do” needs assessment and then move on to strategizing, which is followed by resource allocation in a neat sequential fashion. The actual process is much more iterative, as we seek to balance the strategic framework, with the needs, with our programme strategies and policies, with the available resources. All of these elements are, in a sense, *drivers* that we need to bring together and harmonize before we emerge with a fully resourced set of programmes.

The PMC seeks to integrate all the institutional systems together guided by the Strategic Framework.

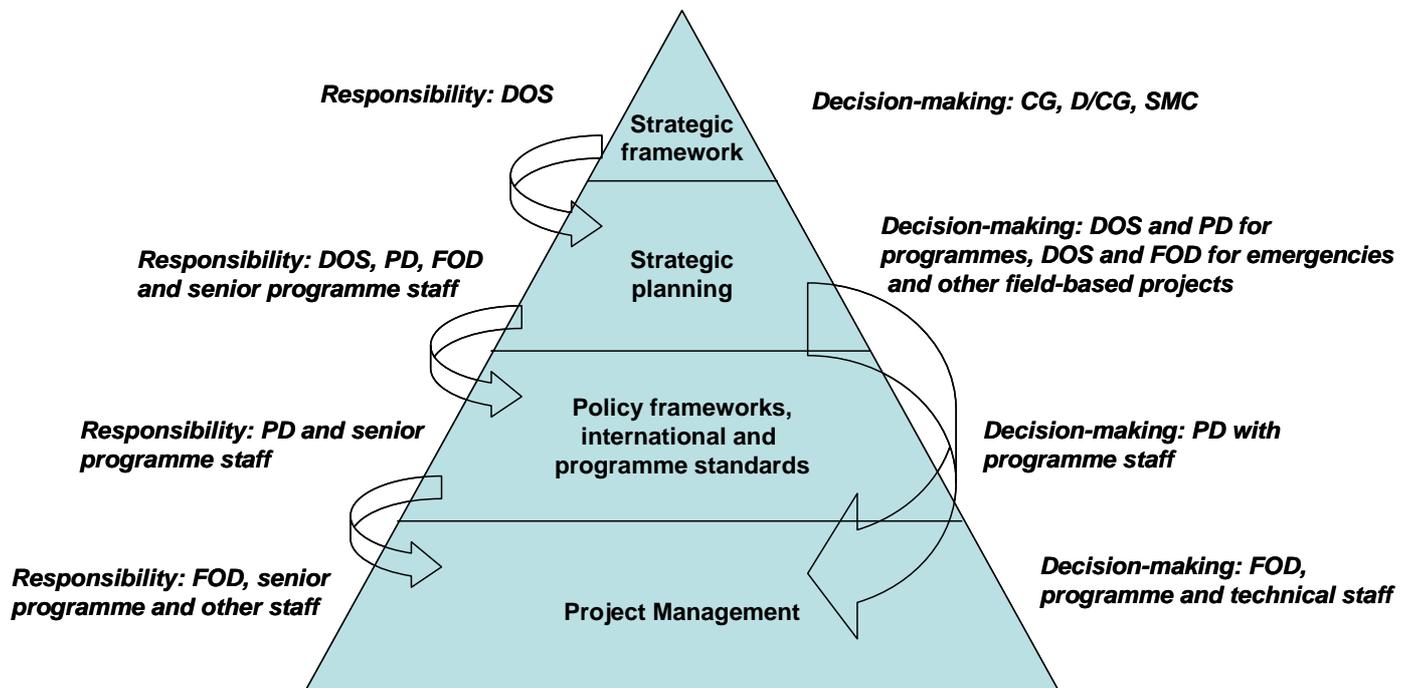
**Roles, responsibilities and decision-making processes**

Each one of the “boxes” in the process will be further broken down to help us understand better the inter-relationship between the strategic framework, programme strategies and policies, and the planning of programmes, projects and other interventions.

The looped arrows in the pyramid below show the flow of strategic action from:

- High-level policy formulation (the strategic framework);
- Broad planning activity including programme design (strategic planning – including global programme plans, country, thematic plans);
- Concrete policy frameworks and procedures to be universally adopted as these include international standards, monitoring and reporting procedures, information systems, job classification, competencies and work standards that are necessary to the management and continuity of routine programme activity (policy and procedure level);

- Project management activities at the Field Office level. While many project activities will operate under clearly defined policy frameworks and procedures (such as construction and ICT) that are under a clearly defined strategic planning framework, many more will have to adapt such standards locally as they are interventions due to some specific event, e.g. current the emergency and humanitarian crisis in the occupied Palestinian territory.



At all of these levels there should be clear pathways of decision-making that is responsive to key stakeholders at each level. Stakeholders include both internal actors in UNRWA and external ones. In addition, they should be delegated responsibility at each level to deliver and maintain and manage each element. Thus, in the pyramid the following division of responsibility is suggested:

- *Strategic Framework:* Decision-making relating to this level will include the Management Committee under the leadership of Commissioner-General. Responsibility for maintenance, reporting and monitoring and ensuring operationalization and implementation of the strategic framework should be under DOS. This level also includes external stakeholders, including hosts and donors, the Advisory Commission, Palestine refugees and others.
- *Strategic Planning:* Decision-making on strategic plans includes DOS, Programme Directors (PD) and Field Office Directors (FOD). The stakeholders in strategic planning are mainly internal, including the MC and other committees. And the main responsibility for maintaining strategies should be with the Programme Directors for programmes and the Field Office Directors for field project activities, which should be coordinated by DOS in terms of their link to the strategic framework.
- *Policy Framework and Procedures:* Decision-making on this level involves Programme Directors and programme staff who will be guided by programme and

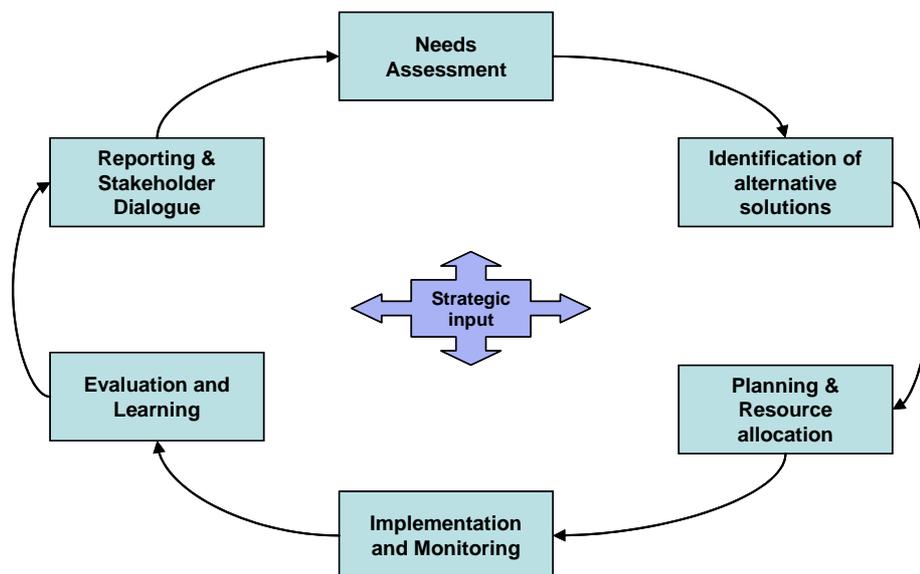
international standards in the design of the frameworks. Stakeholders include refugees, beneficiaries, clients, staff, local communities and interest groups. Responsibility for operationalizing programme policy frameworks and procedures rests with Programme Directors and programme staff.

- *Project Management*: Decision-making at this level lies with Field Office Directors, programme and other technical staff engaged in projects. Stakeholders include refugees, beneficiaries, clients, staff and local communities. Responsibility to implement and deliver projects lies with the Field Office Directors, programme and technical staff.

### **Conceptual process for any activity**

A fourth concern is related to weaknesses in the way that we conceptualize, strategize, plan and manage any activity, be it at the level of programmes or projects.

The following diagram captures the main phases of this process:



This is a basic conceptual cycle that we will use to think through an activity that we intend to carry out:

- What are the needs we are trying to address? What is the problem we have to resolve?
- Within our strategic framework, what are all the possible solutions? Which one should we adopt?
- Having decided on the solution, how are we going to implement it? What resources will we need and where will they come from?
- This takes us into the implementation phase during which we monitor our progress against our plans, and then to evaluation and finally reporting.

### ***Project management***

The final concern relates to our capacity to plan, manage and evaluate our projects within the context of the PMC. It has become increasingly clear in recent years when talking to donors that their expectations with respect to the submission of proposals for funding are growing. UNRWA must compete with the demands of other priorities on donors' humanitarian aid budgets, and the Agency's reputation as an organization well worth supporting will no longer be sufficient justification. This is so despite continuing strong and loyal support from donor representatives in the region and the capitals.

The substantial projects planned in the future within the framework of the Medium Term Plan will place an increasing strain on projects and programme staff that lack the necessary project planning and management skills and are already struggling under their current workload.

The present project system employed in UNRWA does not meet the needs of the Agency or of donors in that it does not apply project management techniques throughout the whole cycle of a project, from conception to evaluation and lessons learnt. In particular, more emphasis must be placed on analysis and definition of objectives and outcomes, as well as impact assessment. UNRWA has treated a project proposal as merely a statement of requirements rather than as a planning, monitoring and evaluation tool.

Project staff have made every effort with the resources available, but most lack the skills required for the task and not enough effort has been made by the Agency to provide staff with the necessary skills through focused training programmes. The staff are therefore not conversant with accepted project management tools and techniques, such as the Logical Framework Approach used by many donors and other international organizations.

There has frequently been a lack of coordination, both across the Agency and within individual departments and fields. Clear lines of communication and decision-making have not been established for projects. Coordination has been made more difficult by a lack of guidelines and instructions on the management of projects.

### **What do we want to achieve through the PMC?**

We have discussed these six concerns in some detail, not only to demonstrate the vital importance of our developing and systematically applying the PMC to our work but also to show the complexity of programme management in the Agency.

The PMC will be designed according to the following principles:

First, the PMC is driven by strategy. This will enable us to carry out strategically-integrated programming which allows for results-based programme development and management in order to address the central objective of human development of refugees. The five-year Medium Term Plan for 2005-2009 was the first phase in the evolution of a more integrated strategic planning framework to take account of the collective needs of Palestine refugees. However, this remains an initial starting point which we recognize needs further development.

Second, the PMC is an institutional (i.e. Agency-wide) methodology for the carrying out of needs assessment, strategizing, planning, monitoring and evaluation. It will facilitate the integration of programme strategies, country plans and programme policy frameworks into the programming process thus providing the overall framework for the implementation of operations at the Field Office level.

Third, the PMC will facilitate prioritization and resource allocation Agency-wide as well as at Field Office level.

Fourth, the PMC will help us ensure that we define our objectives and measure our results based on sound evidence and performance indicators.

Fifth, as mentioned previously, the PMC will facilitate the integration of all organizational systems. This is particularly important for the budgeting and financial management systems but also applies to resource mobilisation, HRM, and post management.

In practical terms, the PMC will:

- be guided by appropriate strategic tools and frameworks;
- identify pertinent refugee needs and assets;
- develop and deliver evidence-based interventions in an efficient and transparent manner through effective and integrated programme management;
- integrate initiatives across programmes in a coherent manner; and
- be standardized, measurable and accountable, based on monitoring and evaluation tools and frameworks to be developed.

Above all, the PMC will enable the programme departments, DOS and the Field Office Directors to carry out their SPARE roles in an integrated and complementary fashion.

#### ***Aims of the PMC***

The overall objective is to make optimum use of the resources at our disposal through a transparent, measurable process. More specific objectives include:

- Improving the targeting, coverage and quality of our support and assistance.
- Ensuring, through participatory assessments, that our actions are determined by human developmental requirements based on a full appreciation of the situation of the refugees.
- Ensuring that we have measurable impact.
- Taking corrective action and reporting on progress against set targets by jointly monitoring activities and expenditure.
- Taking corrective action by evaluating Field Office and programme elements.
- Ensuring that the support services provided meet the needs of programme activities.

#### ***PMC Initiatives***

The PMC-related OD initiatives are described in detail in Annex 2.

## **Part Six—Leadership and Management**

The need to strengthen UNRWA's management is recognized among stakeholders and donors – and, most crucially – throughout the Agency itself. Specifically, there must be a clearer and stronger understanding of what management is—the role of managers at various levels in the hierarchy, the alignment of authority with responsibility, the degree of delegation and decision making required at the various levels.

If UNRWA is to be transformed into a modern, efficient and successful entity, the Agency needs to develop more effective leadership and management capabilities than it currently possesses. Also, “leadership and management” comprise a blend of knowledge, skills and behaviours that can be clarified and acquired through facilitated learning. Furthermore, endeavours to enhance leadership and management should proceed in tandem with the process of organizational development. As the Agency's structures, processes and programmes are developed, its managers should be empowered with the capability to keep pace with change and drive progress through to higher levels of organizational achievement.

As organizational roles are clarified and strategic approaches to programming, prioritization and resource mobilization are developed, managers should be examples of elements relevant to both processes.

This lever is particularly important because many other initiatives, but especially those touching on any aspect of HRM or PMC, are affected by our capacity to strengthen the management culture. Indeed, the effectiveness of the entire set of OD initiatives depends on movement toward the SPARE paradigm and assumes that managers want to lead and manage and will assume these responsibilities.

The OD initiatives relating specifically to leadership and management are described in detail in Annex 3.

## Part Seven—Organizational Processes and Systems

### **Introduction**

The Agency's organizational processes represent a major challenge. In organizational terms, a process is made up of a set of steps that have to be carried out in order to achieve a result. A process is how we transform inputs into outputs. Each step of a process is governed by policies, rules and procedures.

Many of our processes date back decades. In the past, rules and procedures have tended to be added on, without much thought for the implications for the previous procedures. As a result, the processes have become very heavy, old-fashioned, and duplicative.

Procedures are liable to be interpreted in many ways, thus leading to inconsistency and perceived unfairness. Our rules and procedures are not consolidated, they are largely paper-based and duplicative.

All of this creates considerable frustration for managers and staff, who believe that they often waste a lot of time trying to get things done. This sometimes engenders a sense of wanting to "beat the system" that leads to tension between those whose job it is to defend the rules and regulations and those who are implementing programmes.

Inefficiencies in the processes also hinders reporting to donors.

As a consequence, our systems are open to misuse, which leads to excessive controls and a low level of trust and a sense among some in the Field Offices that there is a risk of "hidden recentralization".

### ***The desired situation for this lever of change***

For these reasons, we decided that *organizational processes and systems* should be one of our four levers of change.

Within the next three years, we will map and analyse all our organizational processes so that they:

- become streamlined and easy to use;
- are based on SPARE principles with clearly-defined delegated decision-making points and the minimum controls required to protect institutional needs;
- become part of an Agency-wide ERP system.

Clearly there is a lot of overlap with other levers of change, particularly HRM and PMC.

### ***Four sub-initiatives***

This lever has been divided into four -initiatives:

4-A: Quick wins

4-B: Information and Communication technology (ICT)

4-C: HRM

4-D: Enterprise Resource Planning (ERP) system

4-E: Management and oversight

The Initiatives are set out in detail in Annex 4.

## Part Eight—OD Budget

The budget figures in Annexes 1 - 4 are summarized by calendar year in the following table.

|   | 2006*   | 2007           | 2008             | 2009**           | Total            |                   |
|---|---|----------------|------------------|------------------|------------------|-------------------|
| <b>Lever One-Human Resources</b>                    |   |                |                  |                  |                  |                   |
| 1-A   | Staffing Strategy   | 62,500         | 187,500          | 0                | 0                | 250,000           |
| 1-B   | Competency Framework and Profiles                         | 0              | 250,000          | 0                | 0                | 250,000           |
| 1-C   | Performance Management                                    | 0              | 187,500          | 562,500          | 0                | 750,000           |
| 1-D   | Post classification system                                | 0              | 250,000          | 0                | 0                | 250,000           |
| 1-E   | Compensation system                                       | 0              | 0                | 100,000          | 0                | 100,000           |
| 1-F   | Staffing Reviews  | 0              | 100,000          | 100,000          | 0                | 200,000           |
| 1-G   | HRM Department  | 87,500         | 439,700          | 315,700          | 218,025          | 1,060,925         |
| 1-H   | Communication with staff                                  | 71,766         | 287,063          | 287,060          | 215,295          | 861,184           |
| 1-I   | Ombudsperson  | 0              | 294,964          | 294,964          | 221,223          | 811,151           |
| 1-J   | Training and staff development                            | 609,076        | 633,803          | 546,299          | 409,722          | 2,198,900         |
| 1-K   | Gender parity   | 62,500         | 0                | 0                | 0                | 62,500            |
| 1-L   | HRM OD support  | 62,500         | 250,000          | 250,000          | 0                | 562,500           |
| <b>Total</b>  |   | <b>955,842</b> | <b>2,880,530</b> | <b>2,456,523</b> | <b>1,064,265</b> | <b>7,357,160</b>  |
| <b>Lever Two-Programme Management Cycle</b>         |   |                |                  |                  |                  |                   |
|   | Developing the cycle, systems and                         |                |                  |                  |                  |                   |
| 2-A   | tools   | 302,590        | 354,360          | 90,360           | 67,770           | 815,080           |
| 2-B   | Building PMC capacity in DOS                              | 6,150          | 427,800          | 427,800          | 320,850          | 1,182,600         |
| 2-C   | Building PMC capacity in the Fields                       | 0              | 1,065,495        | 1,420,660        | 1,065,495        | 3,551,650         |
| 2-D   | Training and travel                                       | 200,000        | 1,800,000        | 0                | 0                | 2,000,000         |
| 2-E   | Evaluation  | 0              | 538,125          | 1,073,325        | 582,525          | 2,193,975         |
| 2-F   | Emergency   | 0              | 0                | 0                | 0                | 0                 |
| 2-G   | Cross-cutting themes                                      | 7,500          | 118,125          | 214,900          | 122,175          | 462,700           |
| 2-H   | Information/knowledge management                          | 0              | 1,000,000        | 0                | 0                | 1,000,000         |
| <b>Total</b>  |   | <b>516,240</b> | <b>5,303,905</b> | <b>3,227,045</b> | <b>2,158,815</b> | <b>11,206,005</b> |
| <b>Lever Three-Leadership &amp; Management</b>      |   |                |                  |                  |                  |                   |
|   | Leadership & Management                                   |                |                  |                  |                  |                   |
| 3-A   | Development   | 62,500         | 375,000          | 62,500           | 0                | 500,000           |
| 3-B   | Dialogue with our staff                                   | 172,950        | 91,800           | 38,850           | 0                | 303,600           |
| 3-C   | Management committees                                     | 0              | 0                | 0                | 0                | 0                 |
| 3-D   | Accountability & Oversight                                | 77,500         | 310,000          | 122,500          | 45,000           | 555,000           |
| 3-E   | OD Engine   | 62,000         | 248,000          | 248,000          | 182,000          | 740,000           |
| 3-F   | Executive office  | 164,901        | 659,604          | 659,604          | 494,703          | 1,978,812         |
| 3-G   | Resource Mobilization                                     | 82,525         | 330,100          | 330,100          | 247,575          | 990,300           |
| 3-H   | Inter-Governmental For a                                  | 77,750         | 311,000          | 311,000          | 233,250          | 933,000           |
| <b>Total</b>  |   | <b>700,126</b> | <b>2,325,504</b> | <b>1,772,554</b> | <b>1,202,528</b> | <b>6,000,712</b>  |
| <b>Lever Four-Organiz'l Processes &amp; Systems</b> |   |                |                  |                  |                  |                   |
| 4A-1  | Budget Adjustment process                                 | 0              | 15,000           | 0                | 0                | 15,000            |
| 4A-2  | Emerg'y App. budget allotment cycle                       | 0              | 0                | 0                | 0                | 0                 |
| 4A-3  | Online recruitment  | 32,500         | 32,500           | 0                | 0                | 65,000            |
| 4A-4  | Modifications of RPAs                                     | 0              | 0                | 0                | 0                | 0                 |
| 4A-5  | Service contracting project<br>(centralization)           | 22,000         | 44,000           | 0                | 0                | 66,000            |
| 4A-6  | Decentralization of international<br>purchasing to Fields | 5,000          | 0                | 0                | 0                | 5,000             |
| 4A-7  | Inventory reduction                                       | 5,000          | 0                | 0                | 0                | 5,000             |
| 4A-8  | Fixed asset recording using bar codes                     | 19,000         | 48,000           | 24,000           | 0                | 91,000            |
| 4A-9  | Automated monitoring vehicles                             | 335,486        | 5,000            | 0                | 0                | 340,486           |
| 4A-10   | Simplification of separation benefits                     | 1,700          | 6,800            | 6,800            | 5,100            | 20,400            |
| 4A-11   | Legal Service Provision                                   | 55,727         | 149,040          | 144,040          | 103,313          | 452,120           |
| 4A-12   | Document management                                       | 0              | 822,222          | 144,444          | 33,334           | 1,000,000         |

|                          | <b>2006*</b>     | <b>2007</b>       | <b>2008</b>      | <b>2009**</b>    | <b>Total</b>      |
|--------------------------|------------------|-------------------|------------------|------------------|-------------------|
| <b>Lever 4 continued</b> |                  |                   |                  |                  |                   |
| 4-B ICT                  | 60,000           | 750,000           | 680,000          | 510,000          | 2,000,000         |
| 4-C HR Processes         | 62,500           | 187,500           | 0                | 0                | 250,000           |
| 4-D ERP                  | 46,475           | 703,525           | 0                | 0                | 750,000           |
| 4-E OPTF                 | 62,500           | 125,000           | 0                | 0                | 187,500           |
| <b>Total</b>             | <b>707,888</b>   | <b>2,888,587</b>  | <b>999,284</b>   | <b>651,747</b>   | <b>5,247,506</b>  |
| <b>Grand Total</b>       | <b>2,880,096</b> | <b>13,398,526</b> | <b>8,455,406</b> | <b>5,077,355</b> | <b>29,811,383</b> |

\* Quarters 3 - 4 of 2006. Only a few of the “Quick Win” Initiatives listed in Annex 4 are scheduled to commence in the third quarter of 2006. In this regard, the majority of initiatives are scheduled to commence in late 2006 or early 2007. Commencement of the majority of Initiatives is contingent upon receipt of the necessary funding. Funding shortfalls may result in slippage of start and completion times.

\*\* Quarters 1 - 3 of 2009.

## **Annex 1**

### **Lever One – Human Resources Management**

## **Initiative 1-A Staffing Strategy**

### **Background**

The Agency maintains a workforce of approximately 150 international staff and more than 25,000 area staff. The absence of a defined staffing strategy is considered to be a major contributing factor to difficulties experienced by the Agency in: (a) recruiting high quality staff (right people in the right place at the right time); (b) retaining and motivating capable staff; and (c) succession planning (ensuring that staffing gaps are eliminated or addressed in a timely manner, and capable staff are trained for, and promoted to, more responsible positions). In order for the Agency to implement its overall Human Resources Management (HRM) strategy and move forward with its Organizational Development initiatives related to HR, a comprehensive staffing strategy must be developed by a core HR team with the assistance of external consultants.

### **Rationale**

The staffing strategy forms the linkage between the Agency's strategic framework and organization design on one hand, and the HRM strategy on the other. Following the finalization of the HRM Strategy in Q3 2006, the development of a staffing strategy will provide the basis for the Agency to move forward on other key HR initiatives such as the development of a competency framework and performance management structure, staffing reviews of HQ departments and Field Office management structures, and enhanced HRM functions in HQ and the Field Offices.

### **Aims**

The overall aim/objective of the staffing strategy is to provide the Agency with a sustainable, competent, motivated and adaptable workforce, thereby ensuring that knowledge is retained and enhanced in the Agency. As noted in UNRWA's Organizational Programme 2006-09, the staffing strategy will address the following key staffing issues:

- define the main categories of staff according to their job occupation and provide a high-level description of the desired competency profile;
- define the different career streams and broad contractual arrangements for international and area staff;
- determine (i) whether the broad categories of staff are sufficient (i.e., "area staff" and "international staff"), or (ii) whether the Agency needs one or more more categories (e.g., national professional officer, e.g.2., categories specific to broad job types);
- consider whether the Agency should make greater use of Junior Professional Officers (JPOs), United Nations Volunteers (UNVs);
- develop an internship programme/strategy;
- develop stand-by arrangements for emergency situations;
- assess and define the staffing requirements of HQ departments and Field Offices, deleting non-priority functions and focusing staff resources on priorities;

- decide on the allocation of international staff according to the organizational functions mentioned above, i.e., between HQ and Field Offices, within programme areas and between programme and support;
- develop concrete measures to ensure better recruitment, retention and promotion of women, particularly at senior levels;
- include an updated policy on recruitment of persons with disabilities;
- establish policies and ratios on gender issues and geographical balance;
- establish a policy on mobility and rotation, including secondment to other UN agencies;
- establish a policy on the recruitment of spouses of international staff;
- establish a policy on external versus internal recruitment at the managerial level;
- establish ratios to guide the size of work units and the managerial span of control;
- decide alternative sourcing arrangements, including the possibility of training staff and helping them set themselves up as independent contractors;
- develop a succession planning process and identify the staffing requirements created by expected retirements; and
- eliminate any perceived discrimination among staff because of their origin, nationality or factors beyond their competence.

Policies, practical guidelines and management tools will also be developed to implement the staffing strategy.

## Outputs

As developed by the HR team, with the assistance of external consultants, a staffing strategy which addresses the issues identified above. Once the staffing strategy is completed, AHRD, with the assistance of external consultants, will develop the policies, practical guidelines and management tools necessary to implement the staffing strategy.

## Action Plan

| No. | Action   | Requirements  | Start   | Finish  | Budget     |
|-----|--|---|---------|---------|------------|
| 1.  | <b>Finalization of HRM Strategy</b>                        | Completion of work of Human Resources Task Force (HRTF) | Q1 2006 | Q3 2006 |            |
| 2.  | <b>Terms of Reference for HR team on staffing strategy</b> | Staff assigned to complete terms of reference           | Q4 2006 | Q4 2006 |            |
| 3.  | <b>Terms of Reference for Implementation Partner</b>       | Staff assigned to complete terms of reference           | Q4 2006 | Q4 2006 |            |
| 4.  | <b>Implementation Partner engaged</b>                      | Action by HR team                                       | Q4 2006 | Q4 2006 | \$250,000* |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|--------------|---|---|--------------|---------------|---------------|
| 5.           | <b>Research into practices, broad-banding, promotion etc.,</b>                                      | Implementation Partner  | Q4 2006      | Q1 2007       |               |
| 6.           | <b>Staffing Strategy Completed</b>  | Input from HR team and Implementation Partner   | Q1 2007      | Q2 2007       |               |
| 7.           | <b>Staffing strategy tested and approved</b>  | Consultations between HR team/Implementation Partner and Field Office Directors, Personnel and Administration Officers, and ASU/ISA representatives | Q2 2007      | Q3 2007       |               |
| 8.           | <b>Policies, practical guidelines and management tools necessary to implement staffing strategy</b> | Input from AHRD and Implementation Partner  | Q3 2007      | Q3 2008       |               |
| <b>Total</b> |   |   |              |               | \$250,000     |

\* As noted in Part Four of this document, one or more consultancy firms (referred to as the “Implementation Partner”) will be engaged to assist the Agency with a number of HRM initiatives - namely Initiative 1-A (Staffing Strategy), 1-B (Competency Framework), 1-C (Performance Management), 1-D (Post classification), 1-E (Compensation Management), 1-F (Staffing Reviews), 1-G (HRM Department), 1-J (Training and Development) and 4-C (Human Resource Management Processes). The Implementation Partner will be responsible for providing all experts, support personnel, materials and other resources (including computer and communications equipment and the necessary travel costs) to complete the above initiatives. The overall cost of the Implementation Partner is estimated at \$1,762,500. This overall cost is split across each of the above initiatives according to the estimated time and effort that will be devoted to each activity.

## **Initiative 1-B Competency framework and job profiles**

### **Background**

Several agencies throughout the UN common system have adopted competency frameworks for the staff in their organizations. These competency frameworks generally differentiate between the core competencies required by all staff and the managerial competencies required by supervisors and managers.

The Agency intends to follow these developments and establish a competency framework for staff which is specifically tailored to the needs of the Agency. The competency framework will then be used as the basis/platform upon which other key HR initiatives may be developed, namely performance management, post classification and compensation.

### **Rationale**

Following the finalization of the HRM Strategy in Q3 2006 and a staffing strategy in Q3 2007, the competency framework will be developed by an HR team with the assistance of external consultants. The setting of a competency framework will go hand-in-hand with the determination of job categories. In this regard, (i) a unique set of competencies will be established for each staffing category, and (ii) staffing categories will be established on the basis of the required competencies.

The competency framework will be the basis upon which the performance evaluation system can be developed, beginning in Q3 2007. In this regard, it is clear that a competency framework must exist before staff can be properly recruited, trained, and evaluated against firmly established competencies.

The competency framework is necessary for the staffing review to take place (see Initiative 1-F)

The competency framework is also the basis upon which post classification and compensation systems can be reviewed, evaluated and improved (see Initiatives 1-D and 1-E). Again, clearly defined competencies, as established by the competency framework, will allow the Agency to establish a new post classification system (beginning in Q1 2007) and, in turn, a revised compensation system (beginning in Q3 2008 and linked to the competency framework and the new post classification system).

### **Aims**

As developed by an HR team, with the assistance of external consultants, a competency framework, job profiles and revised job descriptions which allow the Agency to recruit, train, and evaluate staff in a fair and effective manner while, at the same time, establishing post classification and compensation systems which are fair and competitive.

### **Outputs**

As developed by the HR team, with the assistance of external consultants, a competency framework for all staff, job profiles and revised job descriptions.

## Action Plan

| No. | Action   | Requirements   | Start   | Finish       | Budget  |
|-----|--|--|---------|--------------|---|
| 1.  | <b>Finalization of staffing strategy</b>                                 | Completion of work of HR team on staffing strategy and Implementation Partner  | Q3 2007 | Q3 2007      | Defined under initiative IA – staffing strategy |
| 2.  | <b>Terms of reference for HR team on competency framework</b>            | Staff assigned to complete terms of reference  | Q4 2006 | Q4 2006      |   |
| 3.  | <b>Categories of staff determined and competency framework completed</b> | Input from HR team and Implementation Partner  | Q1 2007 | Q3 2007      | \$250,000                                       |
| 4.  | <b>Competency framework tested and approved</b>                          | Consultations between HR team, Implementation Partner and Field Office Directors, Personnel and Administration Officers, and ASU/ISA representatives | Q3 2007 | Q4 2007      |   |
| 5.  | <b>Competency profiles and job descriptions developed and completed</b>  | Input from HR team, and Implementation Partner   | Q4 2007 | Q4 2007      |   |
|     |  |  |         | <b>Total</b> | \$250,000                                       |

## Initiative 1-C Performance management

### Background

The performance management system for staff currently in use within the Agency utilizes four different types of report form, completed annually on the anniversary of appointment. The general perception of the process is that it is purely a paper exercise which does little to honestly evaluate performance in an atmosphere of openness in the Agency. Although the documentation broadly conforms to accepted standards for appraisal documentation, there are a number of areas where it falls short. Areas of concern in the current system include the following

- Personal objectives of individual staff are not established and, as a result, the performance of staff is not evaluated against individually tailored objectives.
- The objectives of the Agency/Department/Programme do not cascade down into the personal objectives of individuals therein.
- Staff are not required to complete a personal development plan that can be used, in part, by management in assisting individual staff to develop.
- Inconsistencies occur in how the forms are completed. The Agency-wide tendency appears to be to “over mark” staff rather than give “satisfactory” ratings. Similarly, it is common for ratings to be inflated when compared with comments made by the supervisor on the form concerning the staff member’s performance.

### Rationale

Performance appraisal is normally defined as a structured formal dialogue between a subordinate and supervisor that usually takes the form of a periodic interview, in which the work performance of the subordinate is discussed with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development. In many organizations, performance reviews are also used, either directly or indirectly, in the determination of pay awards.

Although the layout of the documentation will vary from organization to organization, there are a number of areas which can be regarded as “Best practice” and should be considered for adoption by the Agency. These include:

#### ***Employee participation***

Employees should participate with their supervisors in the creation of their own performance goals. These should be directly related to the goals of the department, and ultimately to the strategic plans for the Agency. Mutual agreement is a key to success. A plan wherein the employee feels some degree of ownership is more likely to be accepted than one that is imposed upon him/her.

### ***Self assessment***

Employees should be invited to comment on their own performance and achievements against objectives, before the interview takes place.

### ***Personal development plan***

All employees should be encouraged to prepare a personal development plan (PDP) as part of the performance review process. This should be used to help plan a training programme for the individual.

### ***Competency framework***

The revised performance review system should integrate with any future competency framework which will be developed for the Agency.

### ***Mid-term review***

One of the most common mistakes made in performance reviews is to perceive the process as an isolated event, rather than an ongoing process. In order to be more effective the new performance review system should include a mid-term review. This would allow for a review of progress during the year, and for both parties to make any necessary adjustments to the objectives or plans. Frequent “mini” appraisals and feedback sessions will help ensure that employees receive the ongoing guidance, support and encouragement they need.

One challenge that cannot be easily overcome in the drafting of a form is how to ensure the evaluation is honest. In this regard, supervisors need to appreciate the importance of giving their staff frank feedback on performance strengths and weaknesses. This will be a key element in management training. The system will be implemented gradually, starting with members of the Senior Management Committee, followed by middle managers in HQ and the Field Offices.

### ***Aims***

To develop a simplified system of assessing performance and recording concerns that (i) focuses on improving performance through discussion and feedback, and (ii) links annual salary increases and promotions to performance. The system will be sympathetic to the culture of the organization whilst providing the tools necessary to allow better management, and development of individual staff members. Note will be taken of the shortfalls in the current system (such as the lack of individual objectives and performance development plans) and steps taken to eradicate these shortfalls in the new system. The new system will be based on objective assessments and will feed into the competency framework. The system will be unbiased and discrimination free, and will be applied consistently throughout the Agency, with a common use of terminology, procedures and practices. There will be a visible link between the objectives of the Agency, department and those of the individual, so that staff members can see the contribution they are making to the overall success of the organization.

To communicate to all staff members the main features of the new system, and to make them aware of how it is going to be implemented, and the benefits that will be gained by adopting this new approach to performance management.

To provide initial training for managers who have to review the performance of others on the use of the new system, and in the techniques of successful staff appraisal. A key element of this training will address the importance of frank feedback on performance strengths and weaknesses.

## Outputs

A new performance management system will be developed for the Agency that meets the Aims identified above.

A guide will be developed for use by managers and staff that explains the operation of the new system and provides an explanation of the features and benefits of the new performance evaluation process. Alternative ways of communicating the new system to staff will also be considered, e.g. issuing guidelines in both English and Arabic, preparing an in house video, teleconferencing.

A number of suitably qualified internal staff will be selected and trained as facilitators for training workshops that are designed to teach managers the skills necessary for conducting a successful performance review and to explain the operation of the new system.

Training workshops will be held throughout all regions of the Agency's operation for all managers with a responsibility for conducting performance reviews and also awareness seminars will be held, in order to explain the operation of the new system to all staff.

## Action Plan

| No. | Action   | Requirements  | Start   | Finish  | Budget    |
|-----|--|---|---------|---------|-----------|
| 1.  | <b>Amend and roll-out existing performance evaluation report and periodic review forms</b>                               | AHRD  | Q4 2006 | Q1 2007 |           |
| 2.  | <b>Establish the Periodic Reports Review Committee for International Staff</b>   | AHRD<br>Human Resources<br>Committee  | Q4 2006 | Q1 2007 |           |
| 3.  | <b>Develop a new performance management system</b>   | Primary Consultancy   | Q2 2007 | Q2 2007 | \$250,000 |
| 4.  | <b>Develop tools, guidelines and modules within AHRD that will allow better understanding and use of new performance</b> | Continued assistance of<br>Implementation Partner<br>in development process | Q3 2007 | Q3 2007 |           |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b>    |
|--------------|---|--|--------------|---------------|------------------|
|              | <b>management system (including translation)</b>  |  |              |               |                  |
| 5.           | <b>Develop a cadre of internal trainers who are capable of delivering training workshops</b>                                    | Continued assistance of Implementation Partner in training process | Q4 2007      | Q1 2008       |                  |
| 6.           | <b>Train all managers with a responsibility for completing performance reviews for their staff in the use of the new system</b> | Led by internal trainers   | Q2 2008      | Q3 2009       | \$500,000        |
| 7.           | <b>Educate all staff in order to make them aware of the new system</b>  | Led by internal trainers   | Q2 2008      | Q4 2009       |                  |
| <b>Total</b> |   |  |              |               | <b>\$750,000</b> |

## Initiative 1-D Post classification

### Background

The Agency has had the same post classification for many years and, as a result, a number of inconsistencies have emerged. This is one of the greatest sources of dissatisfaction and frustration in the Agency – particularly for area staff.

The Agency employs more than 25,000 locally recruited 'area staff' in its five fields and two HQ offices. Area staff hold either Fixed-Term ('X-Category') or Temporary Indefinite ('A-Category' or 'permanent') contracts. UNRWA's area staff structure consists of 20 grades (with grade 1 being the lowest, grade 20 being the equivalent of a senior P-5 international staff member). Area staff recruited against posts graded 16 and above are considered 'Senior Staff' of the Agency. Area staff holding contracts of grade 12 and above are considered as equivalent to the Professional Category levels in the UN Common System. Although the UN Master Standard for classification of professional area staff posts (Grades 12-20) is used and the exercise normally comprises two parts (job analysis, and job evaluation based on the six-factor point-rating system) post classification has been raised as one of the major concerns of area staff in the Agency. In this regard, a common perception is that the classification system is not fair or consistent.

International positions, of which there are approximately 150 including JPOs and project-based posts, are classified in line with the UN Master Standard and were established in the following cases where:

- the required level of expertise and knowledge was not available locally;
- the level or responsibility (senior management jobs) or sensitivity and/or complexity of a job necessitated an international civil servant; and/or
- in the highly complex and sensitive political environment, where impartiality and neutrality of an international civil servant is critical to the successful operation of the Agency and maintenance of constructive relationships with major external stakeholders.

### Rationale

A comprehensive *external* scoping review of the Agency's current post classification system for Area staff is needed. This review will be conducted early in late 2006/early 2007. This review will explore and analyse the commonly held perception that the Agency's classification system is unfair and inconsistent. The review will determine, for example, whether a fundamental problem with the classification system actually exists or whether it is simply the case that anomalies exist that can be addressed without having to make substantial changes to the Agency's classification system.

In the event that the external review reveals that substantive changes to the post classification system need to be made, the Agency could (with the assistance of the Implementation Partner referred to elsewhere in Lever 1) then carry out an assessment of the current grading of all job categories, leading to the development of an enhanced post classification system that addresses present concerns.

An overhaul of the current classification process (assuming the external review finds that it is necessary) will serve not only as an effective platform for the Agency’s compensation/reward system, it will also complement the revision of job descriptions based on the newly developed competency framework.

**Aims**

A revised and equitable post classification system will be robust and transparent and should be constructed based on feedback and participation of management and staff to ensure that all posts are classified at appropriate levels in accordance with transparent, objective and equitable principles. Accurate job descriptions reflecting qualifications and experience, difficulty of work, independence of work, inside and outside contacts, supervisory responsibility and impact of work are the basis of sound classification and compensation decisions. An accurate reflection of roles and responsibilities and levels of posts which best fit the Agency’s business needs will also lead to the establishment of salary level (remuneration) which rewards specific levels of knowledge, expertise and responsibility.

The eventual result should be a competitive classification and compensation system that (i) improves the Agency’s capacity to recruit, retain and motivate appropriately qualified and experienced staff, (ii) is fully integrated into other enhanced HR systems such as recruitment, performance management, staff training and career development and HR planning, and (iii) helps eliminate gender bias.

**Outputs**

To have a classification system which accurately defines each classification level based on the six factor point rating system as applied in the UN Master Standard.

A revised and improved classification system that (i) reflects the use of updated methodologies and tools; (ii) is built upon improved and updated grading standards/norms; and (iii) ensures quality assurance through monitoring and evaluation. The desired overall result will (i) minimize inconsistencies in grading patterns, (ii) increase staff satisfaction and confidence, and (iii) enhance staff performance at individual and collective levels.

**Action Plan**

| No. | Action  | Requirements                       | Start   | Finish  | Budget |
|-----|---|------------------------------------|---------|---------|--------|
| 1.  | <b>Define the preliminary scope of work including objectives and strategic actions based on needs analysis and identification and categorizing of current inconsistencies</b> | Detailed analysis of scope of work | Q4 2006 | Q4 2006 |        |

|    |  |  |         |              |            |
|----|--|--|---------|--------------|------------|
| 2. | <b>Prepare the necessary Agency background material for an external expert to conduct a scoping review of the Agency's existing classification guidelines and methods, job descriptions and organization chart</b> | Prepared materials                       | Q4 2006 | Q4 2006      |            |
| 3. | <b>Engage an external expert to conduct the above review</b>   | AHRD                                     | Q1 2007 | Q1 2007      | \$125,000* |
| 4. | <b>Depending on the results of the above review, the Implementation Partner designs a new system</b>   | Implementation Partner                   | Q3 2007 | Q4 2007      | \$125,000  |
| 6. | <b>Implementation of the review by the Implementation Partner</b>  | Implementation as per agenda established | Q4 2007 | Q1 2008      |            |
|    |  |  |         | <b>Total</b> | \$250,000  |

\* This activity will be a more intensive exercise than other activities to be performed by the Implementation Partner. Accordingly, the cost per quarter is estimated at \$125,000 per quarter compared with \$62,500 per quarter in other Initiatives.

## **Initiative 1-E Compensation system**

### **Background**

Compensation and benefits for international staff are governed by the ICSC. The compensation system (salaries, allowances and benefits) for area staff, on the other hand, is determined in line with the pay policy of the Agency which compares the total net remuneration of UNRWA benchmark jobs with that of the host government in each field of operation (for West Bank and Gaza, the comparator is the Palestinian Authority).

### **Rationale**

A competitive, motivating and cost-effective compensation system will (i) enhance the Agency's ability to attract and retain high-calibre staff; (ii) recognize team and individual contributions; and (iii) contribute to the overall success of the management of the organization.

To be effective, managers must appreciate the value of the human resources available by establishing a competitive pay and view staff as an investment rather than simply payroll costs. Attractive and competitive conditions of service must prevail to allow the Agency to recruit and retain qualified staff. This will also help ensure that staff are treated with respect, dignity, cultural sensitivity and fairness and that their work is valued. Compensation is not only about monetary rewards.

It is critical that any new/revised compensation system be accepted by both management and staff. It is therefore essential that the development/revision of the system be a consultative process and that both management and staff are committed not only to the new/revised salary scales and benefits, but are also committed to other, related, initiatives (such as the development of a post classification system, staffing strategy and performance management system) and principles (e.g., gender parity).

The Agency intends to continue the regular process of salary surveys and the on-going negotiation on salaries and benefits, especially relating to comparators. A post classification review will no doubt result in a further review of the compensation package of salaries, allowances and benefits (for example special post and occupational allowances), which will also take into consideration developments in the UN on pay for performance and broad-banding and current salary negotiations.

### **Aims**

To develop a new compensation system (or to revise the current compensation system) based on a shared understanding of, and acceptance by, all stakeholders.

A successful compensation system will be instrumental to (i) the recruitment and retention of qualified employees, (ii) increasing and maintaining morale, satisfaction and confidence, (iii) rewarding and encouraging peak performance, (iv) achieving internal and external equity, (v) reducing turnover and encouraging Agency loyalty, and (vi) addressing (through negotiations) the demands and concerns of unions. It will also help enhance individual and consequently organizational performance.

## Outputs

A compensation system that is consistent with the goals and mission of the Agency, and embodies equity and competitiveness, cost effectiveness, dynamism, flexibility and transparency. The system will be more participatory than at present, and will place greater emphasis on staff feedback.

## Action Plan

| No. | Action  | Requirements   | Start   | Finish       | Budget     |
|-----|---|--|---------|--------------|------------|
| 1.  | <b>Implementation Partner to consider implementing differentiated pay structures to different categories of staff in the Agency</b>     | Implementation Partner and HR staff to review recommendations from Staffing Strategy | Q2 2008 | Q2 2008      | \$100,000* |
| 2.  | <b>Implementation Partner to revise the existing compensation system taking into consideration, amongst other things, gender issues</b> | Recommended draft policy for Agency consideration                                    | Q3 2008 | Q3 2008      |            |
| 3.  | <b>Implementation Partner to develop Salary Survey Methodology in line with the revised compensation system</b>                         | Recommended methodology for further internal Agency discussion and consideration     | Q4 2008 | Q4 2008      |            |
|     |   |  |         | <b>Total</b> | \$100,000  |

\* The cost of this activity is estimated at \$100,000 to be expended over three quarters. This rate is lower than the quarterly rate used for the Implementation Partner in other initiatives to reflect the fact that many of the issues to be addressed under this initiative will have already been resolved.

## Initiative 1-F Staffing review

### Background

Management reviews are carried out by the Compensation Management Services Division in AHRD when re-organization of existing resources or additional resources is required. However, a comprehensive, Agency-wide, study to review and assess re-deployment options for existing posts has not been conducted in the recent past.

The uniqueness of UNRWA and its exceptionally large local staffing complement has posed difficulties in relation to determining industry standards, benchmarks and manpower comparisons. Local governments have been considered UNRWA's closest comparators to date.

In particular the SPARE paradigm and the staffing strategy will provide the essential framework in which we can conduct a staffing review. Nevertheless, we can state the following:

- Front-line staff—those providing services directly to refugees—are stretched to the breaking point. The MTP demonstrated clearly that, for example, teacher/pupil ratios and health worker/social worker caseloads are unacceptably high. We must therefore obtain resources in our regular budget for reducing the pressures on the vast majority of our staff.
- When HQ was moved from Vienna to Gaza, the number of international staff was significantly reduced. Given the current political situation and refugee needs, we need to increase the number of international staff while recognizing that we can—and will—redeploy some of our existing international staff to other functions. In particular, we will eventually shift some international posts currently in administrative support functions to programme management functions;
- We need examine the possibility of changing the categorization of area staff (this will be carried out under Initiative 1-A (Staffing Strategy)).
- We do not believe that there are opportunities for significant financial savings with respect to staff in HQ or the Field Offices. We will however carry out a staffing review of HQ and the management levels of Field Offices to see if we can shift some resources to higher priorities.

### Rationale

The *staffing strategy* forms the linkage between the Agency's strategic framework and organizational design on one hand, and the HRM strategy on the other. The initial development of a staffing strategy will provide the basis for staffing reviews of HQ departments and Field Office management structures, and enhanced HRM functions in HQ and the Field Offices. Accordingly, once the *staffing strategy* has been approved (Q3 2007), the Agency will have an external team carry out a series of reviews of the Agency's individual departments, offices and work units. During this staffing review, the external team will work with the appropriate Director/Senior Managers, other stakeholders and staff to assess current staffing in the context of their work plans and to determine whether existing resources could be deployed on different priorities or in different locations (for example, in the Field Office instead of at HQ).

## Aims

By reviewing the size, complexity and required activities and functions of each section/department/ location, rather than just maintaining and protecting existing staff and functions, the Agency has an opportunity to improve the efficient and effective use of its current staffing resources. Although resource constraints are not expected to be fully addressed, focusing existing resources where they are required most (taking into consideration current emergency situations and future predictions) will further the objectives of the Agency and its ability to meet its required organizational output and goals.

If existing competency and knowledge are assessed and used where they will have the greatest impact and where the greatest needs exist, staff will see the tangible and positive contributions they are making. Staff will be given the opportunity to enhance existing skills and develop new skills and competencies and realize their full potential. Staff motivation and satisfaction will increase, and turnover of good staff will decrease.

A re-alignment of person-power can ensure that staff members have an opportunity to fully expend their valued skills and abilities. Reviews of staffing levels and an audit of skills reveal untapped competencies that can be more effectively used in other placements.

In the above respects, a sustainable, competent, motivated and adaptable workforce will ensure that organizational knowledge is retained and enhanced in the Agency. It will ensure that managers and staff with required competencies for specific functions are utilized in jobs and locations where they can add the most value (i.e., not necessarily where their position has traditionally been located).

## Outputs

A comprehensive, Agency-wide, review of existing posts and assessment of re-deployment options in line with the Agency's staffing strategy (i.e., a workforce plan).

Realignment away from the traditional allocations of posts to direct operational and needs-based considerations.

## Action Plan

| No. | Action   | Requirements   | Start   | Finish  | Budget    |
|-----|--|--|---------|---------|-----------|
| 1.  | <b>Categories of staff determined and competency framework completed</b>   | Input from HR team and consultants   | Q3 2007 | Q3 2007 |           |
| 2.  | <b>Revision of current staff skills and allocation of posts according to Agency need and best use of resources</b> | Recommended revision of existing Agency staff resources for consideration and implementation. Implementation Partner | Q3 2007 | Q2 2008 | \$200,000 |

| No. | Action  | Requirements  | Start   | Finish       | Budget    |
|-----|---|---|---------|--------------|-----------|
| 3.  | <b>Planning of required future skills and projection of future staffing needs taking staff turnover and Agency deficiencies that can be met by recruitment, training and/or redeployment.</b> | Recommended future projections and actions for the allocation of Agency resources for further internal Agency discussion and consideration. | Q3 2008 | Q4 2008      |           |
|     |   |   |         | <b>Total</b> | \$200,000 |

# Initiative 1-G HRM Department

## Background

As part of the OD restructuring, a new Department will be established to carry out some of the functions of (i) HRM, (ii) ICT, (iii) Engineering, (iv) Procurement and Logistics, and (v) Administration. Different configurations are under consideration.

Whatever configuration is decided upon, a review will need to be conducted into the "Purpose", "People" and "Process" in the existing AHRD.

Reviews of roles and competencies of international posts in AHRD is conducted on an *ad hoc* basis (the last such exercise was undertaken in 2005). No such formal review has recently been conducted of area staff posts in AHRD.

AHRD needs to make improvements in the following areas (i) responsiveness to the needs of its clients, (ii) service-orientation, (iii) sufficiently trained staff on new approaches to HRM, (iv) the level of bureaucracy, and (v) providing a service that is consistent across Field Offices and HQ offices. Improvements in service delivery can be made through (i) structural “efficiency-related” changes, (ii) training of HR staff, (iii) better cooperation and communication between offices, and (iv) embracing advances in technology (as regards a new ERP system, see Lever 4, Initiative D).

## Rationale

An effective HR Service will provide assistance both to the management (through the provision of advice, studies, setting policies, handling of appeals, efficient recruitment etc..) and to staff (through education, training, defined and consistent entitlements). Properly serving both sets of stakeholders requires (i) protection of the ability of staff to communicate, (ii) enhanced information management and knowledge sharing, (iii) provision of training and staff development, (iv) simplified rules, procedures and approval mechanisms, and (v) listening and responding to the needs of stakeholders.

## Aims

To strengthen the capacity and ability of the HRM Department to provide HR services to management and staff that are clear, flexible, reliable, confidential and empowering, in a user-friendly and efficient manner.

## Outputs

### *Output 1*

A new Department will be established to carry out some of the functions of (i) HRM, (ii) ICT, (iii) Engineering, (iv) Procurement and Logistics, and (v) Administration. While different configurations are under consideration, an additional Departmental Director post will have to be created.

## **Output 2**

Defined roles and competencies of HR staff in both HQ and the Field Offices. This will serve, at least in part, to decentralize processes, functions and decision-making authority to the Field Offices. The definition of roles and competencies will aim to ensure (i) consistency across Field Offices and HQ offices, (ii) assigning resources and duties where they are most needed (in keeping with the overall desire of the Agency to decentralize, it is expected that the capacity of Field Office HRM staff will need to be boosted), and (iii) to the extent possible, approval authority is vested in Field Office staff.

This exercise will likely take place at the same time or, possibly, before (i) the development of a new competency framework, (ii) the development of a staffing strategy, and (iii) staffing reviews. Efforts will need to be made to ensure that work is not duplicated.

## **Output 3**

Strengthened competencies through training and self-learning modules for HR staff. A needs assessment will first need to be conducted.

## **Output 4**

Strengthened competencies and client orientation of HR staff through training workshops for HR staff to inculcate the new approaches and to provide training in such areas as technical skills and client orientation. This will strengthen competencies and improve client orientation.

## **Output 5**

Review feedback from managers and staff on HRM in HQ and the Field Offices. AHRD shall firstly develop a set of criteria on which AHRD requests feedback from clients. Using that criteria, AHRD shall then endeavor to (i) identify, and meet with on a regular basis, key management stakeholders to receive feedback on HRM services, (ii) collect feedback presently being received by FAOs and FPOs in the Field Offices, (iii) ask the ASU and ISA for constructive feedback on HRM-related functions. AHRD shall otherwise (i) collect information concerning complaints through Help Desk officers (see Initiative 1H), (ii) receive feedback from the Office of the Ombudsperson concerning HRM-related complaints and issues, and (iii) establish a repository for feedback from staff. AHRD shall use the feedback to improve its processes, systems etc., and shall report periodically to its stakeholders on the information gathered and the improvements being made.

## **Output 6**

Two-day annual retreats for HR staff. At these workshops, HR staff shall be briefed by HQ on (i) amendments to Agency rules and regulations, (ii) amendments made to comparator's rules and regulations, (iii) policy issues being discussed with management and the HRTE, (iv) the feedback being received from staff and management and what is being done to respond thereto, and (v) latest developments in HRM and how such developments may be incorporated into the Agency's HRM. HR representatives from each Field Office shall give a presentation on (i) the issues being raised in each Field Office, (ii) the difficulties being experienced, (iii) how challenges are being met, and (iv) what, if any, direction or assistance is expected of other Field Offices and HQ.

### **Output 7**

Streamline HR processes (see other initiatives)

### **Output 8**

Cooperation whereby AHRD assists managers take on their HR roles as managers of people (see other initiatives including training).

### **Action Plan**

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b>                       |
|------------|---|---|--------------|---------------|-------------------------------------|
| 1.         | <b>Recruit Director to head new Department and one Assistant (Gr. 10 Area Staff)</b>  | An analysis and decision on the structure and composition of a new Department to carry out some of the functions of (i) HRM, (ii) ICT, (iii) Engineering, (iv) Procurement and Logistics, and (v) Administration. | Q4 2006      | Q1 2007       | \$798,425 (including support costs) |
| 2.         | <b>Definition of roles and competencies of HR staff in both HQ and the Field Offices.</b>   | Implementation Partner  | Q4 2006      | Q2 2007       | \$187,500                           |
| 3.         | <b>Initiating training and self-learning modules for HR staff. A needs assessment will need to be conducted.</b>  | Continued assistance of Implementation Partner in development of training and self-learning modules   | Q2 2007      | Q2 2007       |                                     |
| 4.         | <b>Organize training workshops for HR staff to instill the new approaches and to provide training in such areas as technical skills and client orientation.</b> | Continued assistance of Implementation Partner in training workshops (Implementation Partner's involvement will end in Q1 2008)   | Q2 2007      | Q2 2009       |                                     |
| 5.         | <b>Carry out a review of the perceptions that managers and staff have of HRM in HQ and the Field Offices.</b>   | Existing resources  | Q3 2006      | Ongoing       |                                     |

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|---|--|--------------|---------------|---------------|
| 6.         | <b>Organize two-day annual retreats for HRM staff.</b>                                  | Existing resources<br>Travel and support budget            | Q4 2006      | Annual        | \$75,000      |
| 7.         | <b>Streamline HR processes (see other initiatives)</b>                                  | (see other initiatives)                                    |              |               |               |
| 8.         | <b>Working with managers to help them take on their HR roles as managers of people.</b> | Existing resources with additional support from Consultant | Q4 2006      | Ongoing       |               |
|            |   |  |              | <b>Total</b>  | \$1,060,925   |

## **Initiative 1-H Communication with Staff on HR Matters**

### **Background**

At present, the Agency communicates with staff through a combination of (i) written directives and circulars (many of which are only in English), (ii) public folders on Outlook (accessible only to computer-literate staff with e-mail access), and (iii) through communication with the ASU and ISA.

Staff who wish to ask questions of the Agency approach a variety of sources. Staff, in some cases are left to follow-up their own enquiries/questions with a variety of officers and may be disappointed by not getting a timely nor helpful response. Such staff do not always know who they should contact to progress the issue, and may not be aware of relevant documents and instruments. Those documents and instruments that are available through, for example, public folders on Outlook, may not be easily searched.

### **Rationale**

Staff should have ready access to information relevant to their employment, and should receive responses to their inquiries in a timely manner. Opportunities exist to establish central points through which staff may lodge queries and receive updates/feedback on those queries. These points (“help desks”) may operate using telephony, e-mail and face-to-face contact. .

The development of an intranet by AHRD will assist in solving some of the problems noted in the “Background” section above, but other communication lines and avenues need to be strengthened.

### **Aims**

To more effectively disseminate information from AHRD to staff and to improve communication and dialogue between management, AHRD and staff.

### **Outputs**

#### ***Output 1***

The Agency will establish Help Desks to be available to all staff via telephony, e-mail and face-to-face contact. The Help Desk staff shall maintain an electronic query database that is accessible to all other Help Desk staff and higher level management in HRM and can be used to generate reports. Higher level management within AHRD will be responsible for monitoring the work of the Help Desks. Information concerning the Help Desk function will be circulated to all staff.

#### ***Output 2***

(More) regular meetings with the ASU and ISA.

As specifically regards the Area Staff Unions:

Area Staff Unions are established pursuant to Area Staff Regulation 8.1 and Area Staff Rule 108.1 and the “Statute of the Union of Area Staff of UNRWA” approved by the Commissioner-General on 6 November 1990.

Area Staff Rule 108.1, paragraph 6 relevantly provides that “Liaison shall be maintained between each union and the Field Office Director, or in the case of Headquarters, with the Director of Personnel” and that “Any matter or proposal which a union wishes to bring to the attention of or discuss with the Commissioner-General shall be referred in the first instances to the appropriate organs in accordance with the statute, and thence to the Field Office Director or Director of Personnel” and then, “[i]f the matter is not satisfactorily resolved, it may thereafter be referred by the Executive Council of the union to the Commissioner-General.”

The “Statute of the Union of Area Staff of UNRWA” provides for communication between (i) the Executive Council of a Field Office/HQ and the Field Office/HQ Administration on local matters which do not involve staff in more than one Field Office or HQ location; and (ii) the Inter-Staff Union Conference Executive Committee and the Administration on matters affecting staff in one or more than one union.

None of the above prescribe dates when Field/Administration officials must meet with ASU bodies.

Each Field Office and representative of the HQ Administration should coordinate meetings with the respective Executive Council on a twice yearly basis. HQ Administration and the Inter-Staff Union Conference and the Executive Committees coordinate annual meetings. Similarly, each Field Office and representative of the HQ Administration should coordinate meetings with the respective Executive Council on a twice yearly basis. Ideally, these meetings should be timed appropriately with the meeting days of the concerned ASU bodies.

Similar arrangements should be made with respect to meetings with International Staff Association representatives.

**Output 3**

Translation of key Agency documents into Arabic. Translations of more frequently drafted documents (e.g., staff circulars) will need to be conducted inside the Agency to ensure both speed and consistency of terminology. Scope exists for the Agency to develop a translation unit to assist not only HRM, but other Departments (e.g., the Public Information Office, the Department of Legal Affairs, Offices of Field Office Directors).

**Output 4**

The Agency will establish an intranet on which, amongst other things, the staff rules and regulations will be posted. An intranet has already been designed. Under Initiative 4-B, an intranet administrator will be engaged after which, the intranet may be launched.

**Action Plan**

| No. | Action   | Requirements   | Start   | Finish  | Budget    |
|-----|--|--|---------|---------|-----------|
| 1.  | <b>Setting up HR help desks as an intermediate step while transforming HRM and streamlining the processes.</b> | Hire 6 staff at Grade 16 for help desks across the Agency; establish methodology and logistics for operations. | Q4 2006 | Q3 2009 | \$333,792 |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b>                                   |
|--------------|---|---|--------------|---------------|---|
| 2.           | <b>(More) regular meetings with the ASU and ISA.</b>    | Internal organization of additional meetings with ASU and ISA reps. | Q4 2006      | Q3 2009       | \$10,000  |
| 3.           | <b>Translation of key Agency documents into Arabic.</b> | Hire 6 additional staff at Grade 16 to conduct translation work     | Q4 2006      | Q3 2009       | \$333,792                                       |
| 4.           | <b>Support Costs for above staff</b>                    | Budget  | Q4 2006      | Q3 2009       | \$183,600                                       |
| 5.           | <b>Launch intranet</b>                                  |   | Q4 2006      | Q4 2006       | This action will be funded under Initiative 4-B |
| <b>Total</b> |   |   |              |               | \$861,184                                       |

## Initiative 1-I Ombudsperson

### Background

UNRWA's internal justice system lags significantly behind the internal justice system presently employed at the UN Secretariat<sup>33</sup> insofar as the avenues available for UNRWA staff for the "informal" resolution of conflict are significantly more limited. UNRWA expects that, (i) through improved management and leadership, UNRWA can strengthen the ability of supervisors and executive officers to resolve conflicts informally, (ii) through the establishment of gender focal points for women in each field, the Agency will be better equipped to deal informally with gender-related conflicts, and (iii) through better communication and cooperation with staff representative bodies, problems/irregularities can be identified early and resolved.

That more avenues do not exist in UNRWA at present is made all the more worrying by the fact that the UN Secretariat has identified that its own internal justice system is inadequate and needs fixing. In this regard, in response to requests by the General Assembly in Resolution 59/283 of 13 April 2005, the Secretary-General has appointed a panel of external and independent experts (the "Redesign Panel") to explore ways to redesign the system of administration of justice at the United Nations. The initiative builds on other recently announced initiatives such as the creation of an ethics office, the promulgation of a whistleblower protection policy, and the introduction of more rigorous financial disclosure requirements for senior officials, and is a major part of current efforts to strengthen accountability, increase transparency and improve management reform at the United Nations.

On 28 July 2006, the Redesign Panel made its recommendations to the General Assembly (A/61/205). The Redesign Panel found that the United Nations internal justice system is "outmoded, dysfunctional and ineffective" and "lacks independence". The Redesign Panel opined that a "new redesigned, system of internal justice will be far more effective than an attempt to improve the current system".

UNRWA considers it highly desirable that an Ombudsperson Office be established in UNRWA as a first step towards creating a far more efficient, effective and transparent system that helps ensure managerial accountability. The Agency is currently considering the recommendations made by the Redesign Panel concerning the formal justice system and their appropriateness and applicability to the Agency.

### Rationale

At the heart of the OD process is the overall aim to decentralize. This aim relies heavily on good leadership and management underpinned by strengthened accountability and oversight. In order to achieve these goals, a culture must be fostered in which fairness, consistency, respect for staff, trust, transparency and compliance with international standards are the norm, rather than the exception. New systems and processes implemented in the existing structure will inevitably fail if left unchecked. In order to achieve the goals of the OD process, a sound system of "procedural justice" must be created in the Agency. The Agency shares the views

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<sup>33</sup> For the purposes of the developing this Initiative, the UN Secretariat is seen as a useful comparator. In this regard, the UN Secretariat has a similar size work force (29,000) to that of UNRWA (27,000).

of the Secretary-General when establishing the Redesign Panel referred to above that “[s]taff must have recourse to a[n internal justice] system that is efficient and fair” and that “[u]nless staff have confidence in the system, cynicism could erode morale and undermine our mission”. The creation of the Office of the Ombudsperson is one initiative to support such a system.

## **Aims**

To supplement the existing Agency’s existing “formal” system of justice thereby reducing the number of cases that result in appeals. According to the Report of the Secretary-General on the Activities of the Ombudsman (A/60/376), “[w]hile it is difficult to assess the impact of the Office [of the UN Ombudsman], one possible indicator is the reduction in the number of cases submitted to the Joint Appeals Board in New York – by 30 percent in 2003 and by a further 14 per cent, in 2004”. The Agency predicts that similar reductions in staff appeals will result from the creation of the Office of the Ombudsperson but only if the Office is adequately resourced to ensure staff concerns are resolved in a timely manner.

## **Outputs**

Establishment of the Office of the Ombudsperson to supplement (rather than replace) the existing informal and formal mechanisms that exist for the resolution of conflicts within the Agency.

Like the UN Ombudsman, the Office of the Ombudsperson will have the authority to consider conflicts of any nature related to employment by UNRWA that are brought to his/her attention by staff members. The term “conflict” is to be understood in its broadest sense, and the Ombudsperson’s authority will therefore cover, *inter alia*, matters pertaining to conditions of employment, administration of benefits, managerial practices as well as professional and staff-related matters. The Ombudsperson is expected to deal with a range of inappropriate workplace behavior giving rise to grievances such as harassment (including sexual harassment), discrimination (including gender and racial discrimination), bullying or workplace harassment, abuse of power, disciplinary procedures and administrative decisions (are they being implemented fairly and equally and in accordance with principles of due process).

In order to ensure the Ombudsperson is independent, it is necessary that the Ombudsperson report directly to the Commissioner-General – reporting periodically on his or her activities and commenting as he/she considers necessary/prudent on policies, procedures and practices that have come to his or her attention. Otherwise, the neutrality and strictly confidential nature of the Office of the Ombudsperson must be protected to the greatest extent possible.

The Ombudsperson, as a designated neutral, shall have the responsibility of maintaining strict confidentiality concerning matters that are brought to his/her attention. The Ombudsperson cannot be compelled by any United Nations official to testify about concerns brought to his or her attention. The Ombudsperson does not have decision-making powers, but advises and makes suggestions or recommendations, as appropriate, on actions needed to settle conflicts, taking into account the rights and obligations existing between the Agency and the staff member, and the equities of the situation.

The Ombudsperson shall have access to all records concerning staff, except medical records (which may only be accessed with the consent of the staff member). All staff members shall

have voluntary access to the Ombudsperson. No person who brings a matter to his or her attention shall be subject to reprisals because of such action. The Ombudsperson shall not review cases that are already in the formal dispute resolution process.

It is essential that the Office of the Ombudsperson be adequately resourced. The UN Ombudsman office was launched on 25 October 2002. According to the Report of the Secretary-General on the Activities of the Ombudsman (A/60/376), “[s]ince its inception, nearly 1,400 staff members have sought the assistance of the Ombudsman’s Office”, which figure “reflects approximately 4.8 per cent of the total constituency of the Office (estimated at 29,000 members of staff) and is consistent with recognized standards of an organizational ombudsman’s office”. With a workforce of more than 25,000 persons, the Agency may receive similar (or, given the lack of other informal conflict resolution procedures in the Agency, possibly a greater) number of requests to be received by the Office of the Ombudsperson.

**Action Plan**

| No. | Action  | Requirements   | Start   | Finish       | Budget                              |
|-----|---|--|---------|--------------|-------------------------------------|
| 1.  | <b>Establishment of the Office of the Ombudsperson. Recruitment of D-1 and Area Staff Grade 14.</b> | Hire D-1 and Grade 14 to form Ombudsperson’s Office. | Q1 2007 | Ongoing      | \$811,151 (including support costs) |
|     |   |  |         | <b>Total</b> | \$811, 151                          |

## Initiative 1-J Training and development

### Background

An Agency-wide training needs assessment was carried out in 2004, using a questionnaire format, but has not been completely implemented. Currently individual Field Offices carry out their own needs assessment based upon local requirements, and organize their own training initiatives, but this is influenced by the amount of money available in their respective budgets for training. Therefore the amount of training courses organized may not fully reflect the true needs of the staff because of monetary constraints.

The role of HRM is to (i) carry out training in those areas that are not “owned” by other departments, and (ii) help other departments carry out their own needs assessment and the planning of training interventions.

Currently there is no systematic methodology of identifying the training needs of staff on an Agency-wide basis, i.e. from the performance evaluation/review process, or one which is proactive enough to meet development needs of staff members, i.e. for succession planning. During 2005/6, training plans have been developed in order to meet the immediate and pressing training needs of the Agency, and a number of training courses have been organized on an Agency-wide basis, e.g. project management, interviewing skills. Ongoing training initiatives such as educational assistance, have also continued throughout 2005/6, but are reviewed on a case by case basis.

Specifically with regard to English language training of area staff, the need for improved levels of English among area staff was highlighted in the 2004 training needs analysis and again in the 2005 External Review of UNRWA carried out by the UK's Department for International Development (DFID). In June 2005, a thorough evaluation into the current position was carried out by a specialist in the field of English language training and provision. One of the recommendations made was “to investigate the costings and logistics of delivering an UNRWA English Language Training programme in-house”. A subsequent needs assessment revealed that approximately 800 staff are currently in need of tuition. This figure was based on existing facilities and was affected by internal constraints (such as lack of funding) and a restriction on the time allocated for training purposes. The Agency expects that, with an internal, centrally-funded resource, this number would increase. For the purpose of this Initiative, the Agency has estimated that 1000 staff per year (200 staff per Field) is necessary. Because the need for English language training has been the subject of significant internal and external attention, the cost of this particular form of training is included in this Initiative.

Another type of training that has received significant attention has been offering international staff training in the Arabic language. Again, because of the attention that has been given to this form of training, the cost of running such courses is included in this Initiative.

### Rationale

What is the purpose of carrying out a “Training Needs Assessment” (TNA)? “TNA” has been defined as:

*“A process for identifying the knowledge and skills necessary for achieving organizational goals.”*  
Brinkerhoff and Gill 1994

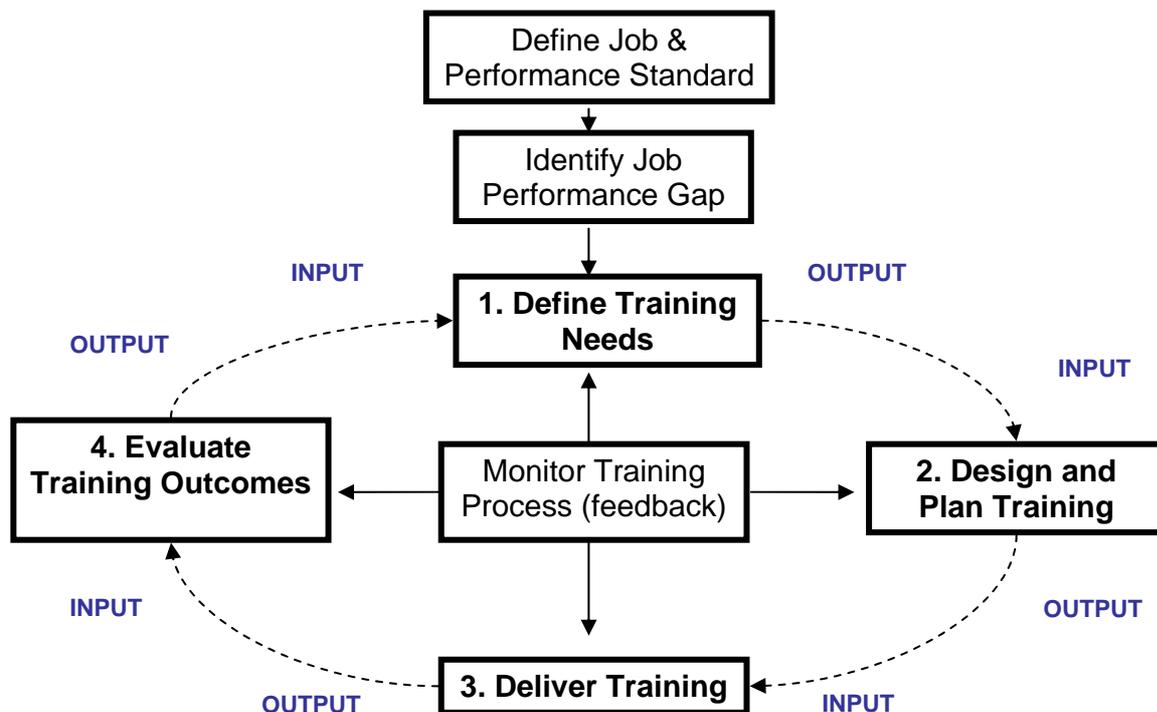
Whilst there are a number of accepted ways of arriving at a training plan the guiding principle for selecting training options (both internal and external) should be “Best value for money”. Where internal resources exist, these should be encouraged or developed, e.g. coaching/mentoring or training internal staff to facilitate on courses. These are often more effective than sending people away on courses, and can be implemented at a lower cost.

Current best practice on training delivery suggests that organizations should adopt a blended approach to learning and development. Consideration should therefore be given to other concepts in addition to the attendance on training courses, such as:

- E learning
- Distance learning
- Coaching
- Mentoring
- Secondments
- On the job training
- Self learning, video or reading material
- Learning resource centres

Each one of the above could form the basis of a separate review and comparisons made with similar initiatives that have been undertaken by other UN organizations.

The model for carrying out a successful TNA has been well established and normally comprises the following cycle:



Any strategy that is adopted should follow this model approach.

## **Aims**

To conduct a comprehensive training needs assessment throughout the Agency, and prepare a training plan which incorporates anticipated expenditure to meet the needs identified.

Although this should ideally be carried out on an annual basis, there should be sufficient flexibility built into the process to enable staff training needs to be identified during the year and allow action to be taken to meet these requirements. The training plan will be based upon the operational needs of the Agency but also take into account the individual aspirations of staff members. It needs to address the training needs at all levels of the Agency:

Departmental, Programme, Field Office and Individual.

To develop a methodology that enables the training needs of staff to be analyzed on a regular, systematic and proactive basis and includes links with the performance evaluation/review process.

To develop a system for controlling, monitoring and evaluating the training delivered.

To deliver introductory Arabic language training to international staff and English language training to select area staff..

To identify and, if necessary, run, workshops in organization skills.

To develop, in collaboration with the Education Department, a training support service that will be a centre of expertise in supporting the training programmes of other departments and Field Offices in such areas as training of trainers, needs assessment, curriculum design, facilitation and evaluation of training.

Facilitate a network of training officers and trainers in the Agency.

## **Outputs**

The methodology will be developed to prepare an annual training plan for the Agency that addresses training needs at all levels: Departmental, Programme, Field Office and Individual.

The preparation of the plan will be an ongoing annual event. The plan will be evaluated according to the organizational objectives and a training budget prepared based on the results of this assessment.

A monitoring and evaluation system will be established which provides effective control of the training process and can provide a detailed analysis and reports of the training outputs and the return on investment for the Agency.

Other outputs include (i) a training support service that will be a centre of expertise in supporting training programmes, and (ii) a network of training officers and trainers in the Agency. Specific training packages other than those listed below are either included in the budgets of other initiatives or are otherwise covered under existing training and development budgets.

As regards English language training for area staff, such courses would have the following characteristics: (i) pupil:teacher ratio of 20:1, (ii) students would be required to attend a minimum of 3 sessions per week, (iii) two semesters per year comprising 16 weeks each (3x1 sessions), (iv) one intensive course to be held for eight weeks over summer (3x2 hour sessions).

### Action Plan

| No. | Action  | Requirements  | Start   | Finish       | Budget      |
|-----|---|---|---------|--------------|-------------|
| 1.  | <b>Develop and implement training plan</b>  | Implementation Partner  | Q4 2006 | Q2 2007      | \$150,000   |
| 2.  | <b>Establish a training support service.</b>  | Take action within Agency to develop and provide services.<br>Retain trainers. Train the trainers   | Q4 2006 | Q2 2009      | \$650,000   |
| 3.  | <b>Implement a comprehensive English language training programme for Area staff</b> | “Train the trainers” workshop<br>Eleven (11) trainers at grade 15 level.<br>Training Specialist and Supervisor of programme (SSA at P3 level).<br>Clerk (grade 8)<br>Audio visual training materials.<br>Training and preparation rooms in each Field.<br>Textbooks.<br>Logistics and evaluation workshops. | Q4 2006 | On going     | \$1,298,900 |
| 4.  | <b>Implement introductory Arabic language training for new international staff</b>  | Retain trainers   | Q4 2006 | On going     | \$100,000   |
|     |   |   |         | <b>Total</b> | \$2,198,900 |

## **Initiative 1-K Gender mainstreaming**

### **Background**

The Agency is presently behind some of the organizations in the UN system in achieving gender equality (including gender parity) in its workforce. Over more than a decade, other members of the UN system have made significant advances towards achieving gender equality (of particular note is that, on 23 December 1994 (resolution 49/167), the General Assembly endorsed the Secretary-General's strategic plan with the goal of achieving gender parity by the year 2000 overall and in policy-level positions (D-1 and above)). Gender parity has not, however, been achieved in the Agency – in particular, at management levels.

### **Rationale**

Article 8 of the Charter of the United Nations provides that the United Nations shall place no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality in its principal and subsidiary organs. Full compliance with this Article within the Agency, and the full participation of women in all aspects of the work of the Agency, are imperative, not only for reasons of equality, but also to enhance the Agency's effectiveness and the credibility and the leadership role of the Agency in advancing the status of women in its fields of operations.

Requirements to effect the change necessary to achieve the above goal include determined managerial commitment and action, particularly at the highest levels, a clear implementation strategy, including specific, short-term targets, effective monitoring, accountability of managers, appropriate training, measures to encourage the mobility of women staff, and the creation of a supportive working environment, free from harassment and conducive to the equal participation of men and women in the work of the Organization.

### **Aims**

To achieve gender equality among all UNRWA staff at all levels and equal opportunities for men and women at management levels.

### **Outputs**

#### **Output 1**

Policies on the promotion and empowerment of women, thereby ensuring progress towards gender equality and gender balance. Such policies will need to be developed by an expert on gender issues in public service human resourcing in consultation with AHRD and relevant stakeholders and with the assistance of the Gender Adviser and Junior Professional Officer to be engaged under Initiative 2-G. Examples of such policies may include:

- Recruitment policies – (i) giving “fullest regard” to internal women candidates; (ii) targeted advertising (including use of appropriate Government and external sources such as universities or professional women's associations); (iii) internal vacancy announcements, (iv) ensuring recruitment and promotion decisions are properly documented (in particular, where a male candidate is selected in preference to a female candidate), (v) lower benchmarks concerning minimum years of relevant

experience (high benchmarks affect women who are more likely than men to have taken lengthy periods off work for family reasons) more than men), (vi) (given that the present gender distribution within the Agency does not provide a sufficient pool of women candidates who could be promoted to higher-level posts within the short term) giving external female candidates equal priority to internal male candidates, (vii) exceptions to recruitment over the normal maximum desirable range for a given country, to be made only for women, in limited cases, in relation to posts for which they are the best qualified candidate, (viii) requiring that, before posts are filled by male candidates, certification is given that best efforts were made, as soon as possible in the recruitment process, to identify and secure a qualified female candidate.

- Promotion policies - giving consideration to “accelerated promotions” (i.e., flexible application of the rules on seniority so that the cumulative seniority of a woman staff member is considered for the purposes of promotions (see para 13 of ST/AI/412)).
- Career development policies - requiring managers make best efforts to appoint given female employees greater responsibilities (e.g., where “Acting” or “O-i-C” opportunities exist).
- Skills and management training to female staff - Management training packages to include existing female managers and female non-managers who have been identified as having the potential for service at the management level.
- Improved conditions of work - (i) flexible working hours, (ii) part-time work, (iii) job-sharing schemes, (iv) child and elder care, (v) special leave arrangements and the preparation of guidelines to help to resolve conflict between mobility and family commitments.
- Impacts of reorganization and retrenchment - Wherever one or more departments or offices are to be reorganized, consideration must be given to the impact the decision will have on gender equality/parity.
- Record-keeping - (i) each Department and Programme shall be responsible for maintaining statistics showing the current distribution of women and men at each grade and category. Reports are to be generated and provided on a regular (quarterly/half-yearly) basis to AHRD, (ii) possible maintenance by AHRD of a roster of internal and external candidates reflecting gender and skills, (iii) possible maintenance by AHRD of a range of statistics concerning gender parity across the agency, Programmes, Departments and Field Offices and provision of an annual report thereon to the Commissioner-General.

### **Output 2:**

Promotion of gender awareness among staff at all levels through public awareness and training, thereby increasing accountability of managers and greater staff awareness concerning gender issues. Such awareness will be achieved through: (i) incorporation into management training packages of the need to promote the better understanding among both women and men of different leadership styles, exploring better means of working together and creating a more responsible working environment for all, (ii) induction and orientation courses explaining principles of gender equality and provide information on the functioning, power structure and value system of the Organization and on where information can be

obtained in relation to career development and opportunities, (iii) training on code of conduct and sexual harassment, exploitation and abuse, (iv) identifying mentors of newly recruited female staff – especially for staff at mid- management, and (v) development of a Directive/Circular from the Commissioner-General concerning gender equality for circulation to all staff (see, for example, ST/SGB/282 of 5 January 1996).

### **Output 3**

Gender focal points. Once substantial progress has been made in the development of the policies referred to above, AHRD and the gender consultant will formulate a structure for a “focal point network” and what the terms of reference will be for each focal point. For the purposes of the current OD package, the Agency has assumed that focal points will be established in Departments and Field Offices. The focal point structure will, however, need to be consistent with the accountability framework for achieving gender equality in the Agency (e.g., if Departments are responsible for achieving gender parity in their Departments, focal points should be established in each Department; if, on the other hand, the responsibility lies with the Field Office Director, a focal point should be established in each Field Office).

### **Action Plan**

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>               | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|---|-----------------------------------|--------------|---------------|---------------|
| 1.         | <b>Engage expert on gender mainstreaming in public service organizations.*</b>                              | Action by HR team                 | Q4 2006      | Q4 2006       | \$62,500*     |
| 2.         | <b>Development of policies to promote and empower women.</b>  | Gender expert                     | Q4 2006      | Q3 2007       |               |
| 3.         | <b>Development of policies to promote and empower women.</b>  | Gender expert                     | Q4 2006      | Q4 2007       |               |
| 4.         | <b>Establish a structure for gender focal points and draft terms of reference for each such focal point</b> | AHRD and gender expert            | Q2 2007      | Q4 2007       |               |
| 5.         | <b>Implement the focal point network</b>  | AHRD and other relevant managers. | Q4 2007      | Q4 2007       |               |
|            |   |                                   |              | <b>Total</b>  | \$62,500      |

\* The Agency shall use best endeavors to obtain the services of an expert from within the United Nations. Otherwise, the Agency will engage an external expert for three months. In either case, proper implementation of this initiative will be at some cost to the Agency. This purpose, a budget of \$62,500 has been included for this initiative.

## **Initiative 1-L HRM specialist/change manager**

### **Background**

As stated earlier, Human Resources Management is considered pivotal to the success of the organizational development process and it is for this reason that Lever 1 has been dedicated to HR reform in the Agency. Furthermore, as noted earlier, it is proposed that a single consultancy firm be engaged to assist the Agency with the completion of most of the Initiatives listed in Lever 1. In this regard, it is proposed that the consultancy firm be engaged to assist the Agency with the following initiatives in Lever 1:

- 1-A (Staffing Strategy)
- 1-B (Competency Framework)
- 1-C (Performance Management)
- 1-D (Post classification)
- 1-E (Compensation Management)
- 1-F (Staffing Reviews)
- 1-G (HRM Department)
- 1-J (Training and Development)

It also proposed that the above consultancy firm be responsible for reviewing and streamlining HR-related organizational processes and systems (see Part Seven and Initiative 4-C).

### **Rationale**

Given the size of the above undertaking, it will be necessary to engage a single HR change manager to administer the above prime consultancy on behalf of the Agency and to coordinate the work of the prime consultant with other HR-related activities (including, but not limited to, other OD Initiatives). Devoting an existing staff member to this exercise will be to the detriment of AHRD's already-stretched resources. In addition, because of the importance of this function, it is vital that the change manager be engaged for the entire process. Accordingly, rather than engage an individual as change manager, it is proposed that a firm be engaged.

The change manager will be engaged as early as possible in the OD process and will continue to serve the Agency until the HR-related OD initiatives described above have been completed or, at least, completed to the degree necessary for AHRD to manage the remaining work.

### **Aim**

The aims of this Initiative are to (i) manage the prime consultant that will be engaged to assist the Agency with the other HR-Initiatives listed above, and (ii) provide strategic, technical and facilitation support on all HR-related activities in the Agency (including other OD initiatives that relate to HRM).

**Output**

A comprehensive, strategic and technical service will be established to provide necessary HRM support for the Agency during the implementation stage of the HRM reform/OD process.

**Action Plan**

| No. | Action   | Requirements              | Start   | Finish       | Budget    |
|-----|--|---------------------------|---------|--------------|-----------|
| 1.  | <b>Appointment of an HRM OD specialist for the duration of the HRM-related Initiatives</b> | Appoint an HRM specialist | Q4 2006 | Q4 2008      | \$562,500 |
|     |  |                           |         | <b>Total</b> | \$562,500 |

## **Annex 2**

### **Lever Two – Programme Management Cycle**

## **Initiative 2-A—Development of the Cycle, Systems and Tools**

### **Background**

The Agency has many years of valuable experience in providing services and support to Palestine refugees. At the same time, we have recognized however, that we can and should improve effectiveness and efficiency of operations and in turn enhance the results achieved which impact on refugees' lives. Furthermore, we are determined to shape our work within the terms of human development outcomes: community empowerment, professional and personal development, poverty alleviation, the realization of economic potential, protection and human rights. Based on this, we acknowledge a pressing need to become more strategic in all aspects of the Agency's work. In this manner, we need to reframe and reorient traditional programmes to ensure that they provide an integrated and cohesive platform to achieve our goals.

### **Rationale**

In order to enhance the existing work of the Agency, we wish to extend our abilities in the application of effective programme and project planning and execution, set within a context of an Agency-wide Strategic Framework. Although there is evidence of good practice in the Agency, the Agency has no institutionalized methodology for embracing the values and principles of an Agency strategic framework together with a systematic programme and project design mechanism. We also lack a cohesive mechanism that includes the logical steps of assessment, planning, monitoring and evaluation in order to provide an integrated, comprehensive, strategic and results-based approach to the way we design and manage programmes, projects and other interventions. We propose to achieve this through the more systematic utilization of strategic planning tools and the methodology of the PMC.

For more than 55 years the Agency has played a role in supporting refugees in the realization of their human development aspirations through access to essential services which promote improvement in health, education, shelter, access to employment, financial services and social support and relief, etc. We wish to further our work by taking steps towards a more integrated and methodological programme design and implementation that will not only assist us improving the inter-relationship between the strategic framework, programme strategies and policies and the planning of programmes, projects and other interventions, but also in our aim to build better synergies between programmes and integrate a number of critical human development perspectives in everything we do, such as protection, mainstreaming gender and social inclusion in order to improve the services and support we deliver. We believe that this will result in even more relevant and effective delivery of services to achieve enhanced human development outcomes for refugees.

During a series of internal discussions in the context of the OD process, in which senior and mid-level staff from HQ programme and support departments and several Field Offices participated, we discussed at length the application of the PMC to the Agency. The main findings of this discussion are reflected below.

## Aims

Our aims are:

- To instigate the systematic use of the PMC Agency-wide.
- To strengthen capacity across the Agency in all aspects of programme and project management.
- To improve evidence based integrated planning thereby instigating more relevant programming and effective impact at refugee level.
- To ensure more efficient implementation through ongoing monitoring.
- To increase transparency and accountability through timely and accurate reporting.
- To enhance institutional learning and inform programming through lessons learned by way of evaluation process.

## The Programme Management Cycle

The PMC is a well known tool which allows for the systematic conceptualization, strategizing, planning, management, monitoring and evaluation of programmes and projects. In order to enhance the existing work of the Agency, and to ensure that results to be achieved are based on sound evidence, SMART<sup>34</sup> indicators and a clear and logical process of assessments leading to integrated planning of programmes, effective delivery of services and support and monitoring and evaluation of policy and process, we will be guided by the application of the PMC. The PMC process will extend to the Agency's programmes, projects, extraordinary measures and support functions in order to ensure integration and coherence. This will require extensive strengthening of programme provision and management capacity across the Agency.

The diagram on page 41 illustrates the components of the PMC, including holistic situational appraisals around which a programme or project is conceived: analysis and synthesis of information that leads to rational programme or project choices; a focused plan of interventions that leads to specific outcomes; a coherent monitoring and reporting system and, reflective practices that seek continual improvement.

It is this process that the Agency intends to apply more systematically. In this manner, guided by a strategic framework and strategic direction drawn from programme expertise, the Agency will build capacity within HQ, Programme and Support Departments and in the Field Offices to deliver programmes by following the steps of the PMC.

## PMC set within the context of strategic planning frameworks

In order to support the use of the PMC and to guide programme development, planning and management throughout the Agency, Programme Directors and DOS will, building on the Strategic Framework, develop integrated programme strategic planning frameworks. These

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<sup>34</sup> Sustainable, Measurable, Achievable, Relevant and Timely.

frameworks will be developed within the context of codes of practice, expert technical knowledge, existing agency professional expertise, international standards, procedures and quality assurance processes.

The development of such guidelines and frameworks by Programme Directors and their Departments will be supported by the recruitment of 3 additional P4 posts, one for each of the Education, Relief and Social Services and Health Departments (see Initiative 2-E). The incumbents of these posts will assist the Departments in the critical work of ensuring that policy development is informed by the undertaking of relevant research, keeping abreast of new developments, methodologies and concepts within their respective fields, information dissemination and knowledge management, monitoring, evaluation and policy analysis. Such work will be essential in allowing for the departments to develop a strategic overview that will inform and support programme planning and delivery by means of professional policy guidelines and indicators, standards, procedures and pertinent methodologies.

An illustration of how the role of the development of strategic framework and guidelines is positioned within the Agency is set out on page 40.

#### Situational assessments

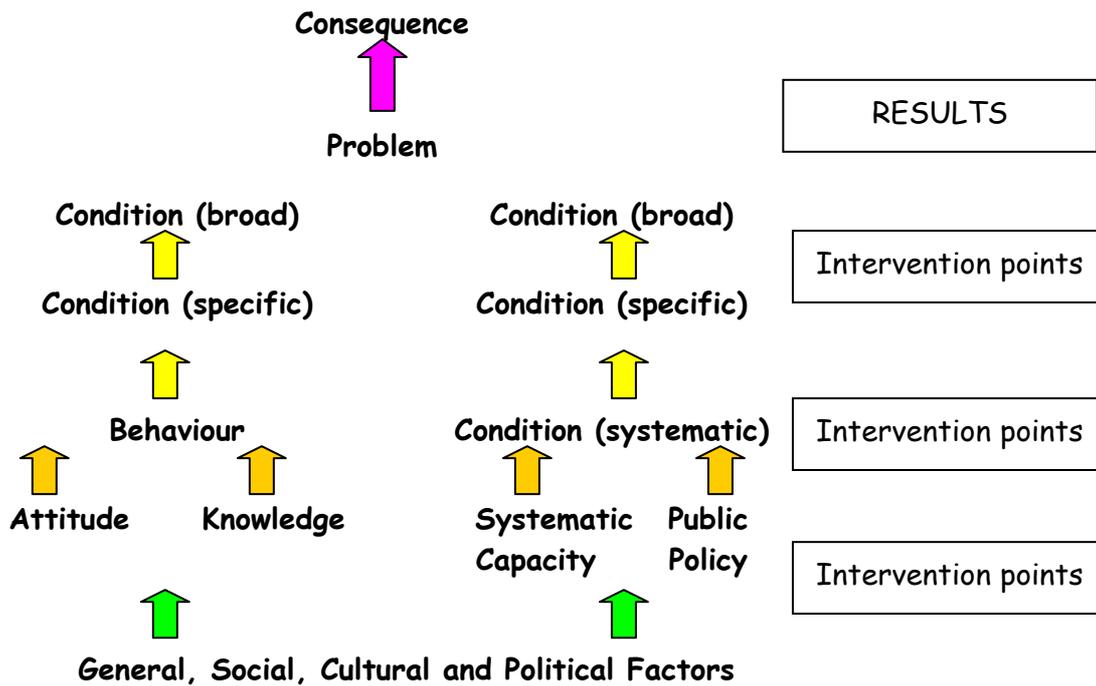
The first step of the PMC is the undertaking of assessments. Within the guidance of the Strategic Framework and strategic planning guidelines, the Agency recognizes that in order to bring about a positive change in the way in which it offers support and assistance to refugees, there is a need for both quantitative and qualitative assessments and situational analyses in order to inform and guide programme planning to ensure that the Agency's targeting of support is the most relevant and effective.

In this manner, with reference to the Agency's Strategic Framework and programmatic guidelines, participatory assessments will be undertaken on a recurring basis in order to gather qualitative and quantitative information providing an holistic appraisal that offers a multi-dimensional view of refugee lives including present conditions, access to and use of assets and resources, factors which influence livelihoods and identification of priorities and aspirations for the improvement of facets of human development.

Such assessments will therefore incorporate an analysis of the current social, economic, environmental, physical and cultural circumstances of refugees and causalities of their existing situation complimented by analysis of the broader national and regional context in which they live and we work. Such analysis should also include reviews of the capacities and capabilities of the Agency and resources as well as opportunities, risks, and stakeholder analyses.

As a result the Agency will possess the ability to develop causality analyses, a process used to determine causes and effects and the consequences of problems facing refugees, thus informing those undertaking programme planning, how and where interventions should most effectively be targeted (see Diagram 1). Furthermore, the Agency's programme targets and plans will be based on evidence and data on which to set quantitative and qualitative indicators and against which to measure outcomes and results during programme implementation.

*Diagram 1: Causality Tree*



(adapted from UNICEF Policies and Procedures Manual: Programming Cycle )

A wealth of existing data within the Agency has recently been augmented by a survey overseen by IUED. We now need to build on our capacity to continue to utilize such data to the best of our ability and ensure that it informs our actions and plans. In order to inform the development of programme interventions that will ensure SMART outcomes and results and optimum impact of any intervention and, building on the years of Agency practice, knowledge and understanding of the refugee situation, the Agency must develop further capacity in undertaking assessments and analysis in each of UNRWA's five fields of operation.

Guidelines for Agency assessment processes will be compiled by DOS in consultation with the Programme Departments and Field Offices, and will adopt an integrated and holistic focus. Such ability will be built through a training and capacity building programme as outlined in Initiative 2-D. Data gathered will require a means of accessible information/knowledge storage (see Initiative 2-H).

### Integrated planning

An integrated planning process will be evidence-based, building on the data and information gathered through assessment processes and complemented by Agency knowledge and expertise. Across the Agency, we will develop competencies in integrated planning processes that will lead to results-based programme plans built on evidence and utilizing logical frameworks incorporating efficient use of inputs, indicators on impact, outcomes and outputs.

With regards to the process of planning, the Agency recognizes that there is a need to adopt a more integrated approach regarding both the partnership between Programme Departments and such issues as gender, protection and social inclusion. Furthermore, the Agency

understands and will emphasize the need for cohesion between programme and support services when making this change. We believe our unified working towards the human development objectives of the Agency as outlined in the Strategic Framework will be a catalyst in this aim.

The programming phase will be guided and supported by the Programme Departments in HQ. Programme Directors will (i) provide the substantive professional leadership and technical direction throughout the PMC, (ii) define technical priorities, and (iii) develop and interpret operational policy in their programmes. DOS will also facilitate, support and coordinate Field planning leading to the development of Field/Country Plans within each of the five fields containing both Agency programme objectives and plans relevant to the situation of refugees in the specific context of the relevant field.

Strategic analyses, principles and guidelines developed by HQ will also be used for ranking interventions at a strategic level. In addition, compiling Field/Country Plans and assembling Agency-wide inputs, outputs and outcomes will lead to the production of an Agency Strategic Plan.

To ensure that delivery is properly coordinated, support services will become an integral partner in this planning process. This will ensure that such elements as timely recruitment, delivery of logistical services, fiscal processes and other fundamental support required for programme realisation are identified during the planning phase and harmonised during implementation.

### Monitoring and evaluation

An essential element in the realisation of programme delivery is the effective monitoring of all aspects of the implementation process. Monitoring is the process of routinely gathering and analysing information regarding the progressive situation in terms of programme delivery.

In order to raise our ability to undertake monitoring, we will enhance staff and departmental competencies and develop monitoring frameworks and tools which will allow for the tracking, measurement and analysis of timely programme delivery and the attaining of stated outcomes and indicators as set out in the logical frameworks of Field/Country and programmatic strategic plans.

In this manner, for instance, Field/Country and strategic plans will set quantitative and qualitative milestones and activity indicators against which ongoing oversight and measurement of progress in the utilisation of inputs and the realisation of outputs can be realised. Such monitoring will allow us to analyse all aspects of implementation progress and make adjustments if necessary throughout the implementation process.

The monitoring process will also raise our accountability in the attainment of targets and, through the use of shared reporting formats, ensure timely, consistent, comparable and relevant reporting.

The Programme Departments are responsible for the design of the monitoring system for programmes in the Fields. DOS's role is to facilitate a coordinated and cohesive approach to monitoring and to capture the high-level trends across all programmes. In order to support the monitoring function across the Agency, guidelines, tools and support will be offered by DOS,

and formal reviews of progress will take place every six months. Monitoring is, of course, a basic management function that is also carried out by the Field Directors, who will ensure that the monitoring system in the field is capturing all information necessary for the good management of the overall Field activities.

The practice and efficacy of the evaluation process is outlined in Initiative 2-E below.

### Project management

The application of the PMC extends to both programmes and projects. The need to strengthen project management has been on the Agency's agenda for some time, and the relationship of project management with the PMC merits special mention.

Projects are activities of limited duration, with specific budgets, funded from earmarked donor funding. Projects in this sense follow the same logic and go through the same process as programmes in the PMC: assessment, planning, budgeting, implementation, monitoring, reporting and evaluation, and incorporating lessons learned into the design of new projects.

As we proceed towards fully integrated programme planning, we expect our 'projects' to become part of the plans for each programme. We also expect that the capacity to manage projects will eventually be embedded in the PMC support foreseen for the Field Offices (see Initiative 2-C). During a transitional period, projects will continue to be managed somewhat separately, with reporting through the existing set-up of Project Officers at Field Offices and HQ.

### The development of the PMC

The Agency will initiate development of the PMC by setting up a task force whose primary responsibility will be to drive forward the PMC initiatives. The Agency will also engage a consultancy (a Senior PMC Advisor) to jump start the initial initiatives, pending the establishment of the new PMC-related positions. Supported by this consultancy, we will (i) build capacity in DOS and the Field Offices to develop and manage the Agency PMC process; and (ii) implement a capacity-building package to enhance skills and abilities within the Agency and ensure that the PMC is used throughout the Agency.

### **Outputs** (see also Diagram 2)

The basic steps of the process we propose are as follows:

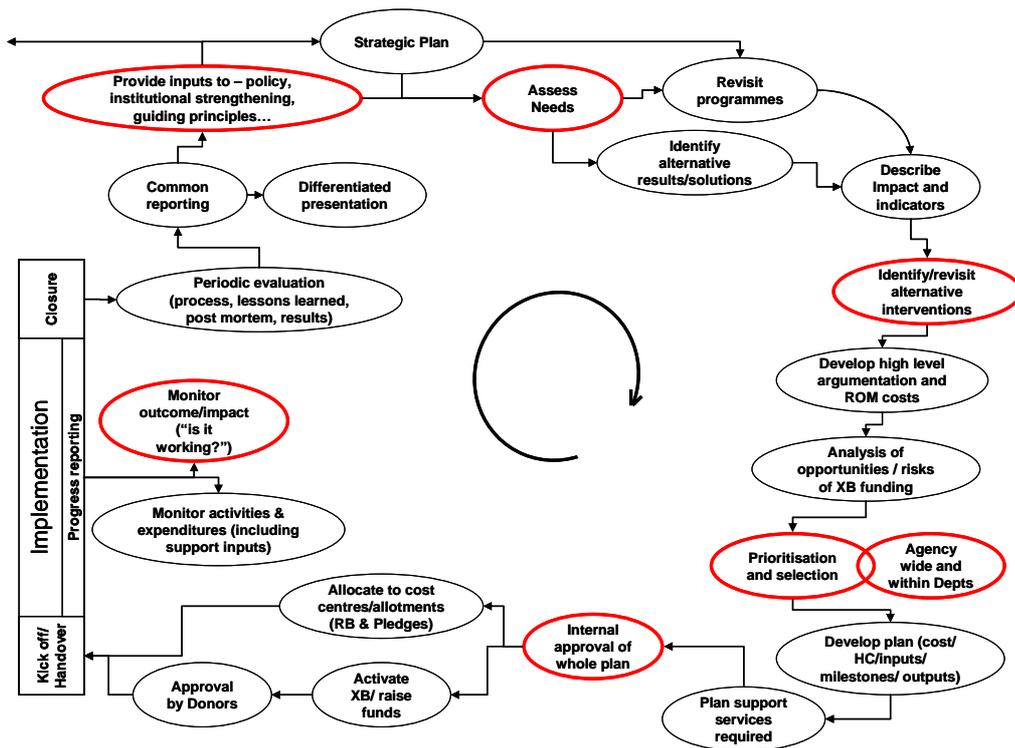
- Strategic guidelines will be developed by DOS and Programme Departments that set standards, technical policy, methodology, tools, frameworks and other qualitative and quantitative strategic indicators as well as guidance to PMC units to be established in Field Offices. Such guidelines will support and facilitate the steps to be taken within the execution of the PMC at the field level and ensure synchronisation and co-ordination.
- Analysis of existing data within the Agency, including the recent IEUD survey and identification of further information required in the field to develop comprehensive situational analysis. Capacity (as an initial step of a 24 month capacity building programme in PMC to be implemented through mentoring/training-of-trainers in HQ

and across the five Fields - see Initiative 2-D) will be built to undertake participatory assessments and analysis as an ongoing inherent process within UNRWA. The output will be a situational analysis informed by Agency strategic guidelines within each Field (for information and knowledge management systems and procedures required to support this process, see Initiative 2-H).

- Skills in integrated planning processes (combining cross-departmental and cross cutting issues) developed through technical support and DOS, will be utilised leading to adjustments/continuation and new results-based programme plans built on evidence from assessments and situational analysis and to include logical frameworks incorporating impact and indicator details. The output of this process will be the production of a draft Field/Country Plan in each Field (perhaps combined for the Gaza and West Bank Fields). Synchronisation, oversight, support and co-ordination of Field/Country Plan production to be given by DOS (see Initiative 2-B)
- Information will be collated by DOS from draft plans. Principles and guidelines developed by HQ will be used for ranking of Agency interventions. Rough order of magnitude will be prepared for consideration by the Programme and Budget Committee (PBC) which will then take decisions on appropriate budget envelopes. Budget envelopes will be communicated to the Field Offices.
- The Budget Division will conduct “kick-off” meetings for preparation of a detailed budget outlining expectations of programme and support functions. A bottom-up budgetary process (zero-based budgeting process) will be required to circumvent the current misfit between programmes and support services.
- Further detailed planning will commence at the Field Office level and plans with inputs, outputs, outcomes and results and detailed budgets will be developed. Support services will be an integral part of this process in order to ensure co-ordination of delivery. Internal approval of plans will be undertaken. ERD will co-ordinate funding initiatives.
- Collation of Field/Country Plans and assembly of Agency-wide inputs, outputs and outcomes will lead to production of an Agency Strategic Plan further developing Agency targets and indicators. Given its complexity and the need to improve UNRWA’s capacity and expertise in this area, this will inevitably be a gradual process, which will influence the Agency’s programme planning starting with the biennium 2008-2009 and will come to complete fruition in a fully-fledged strategic plan for the period 2009-2014.
- The Budget Division will conduct quality review of inputs during budget review meetings with Field Offices prior to finalization of budget submittals to HQ (programme chiefs will be required to sign off on support budgets to ensure adequate support). The PBC will establish specifically what a Budget Division review will entail. This is designed to keep reviews consistent among Field Offices.
- At this point, data is entered into the financial management system, enabling reports, the endorsement of the consolidated “blue book”, the activation of fund raising and future budgetary expenditure control.

- During implementation, tracking and monitoring processes will be utilized. Institutional capacities will be strengthened in monitoring and reporting, ensuring the ability to measure and analyse progress and make appropriate adjustments if necessary throughout the implementation cycle, particularly at the field level. (Guidelines, tools and support will be offered from DOS - see Initiative 2-B). Formal 6 monthly reviews of progress will be made and approved by the relevant Field Office Director before being reviewed at HQ level where cross-field/cross-programme adjustments may be proposed to/by the Management Committee. Shared reporting formats will ensure timely, consistent and relevant reporting. Whenever possible, reporting requirements will be met from a common platform, however, the actual presentation/reports will be designed to fit stakeholder needs in order to guarantee consistency of data and to reduce duplicated efforts.
- Evaluation of impact is an ongoing function as is the generation of reporting, where as much as possible common data will be personalized for presentation to different stakeholders (see Initiative 2-E)
- Information and knowledge management systems to be developed which meet all the requirements of the PMC (see Initiative 2-K).

*Diagram 2: Steps in the PMC Process*



## Benefits

Some of the major benefits we anticipate from adopting this new cycle include:

- Improved targeting and more effective impact at refugee level.
- Ensuring that our actions are determined by human development requirements based on a full appreciation of the situation of the refugees.

- Integration of departmental planning allowing for more effective impact.
- More cost-effective programmes due to more efficient, coherent and integrated planning methodology .
- Improved funding due to better evidence-based argumentation and early donor involvement.
- Doing away with current “savings” thinking and encouraging an Agency-wide use of funds.
- Improved realism of overall biennium budget requirements ensuring Field Offices and Programme Departments will have the required support to carry out their mandate in the most efficient manner.
- Informed decision making and improved monitoring and evaluation leading to lessons learned/information management resulting in more timely and cost effective re-programming.
- Consideration and integration of capacity from support departments.
- Sustainability of organisational capacity through capacity building process.
- A structured approach to exploiting lessons learned and more efficient programming through informed evaluation.
- Enhanced reporting by linking indicators of achievement, objectives and accomplishments to cost and schedule.
- Improved accountability and transparent decision making.

The changes are major and even if resources and skills can be found; very close support will have to be given to the implementation for success to be achieved.

#### Action Plan

| No. | Action  | Requirements  | Start   | Finish  | Budget    |
|-----|---|---|---------|---------|-----------|
| 1.  | <b>Identification of staff for PMC task force</b>               | To be completed by DOS  | Q3 2006 | Q3 2006 |           |
| 2.  | <b>PMC task force meeting each month</b>                        | Participation of PMC task force members<br>Budget for travel costs. | Q3 2006 | Q3 2006 | \$55,080  |
| 3.  | <b>Schedule for PMC task force set</b>                          | DOS and PMC task force members                                      | Q3 2006 | Q3 2006 |           |
| 4.  | <b>Identification of Senior PMC Advisor and PMC Coordinator</b> | DOS   | Q3 2006 | Q3 2006 |           |
| 5.  | <b>Engage a Senior PMC Advisor (12 month contract)</b>          | DOS   | Q3 2006 | Q3 2006 | \$120,000 |
| 6.  | <b>Engage a PMC Coordinator (36 month contract)</b>             | DOS   | Q3 2006 | Q3 2006 | \$216,000 |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|--------------|---|--|--------------|---------------|---------------|
| 7.           | <b>Establish workplan for functions</b>   | DOS and PMC task force members   | Q4 2006      | Q3 2009       |               |
| 8.           | <b>PMC Advisor and Coordinator elaborating and following up on workplans</b>          | DOS, PMC Advisor   | Q4 2006      | Q4 2006       |               |
| 9.           | <b>Establishing terms of reference, recruiting consultants for frameworks</b>         | DOS, PMC Advisor   | Q3 2006      | Q3 2006       | \$250,000     |
| 10.          | <b>Establishing terms of reference for changes to the Financial Management System</b> | DOS, PMC Advisor   | Q3 2006      | Q3 2006       |               |
| 11.          | <b>Establishing frameworks for assessment, monitoring and evaluation</b>              | Consultants  | Q4 2006      | Q4 2006       |               |
| 12.          | <b>Effecting changes to Financial Management System</b>                               | A consultant (to be provided by Ramco) to develop a change/addition to the existing Financial Management System. | Q1 2007      | Q1 2007       | \$174,000     |
| <b>Total</b> |   |  |              |               | \$815,080     |

## Initiative 2-B—Building PMC Capacity in HQ

### Background

Although Programme Departments have been gradually integrating elements of the PMC approach in programme management, the absence of an overall process that, by its logic and products, ensures and documents the impact of UNRWA services on the situation of the refugees gives the impression that UNRWA activities are not integrated and results-driven. In order to address this situation, the Commissioner-General has recently decided to transfer the post of Director of Operational Support to HQ Amman to form the basis for an enhanced DOS.

At present, DOS consists of a Director (D2) and an Assistant Director (P5) supported by a Secretary “A” (G10) and an Administration Assistant (G13) whose time is shared between the Director, the Executive Office, and ERD.

Supported currently only by this skeletal staff structure, DOS is expected to be the custodian of the PMC and of the operational aspects of the OD process and as such is expected to oversee the development of operational policy; coordinate the work of Field Offices and Programme Directors in order to develop a more integrated approach to operations; lead strategic planning and ensure coherence in UNRWA’s programming; strengthen project management; develop the functions of monitoring and evaluation; coordinate emergency preparedness and response; perform functions related to programme advocacy, representation and support for external relations; and serve as the Agency’s focal point for security. In addition to these operational roles, DOS oversees the administration of HQ Amman, and serves *ex officio* in the Agency’s senior management structures. It is clear that without significant additional staffing, it will not be possible to carry out even a minimum of the above functions.

Furthermore, it is important to highlight that Programme Departments located in HQ Amman, have also lacked sufficient support in the past to ensure that planning of programmes are enhanced by the use of defined evidence, up-to-date information regarding evolving methodologies, lessons learned and examples of international good practice. Furthermore, resources have been lacking in order to adequately support the ongoing planning, programme design, monitoring and evaluation of programmes (see Initiative 2-E).

### Rationale

Given that the operational responsibilities of DOS are vital to the fulfillment of the Agency's mandate and that there is a strong need for leadership in the adoption and systematic application of the PMC framework, it is imperative that the DOS office be strengthened. Staff levels and competencies within the DOS must correspond to the strategic and programmatic functions demanded by the OD process and by the stages of the PMC as well as general Agency direction in the delivery of support to refugees.

The “Department of Operations” has been renamed the “Department of Operational Support” (DOS) to make clear that the essence of its existence is to buttress the work of Programmes and Fields.

The strengthening of Programme Departments will be further elaborated in Initiative 2-E.

## **Aims**

Our aims for this initiative are:

- to enhance the capacity of the DOS in its function as a central champion of the PMC;
- to ensure that competencies exist within the Agency to develop, coordinate and support the PMC process from HQ;
- to ensure that Programme Departments and Fields are adequately supported; and
- to provide a focal point which will bring Agency cohesion and synchronisation to the PMC process.

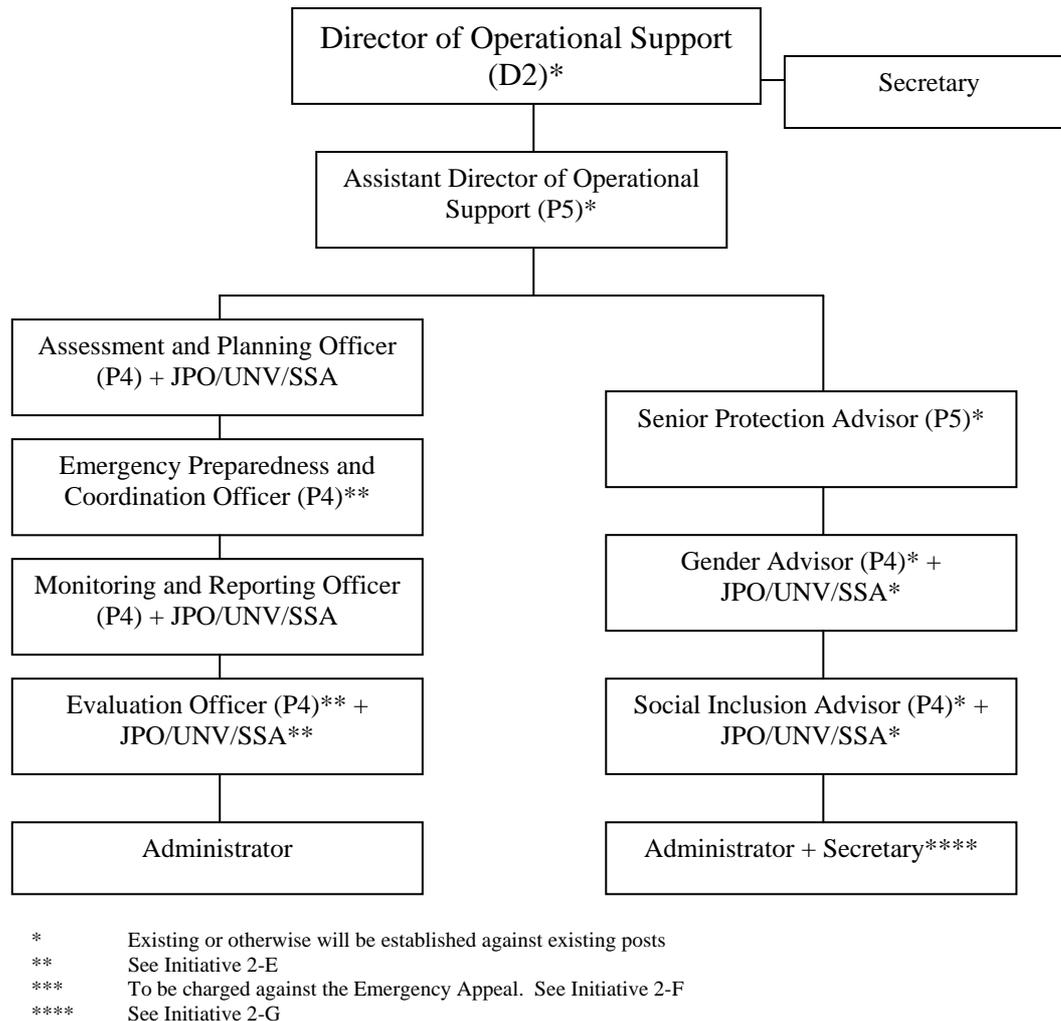
## **Outputs**

To manage and coordinate the formulation of strategic processes and frameworks across the Agency and to ensure cohesion and quality in programme management, the DOS will contain a team whose expertise will be the focal point of the PMC. Additional support to the DOS function will be created through a combination of the redeployment of existing posts and the addition of three international posts. Responsibilities of these posts will comprise assessment and integrated planning, monitoring and reporting, evaluation, gender mainstreaming, protection and social inclusion.

### Staffing (see also Diagram 1)

Additional staff positions in DOS to support the OD process and adoption and integration of the PMC will include (i) an Assessment and Planning Officer (P-4) responsible for supporting quantitative and qualitative assessment, situation analysis, and strategic and programme planning (funded under this Initiative), (ii) a Monitoring and Reporting Officer (P-4) responsible for strengthening monitoring and reporting in respect of both programmes and projects (funded under this Initiative), (iii) an Evaluation Officer (P-4) (see Initiative 2-E), (iv) an Emergency Preparedness and Response Officer (P-4) (to be funded through the Emergency Appeal, see Initiative 2-F), (v) a Gender Advisor (P-4), to develop and implement a gender strategy for the Agency, based on a recently concluded gender consultancy (see Initiative 2-G), and (vi) a Social Inclusion Advisor (P-4) to address the special needs of children, the disabled, etc., (to be charged against existing posts; see Initiative 2-G). The Department will also include the existing donor-funded Senior Protection Policy Advisor, as well as several JPOs and/or UNVs as policy and research associates.

Diagram 1: Proposed staffing structure



Operation strategy, planning and coordination

As the focal point for these functions, the DOS will, in consultation and collaboration with Programme Departments and Fields:

- Lead strategic planning and coordination and collaborate with Programmes and Field Offices to develop the Agency’s evolving Strategic Framework, the revision of the MTP, the development of Field/Country Plans, and in due course the preparation of Agency Strategic Plans.
- Introduce the PMC Agency-wide and, guided by the Strategic Framework, develop its systematic application within and across the Agency’s operations. This will entail *inter alia* developing concepts, guidelines and tools to enable the Field Offices and Programmes to carry out situation and needs analysis, programme planning, implementation monitoring, reporting and evaluation; coordinating training and coaching of staff; working with Field Offices and Programmes to achieve integrated and cohesive programming; in the context of the OD process. This includes co-coordinating a significant capacity building package to achieve substantial and sustainable Agency skills in PMC.

- Strengthen emergency preparedness and contingency planning including through establishing PMC practice in the emergency context; and ensure optimum coordination between DOS, Programmes, the Emergency Task Force and ERD.
- Develop (and, where necessary, amend) operations policy, with special emphasis on policies relating to protection, gender, youth, disability, social inclusion.
- Develop new programming initiatives, related to existing programmes as well as programming of an integrated nature, along the lines of camp development, community-based programming, programming through partnerships with third parties (including NGOs), etc.
- Monitor the harmonious integration of cross-cutting themes into development and implementation of existing programmes.
- Disseminate operations policy throughout the Agency, including through training and coaching programmes.
- Develop operational standards and oversee their incorporation into Agency norms.
- Lead the establishment and development of knowledge management concepts and systems.

### Security and Safety

DOS has responsibility as Agency-wide security and safety focal point. In order to strengthen this function, a post of HQ Field Security Adviser (P-4) was recently established, to be stationed at HQ(Amman). The remit of this new post is to advise the Commissioner-General and DOS, and, through them, Field Office Directors and other colleagues, on security risk assessment, formulation of security plans, incorporating security in programming (effectively incorporating security as another cross-cutting theme), implementation of minimum operational security standards, information and training related to security, office and residential security, and resource mobilization related to security.

### **Benefits**

Through the explicit focus on planning and preparedness, we believe that the strengthening of the central support function of DOS will result in the following benefits in the delivery of services to the refugees:

- ensuring an evidence-based planning process is utilized and supported by strong technical guidance and experience;
- ensuring that UNRWA adopts practices that ensure interventions match the actual needs of refugees;
- reducing inefficiency through a focus on planning rather than remedial action and so delegating remedial action within plans to the level of implementation;
- ensuring an integrated approach to programme planning across the Agency, thus ensuring coherence and avoiding overlaps, and bringing out synergies; and
- ensuring that lessons learned are centralized, thus paving the way for incorporation into future plans.

## Action Plan

| No. | Action  | Requirements   | Start   | Finish       | Budget                                |
|-----|---|--|---------|--------------|---------------------------------------|
| 1.  | <b>Establish terms of reference for Administrator and Secretary</b>   | DOS staff to develop terms of reference                                | Q3 2006 | Q3 2006      |                                       |
| 2.  | <b>Recruit Administrator and Secretary for DOS</b>  | DOS and AHRD   | Q3 2006 | Q3 2006      | \$93,600 (including support costs)    |
| 3.  | <b>Establish terms of reference for Assessment Planning Officer (P-4), Monitoring &amp; Reporting Officer (P-4) and two JPOs/UNVs/SSAs (or combination thereof)</b> | DOS staff to develop terms of reference                                | Q3 2006 | Q3 2006      |                                       |
| 4.  | <b>Recruit Assessment Planning Officer (P-4), Monitoring &amp; Reporting Officer (P-4) and two JPOs/UNVs/SSAs (or combination thereof)</b>                          | DOS and AHRD   | Q4 2006 | Q4 2006      | \$1,089,000 (including support costs) |
| 5.  | <b>Establishing and disseminating frameworks</b>  | DOS professional staff and consultants (engaged under Initiative 2-A). | Q1 2007 | Q3 2009      |                                       |
|     |   |  |         | <b>Total</b> | \$1,182,600                           |

## **Initiative 2-C – Building PMC Capacity in the Fields**

### **Background**

Within the Agency, planning has traditionally been a HQ-driven process, often associated with budgeting. In this manner, the design of programmes has taken place in Programme Departments at HQ level, with input from Field Offices, such design being in fact compiled by the HQ finance function.

One of the results is that there has been a disconnect between the design of programmes at the HQ level and field-level operational planning and budgeting. This problem has been compounded by low capacity in project management.

Senior management in each Field Office consists of the Director of Operations/Affairs (D-1) with overall responsibility for both programmes and support services plus a Deputy Director (P-5), who is nominally responsible for the coordination of support services (though practice of task sharing between DUO and D/DUO varies from Field Office to Field Office, according to personality, experience and interest). All Programme Chiefs, heads of departments and heads of service, as well as Area Officers at present report to the Director of Operations/Affairs, with few or none reporting to the Deputy Director (though practice varies).

Senior management is, in all Field Offices, supported by secretaries. Over and above this secretarial support, the different Field Offices have developed different support functions, with the only standardization being a Projects Unit, staffed by a combination of JPOs and area staff. Other support functions (administration, finance, engineering & construction, and procurement and logistics) are standardized across the Field Offices. Only extremely limited knowledge of, and experience with, programme management according to present internationally-agreed standards for such exists at the Field Office level. There is, accordingly, no specific or Agency-wide equity of capacity within those currently made responsible for programme and project coordination in integrated planning methods or use of PMC.

Senior management is at present supposed only to solve administrative and managerial issues at the Field Office level, with no real responsibility for programming. There is no Field Office level unit with responsibility for ensuring cohesive and integrated planning.

### **Rationale**

To support the Agency in its desire to increase the level and quality of service to refugees, Field Office management should take on a more comprehensive role in the planning process. More specifically, Field Office management should, with the support of strategic and programme frameworks, assume direct responsibility for the project planning process and provide input into cyclical two-year Field/Country Plans.

### **Aims**

- Increased quality of services provided to refugees, through strengthening of Field Office planning capacity, including capacity to assess, deliver, monitor and evaluate Field interventions

- Ability to develop, within the context of Agency and Strategic and Programme Frameworks, relevant and effective Field/Country Plans.

### **Outputs** (See also Diagram 1)

In order to ensure that each Field Office is adequately supported in undertaking all the assessment, planning, monitoring and evaluation work proposed, it is imperative that Field Office management be strengthened and adequately supported, not just by DOS and Programme Departments at HQ, but also through localized staff skills and capacities.

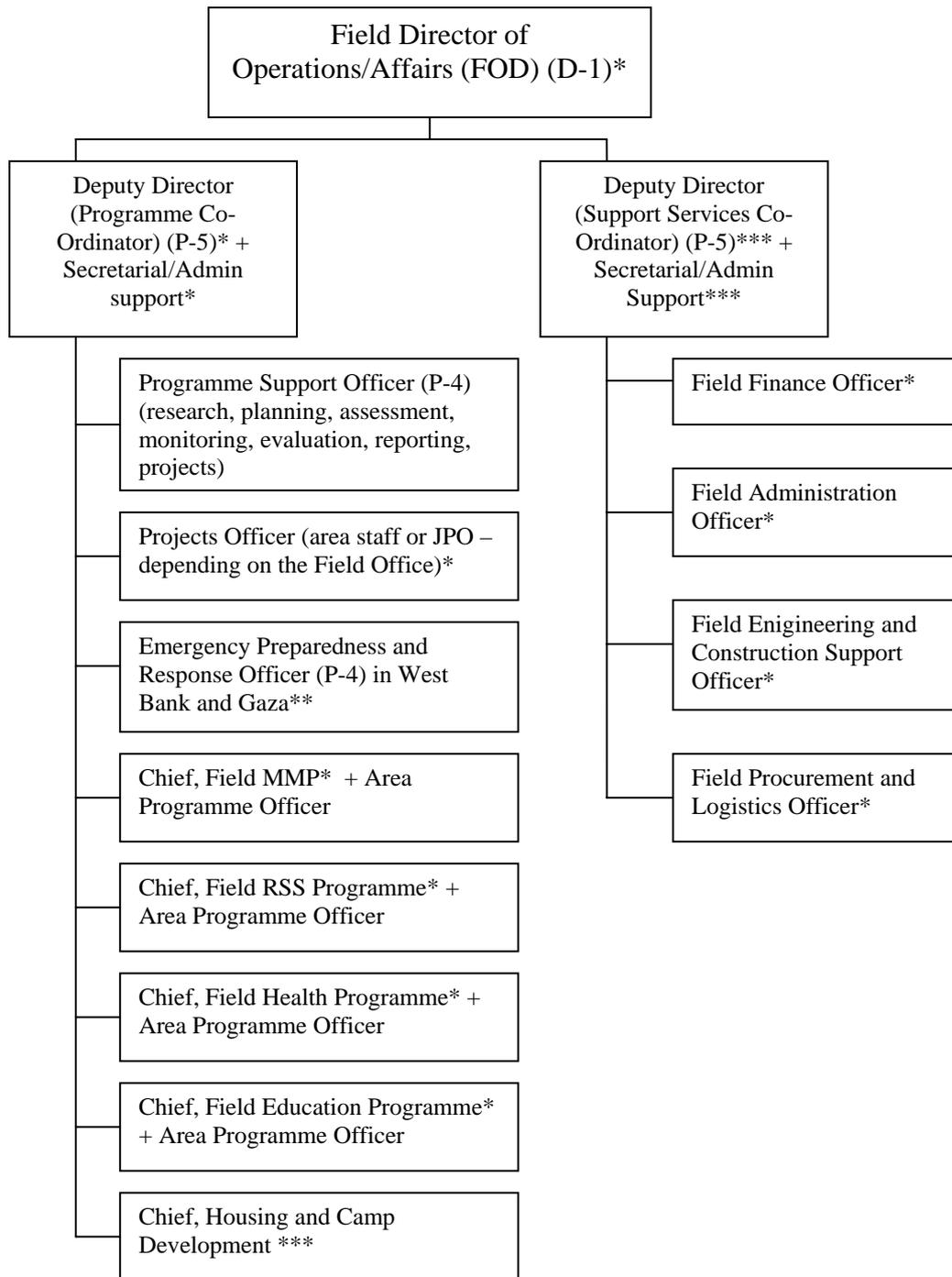
Therefore, to ensure immediate results from the capacity and skill building mentioned in Initiative 2-D, as well as to manage the actual application of PMC in the field, we will establish a Programme Support Unit in each Field Office. This unit will play a role offering support and assistance to the Field Office, especially the Programme Chiefs, in carrying out all the phases of the PMC, with particular attention to project management. Each Field Office unit will be staffed by a Programme Support Officer at P-4 level of experience and knowledge (including considerable experience within the overall concept of PMC as well as the elements inherent therein). The Programme Support Officer will report to the Deputy Director.

In addition, one area staff Programme Officer post for each of the Health, RSS, and Education Departments and for MMP will be established in each field. The Programme Officers will be area staff. The Area Programme Officers will report directly to the Programme Chiefs in each Field, and, as such, will not be under the direct management of the Programme Support Unit. These functions are all budgeted for under this Initiative.

The Programme Directors will also assist and support the Programme Chiefs through the provision of substantive professional leadership including technical direction, defining of technical priorities and setting of standards.

Ideally, a second Deputy Director post would be created in each Field Office to coordinate the support functions at the field level, ensuring that these functions actually support the programmes, ensuring they are adequately resourced as part of programmes. A second Deputy Field Office Director would enable the Agency to structure each Field Office into two pillars, one for programme support and the other for administrative/technical support. This function is not, however, budgeted for as part of the PMC Initiative, since the rationale is one of organizational design.

*Diagram 1: Proposed staffing structure in each Field Office*



\* Existing or otherwise will be established against existing posts  
 \*\* In the Emergency Appeal update May 2006.  
 \*\*\* Not Budgeted for under PMC.

## Benefits

As a result of the above changes, the quality and appropriateness of services delivered to the refugees will improve. In this regard:

- placing the responsibility for identifying needs and implementing activities at the Field Office level will enhance planning by recognizing relevancy of each particular Field Office situation through the development of cohesive and holistic Field/Country Plans;
- accountability will be extended to those who will directly implement activities through the setting of performance targets;
- support services will provide appropriate co-ordination and input to enable proper planning; and
- good planning and monitoring will allow for more efficient delivery of programmes and thus a decrease in the need to solve *ad hoc* problems.

## Action Plan

| No.          | Action   | Requirements   | Start   | Finish  | Budget                                |
|--------------|--|--|---------|---------|---------------------------------------|
| 1.           | <b>Establish terms of reference for Programme Support Officers (P-4)</b> | DOS staff to develop terms of reference  | Q3 2006 | Q3 2006 |                                       |
| 2.           | <b>Establish terms of reference for Area Programme Officers</b>          | DOS staff to develop terms of reference  | Q3 2006 | Q3 2006 |                                       |
| 4.           | <b>Recruit Programme Support Officers (P-4) for each Field Office</b>    | DOS and AHRD Support costs for Programme Support Officers  | Q4 2006 | Q1 2007 | \$2,411,250 (including support costs) |
| 5            | <b>Recruit Area Programme Officers for each Programme in each Field</b>  | DOS and AHRD   | Q4 2006 | Q1 2007 | \$765,400 (including support costs)   |
| 6.           | <b>Establishing systems, training, implementation etc.,</b>              | Programme Support Officers and Area Programme Officers. Budget for travel, training and related costs. | Q1 2007 | Q3 2009 | \$375,000                             |
| <b>Total</b> |  |  |         |         | <b>\$3,551,650</b>                    |

## **Initiative 2-D - Training and coaching for the PMC**

### **Background**

Although there are a range of skills inherent within Agency staff, there is a need to enhance and harmonize these skills and abilities at HQ and at the Field Office level in order to undertake the different aspects of the PMC. For this purpose, it is essential that we invest in building sustainable institutional capacity for developing participatory, evidence-based, and results-orientated plans and services in order to realize support to refugees through the utilization of the PMC.

In order to ensure that good PMC practice is incorporated into ongoing Agency practice it is proposed to instigate a significant Agency-wide capacity building programme. Such training packages will build Agency staff abilities in the application of participatory assessments, integrated planning, monitoring, reporting, evaluation and re-planning.

### **Rationale**

This initiative will make possible the first complete Agency planning process, incorporating the tools of the PMC and the delivery of the first Field/Country Plans and eventually, an Agency Strategic Plan. The process will ensure that the skills for all steps of the PMC are firmly embedded in the institutional capacity of the Agency. This will ensure the sustainability of the OD initiative and the future application of a results-based PMC methodology throughout the Agency.

### **Aims**

The aims of this initiative are to:

- develop the understanding and realization of all aspects of the PMC and how this relates to achieving the strategic goals of the Agency;
- achieve more effective results based programme service and support delivery by the Agency; and
- achieve a sustainable institutional ability to undertake participatory assessments, integrated planning, monitoring and evaluation processes.

### **Outputs**

In order to realize these aims, the Agency will engage consultants to build capacity through a participatory process involving both Field Office and programme staff. The consultancy(ies) will develop three packages of capacity building led by teams placed in HQ and each of the 5 Field Offices who will deliver the PMC capacity building package consecutively in order to ensure harmonization of skills across the Agency. Although there is a need to standardize performance across the five fields, it is also recognized that there already is some capacity established around various elements of the PMC practice and therefore the training packages will need to be flexible.

In order to promote sustainability of learning in the Agency, the methodology to be adopted would incorporate the identification of staff to become trainers of trainers. These trainers

would then be mentored by the consultants during the initial process of training staff at the HQ, Field Office and Area Office levels. This process will also include the training of participants drawn from the refugee community.

The three capacity building packages are outlined as follows:

Package One: will introduce and elaborate on the concept of results-based management through the PMC in order to achieve the objective of sustainable human development as outlined in the Strategic Framework. It will include the importance of, and an introduction to, integrated results-based planning and the inclusion of cross-cutting issues, and in particular protection (the Agency is considering to formally adopt a rights-based approach to programming, with related training integrated into the three training packages, as appropriate). As a foundation to the ensuing capacity building packages, this training will cover the importance of, and the significant impact to be achieved by, staff and the role they will play in the shift of the Agency to a SPARE paradigm. It will, in a practical manner, address how the Agency will focus on human development issues, incorporating service and emergency delivery. It will put into context the significance of the ensuing training that staff will undertake, in order to implement the PMC.

Package Two: will focus on developing institutional capacities to undertake qualitative and quantitative participatory assessments. This will be realized by means of training-of-trainers who will, in turn, train area and Field Office staff in partnership with communities through the tools of practical learning and application. This will result in further data and information collection and analysis to complement the recent IUED survey and other existing Agency data. Integrated into this process will be the introduction to the concept of integrated planning which will be informed by the results of the assessments and analyses.

Package Three: will cover all aspects of integrated planning, monitoring and evaluation: leading to the development of an updated strategic plan replacing the current MTP. This process will also result in the eventual development of Field/Country Plans as mentioned in Initiative 2-A.

**Benefits**

In total, this would allow for the first complete Agency planning process incorporating the tools of the PMC and the delivery of the first Field/Country Plans and input into an Agency Strategic Plan. The process will ensure that the skills for all steps of the PMC would be firmly embedded in the institutional capacity of the Agency assuring the sustainability of the organizational development initiative and the future application of results-based PMC methodology throughout the Agency.

The benefits will thus eventually be the benefits of the overall PMC, as described in Initiative 2-A.

**Action Plan**

| No. | Action  | Requirements | Start   | Finish  | Budget |
|-----|---|--------------|---------|---------|--------|
| 1.  | <b>Establish terms of reference for consultant(s)</b> | DOS staff    | Q3 2006 | Q4 2006 |        |

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b> | <b>Start</b> | <b>Finish</b> | <b>Budget</b>                          |
|------------|---|---------------------|--------------|---------------|--|
| 2.         | <b>Engage consultant(s)</b>   | DOS                 | Q4 2006      | Q4 2006       | \$2,000,000                            |
| 3.         | <b>Package 1: Introductory training PMC, including “training-of-trainers”</b> | Consultants         | Q4 2006      | Q1 2007       | (\$400,000 – included in above figure) |
| 4.         | <b>Package 2: Assessment Capacity Building</b>                                | Consultants         | Q1 2007      | Q2 2007       | (\$867,500 – included in above figure) |
| 5.         | <b>Package 3: Integrated Planning, monitoring and evaluation training</b>     | Consultants         | Q1 2007      | Q4 2007       | (\$732,500 – included in above figure) |
|            |   |                     |              | <b>Total</b>  | \$2,000,000                            |

## **Initiative 2 E — Evaluation**

### **Background**

The Agency must improve its ability to (i) fully realize the undertaking and use of evaluations, (ii) analyze and generate knowledge regarding which policies, programmes and activities work and do not work, and (iii) learn and adapt accordingly.

During recent years, the Policy Analysis Unit has undertaken some work in this area, and a number of Programme Departments and Field Offices have made significant efforts to develop an evaluation capacity. There is, however, no overall, Agency-wide evaluation strategy, supported by the human and other resources necessary to do full justice to the issue. As a result, programme design and intervention planning lacks uniformity and is not rigorously informed by institutional learning.

### **Rationale**

The improved ability across the Agency to conduct evaluations will offer us periodic in-depth analysis of programme performance. Improved monitoring (see Initiative 2-A), will allow the Agency to (i) check, at sequential milestones, actual performance against planned targets, and (ii) take corrective measures throughout the implementation process if required. Evaluations will build on this information but will also go further.

Evaluations will allow us to gain a more in-depth insight and enable us to compare planned outcomes/results with actual achievements and will focus on processes used, the overall relevance and efficiency of those processes and, the effectiveness of impact and sustainability of results achieved. i.e., what was achieved, what was not achieved and what contributed to the results. This information will be used at HQ and Field Office level providing the Agency with strengthened organizational decision making based on lessons learned and offering strategy and policy options to inform ongoing programming.

### **Aims**

The aims of this initiative are to:

- strengthen capacity of the Agency to undertake evaluations;
- strengthen programming based on institutional learning;
- strengthen organisational decision making; and
- strengthen the development and use of institutional information and lessons learned by means of knowledge management.

### **Outputs**

It is proposed that we will build capacity to undertake evaluations across the Agency (see Initiative 2-D for further information on capacity building). Evaluation processes will be utilized at both strategic and field implementation levels.

- A central capacity will be established within DOS to: develop a strategic evaluation framework for the Agency; establish guidelines and tools and steer the capacity

building in evaluation methods across the Agency; coordinate evaluation activities Agency-wide; ensure that evaluation findings feed back into strategic framework, planning, and policy development; and support institutional learning drawn from evaluations and instigate institutional knowledge management. To undertake this essential process, an Evaluation Officer post will be added to DOS. This Evaluation Officer will be supported by one JPO, UNV or holder of a Special Service Agreement.

- Programme Departments will strengthen their evaluation capacity and evaluate the appropriateness, relevance and cost-effectiveness of the approved programme intervention strategies, building on previous work and experience. The Department of Education, for example, has recently introduced a quality assurance framework as an important initial step towards strengthening monitoring and evaluation and firmly establishing quality assurance as an integral function of the ongoing work of the Department. In the same manner, the Relief and Social Service Department has been undertaking specific work on poverty analysis issues. An additional P4 post for each will be added to Health, Education and RSS Programme Departments at UNRWA HQ to assist in this process. The incumbents of these posts will assist Programme Departments in the critical work of ensuring policy development is informed by the undertaking of relevant research which will keep them abreast of new developments, methodologies and concepts within their respective fields, information dissemination and knowledge management, monitoring, evaluation and good policy analysis.
- Field Offices will develop evaluation capacities in order to inform decision making and ongoing programming through evaluation of actual work results, found strengths and weaknesses, learning how challenges have been addressed and how progress has been made in achieving outputs and outcomes. Evaluations will assist them in: determining whether original identified assumptions are still valid; identifying and sharing new emerging ideas; measuring compliance with anticipated actions; and, determining which type of intervention were successful and under what conditions.
- In addition to building the capacity for self-evaluation, and in order to further maintain transparency, enhance accountability and to support the Agency in the undertaking of evaluations, external evaluators will be used on a periodic basis.
- A consultant will be engaged to conduct a comprehensive evaluation at the end of 2008. The results of this evaluation will feed into the programme/planning for the 2010-2011 biennium.
- Otherwise, the cost for evaluations, both internal and external, will be systematically incorporated in programme and project budgets.

The approach to evaluation as outlined here is consistent with emerging UN system-wide principles for evaluating operational activities for development.

### **Benefits**

Building a coherent and continuous system for feeding back lessons learnt into future programming.

## Action Plan

| No.          | Action   | Requirements                             | Start   | Finish  | Budget                                |
|--------------|--|--|---------|---------|---------------------------------------|
| 1.           | <b>Establish terms of reference for Evaluation Officers</b>  | DOS staff                                | Q3 2006 | Q3 2006 |                                       |
| 2.           | <b>Engage Evaluation Officer for DOS</b>   | DOS and AHRD                             | Q1 2007 | Q1 2007 | \$527,100 (including support costs)   |
| 3.           | <b>Engage JPO/UNV/SSA to support the Evaluation Officer for DOS</b>  | DOS and AHRD                             | Q1 2007 | Q1 2007 | \$14,025 (support costs)              |
| 4.           | <b>Engage Evaluation Officers for Health, Education and RSS Programme Departments</b>  | DOS and AHRD<br>Budget for support costs | Q2 2007 | Q2 2007 | \$1,352,850 (including support costs) |
| 5.           | <b>Engage consultant for first comprehensive evaluation to take place at end of 2008 to inform programming, support and process for the period 2010-2011</b> | DOS                                      | Q2 2008 | Q2 2008 | \$300,000                             |
| 6.           | <b>Establish terms of reference for first comprehensive evaluation</b>   | DOS and Consultant                       | Q2 2008 | Q3 2008 |                                       |
| 7.           | <b>First comprehensive evaluation</b>  | Evaluation Officers and Consultant.      | Q4 2008 | Q4 2008 |                                       |
| <b>Total</b> |  |  |         |         | <b>\$2,193,975</b>                    |

## **Initiative 2-F - Emergency management**

### **Background**

Complex and protracted humanitarian crises with roots in intractable political conflict are a constant feature of the Agency's operating environment. Since 1987, Emergency Appeals have been a staple in the Agency's programme cycle (the Agency has launched nine appeals requesting a total of \$923 million). The emergency programme has constituted almost a quarter of the Agency's overall expenditure. Rapid and effective emergency responses are an important aspect of how the Agency discharges its mandate for the protection and care of Palestine refugees. Such responses are high profile endeavors that expose the Agency to scrutiny by donors, stakeholders, and the world at large. An independent review in 2006 faulted the Agency for failure to develop long term programme approaches and for weaknesses in the planning, implementation and review of the Agency's emergency programmes.

### **Rationale**

Organizational development initiatives for emergency programmes should mirror those being applied across the Agency. The PMC is an important framework for improving the way the Agency plans and implements all its programmes. It is within this context that a PMC approach to emergency programmes should flow naturally from the application of PMC to all aspects of service delivery. This initiative should therefore be read as an integral part of the overall PMC initiative.

### **Aims**

Together with the Agency's five portals of service delivery, the Agency's emergency programmes are directed towards achieving, in circumstances of emergency, the Agency's shared vision to ensure for every Palestine refugee the highest possible standards of protection and human development. Organizational development will ensure that we become more strategic in our approach to emergencies and that we strengthen management capacity across the spectrum of activities from early warning and contingency planning through preparedness to response. Palestine refugees who are affected by emergency situations will benefit from the enhanced impact of the Agency's emergency programmes.

The aims of this initiative are:

- to ensure enhancement of the effectiveness of the Agency's emergency work and that management of emergency programmes is in accordance with PMC frameworks, particularly with regard to evidence-based planning, regular monitoring and systematic evaluation that feed back into the planning process;
- to provide support to Field Offices in the planning, implementation and monitoring of emergency interventions through strengthening the strategic and programme management capacity in DOS at Headquarters; and
- to provide the necessary support to the Emergency Task Force (ETF) in order to achieve optimal coordination between Field Offices and maintain a harmonized approach to emergency interventions.

## Outputs

- As with the entire PMC process, the capacity of HQ, Field Offices and area offices and international posts at HQ and in Field Offices to plan, monitor, and evaluate emergency programmes will be strengthened through the establishment of a P-4 post of Emergency Officer.
- A common framework of methods, guidelines, objectives and indicators for planning and implementing emergency preparedness and response programmes. This framework will be shared with, and applied by, all relevant staff and will set out *inter alia*: staff roles and responsibilities; budget parameters and assumptions; and review procedures.
- Emergency and contingency plans (with related budgets) that are drafted in close consultation between Field Offices, Programme Departments, ERD, the Budget Division and DOS.
- A PMC framework (as applied to all the Agency's operations and service delivery activities) that addresses the particular demands of emergency preparedness and response.
- A framework and set of modalities for Agency-wide early warning systems.
- Provision by DOS of strategic oversight and direction, with Field Office Directors supervising the day-to-day management of emergency programmes within the framework of the PMC

## Benefits

- Palestine refugees who are affected by emergency situations will benefit from rapid, effective and a higher quality of service,
- The Agency's capacity to perform the functions of assessment, situational analysis and programme planning and design, monitoring and evaluation for emergency response programming will be strengthened at all levels.
- Strategic guidance, oversight and coordination will be maintained for emergency preparedness and response activities.
- A consistent approach will be achieved in our approach to emergency activities, while providing for special circumstances in each Field Office.
- Increased efficiency and effectiveness in the planning and delivery of emergency interventions.
- Enhanced liaison between the Field Offices, Programmes, DOS, ERD and the Executive Office on day-to-day matters relating to emergency activities.

## Action plan and budget

No unique/specific actions are to be carried out under this initiative. In this regard, all other PMC Initiatives will address emergency management. Otherwise, this initiative is covered by the Emergency Appeal and is not included in the OD budget.

## **Initiative 2-G: Cross-cutting themes**

### **Background:**

Over the years, UNRWA has recognized the many issues which cause particular groups of society to become particularly vulnerable. In response to this, the Agency has developed a number of policies that have sought to address these vulnerabilities. However, the Agency also recognizes that it still has much work to do to ensure that all programmes inherently mainstream and target sectors of the refugee community that are particularly affected by such issues as, for example, gender, disability and abject poverty.

### **Rationale:**

To ensure social inclusion and the development of programmes that address the issues pertaining to groups of particularly vulnerable refugees, the Agency must develop specific policies, tools, outputs and methodologies to ensure that key issues such as gender, protection and social inclusion are an inherent aspect of all programming.

### **Aims:**

The aim of this initiative is to ensure that all programming recognizes and addresses the issues pertaining to protection and social inclusion including protection, disability, gender, youth and other aspects of well-being which cause specific vulnerability.

### **Outputs:**

The Agency will, through the leadership of DOS and Programme Departments, develop Agency policies to address specific concerns and areas of vulnerability. In order to ensure that these issues are recognized and addressed as an inherent part of programme and project design and the development, monitoring and evaluation mechanisms, the Agency will deliver training and develop tools and methods which will support the UNRWA teams in their work to design and deliver UNRWA programmes and services.

The Agency has identified three main areas of concern which are discussed in more detail below. In order to support Programme Departments and Field staff, DOS will recruit a Gender Advisor (P-4 level; most likely to be engaged on an SSA) to develop and implement a gender strategy for UNRWA, based on a recently concluded gender consultancy. The Agency will use existing personnel to fill the role of Social Inclusion Advisor (P-4) to address the special needs of youth, the disabled, etc. Each of these Advisors will be supported by existing JPOs (who will be re-tasked from current posts).

DOS will also include the existing donor-funded Senior Protection Policy Advisor.

### **1. Gender mainstreaming**

Discussions began with the Danish government in 2000 on mainstreaming gender, but were postponed because of the need to respond urgently to the second intifada. In 2004, the Danish government funded a consulting firm to undertake a field study for UNRWA on gender with a view to giving guidance for mainstreaming gender, mainly into programmes. Field work was completed in late 2005. The final synthesis report was issued in April 2006. The Concept

Note, which will give guidance to writing a mainstreaming strategy/policy, is being prepared and will be finalized after a workshop with the consultants that will be held in the summer of 2006.

The aims are to:

- institutionalize a gendered approach to programming, including planning, monitoring, evaluation;
- mobilize the capacities and resources of women and men, girls and boys, and pursue rights and reduce vulnerabilities;
- ensure equal access to services, programs, resources; and
- adopt a gender-based approach to HRM that will promote gender parity in staffing; promote the retention and promotion of women, particularly at/to senior levels; and address sexual harassment among staff, and sexual exploitation and abuse with regard to beneficiaries in a confidential and effective manner (this aim will be achieved as part of Lever 1, Human Resources Management)

The Agency will:

- draft a policy based on the experience of other UN agencies;
- develop a training strategy and hold workshops and training across the Agency's five fields of operations and develop Agency learning;
- develop ways to implement gender mainstreaming and targeting in programmes;
- develop indicators;
- ensure that the Agency is always sufficiently knowledgeable regarding gender issues and learning; and
- develop a mechanism to ensure effective and confidential response to sexual harassment, and sexual exploitation and abuse.

### *Benefits*

- Equal access of men and women to services, activities, programmes and resources
- Women empowered through targeted projects/programming.
- Women empowered within Agency by retention policies that ensure retention and promotion (see Initiative 1-K).
- Gender issues and methods for mainstreaming and targeting understood and used by staff at all levels.

### 2. Protection

As a subsidiary organ of the General Assembly, the Agency is obligated to observe human rights and associated international standards and good practice in its programmes. Moreover, since at least the 1980s, both the General Assembly and the Secretary-General have recognized UNRWA's obligations to seek to protect the safety and security and the legal and human rights of Palestine refugees in its area of operations.

At the Geneva Conference in 2004, UNRWA stakeholders renewed their commitment to support UNRWA's protection efforts and recommended that the Agency systemically incorporate specific actions to protect human and especially child rights into its core programmes. In November 2005, with this renewed donor support, UNRWA hired a Senior Protection Policy Adviser to act as focal point for the development of protection policies and programmes and of systems for monitoring outcomes.

The Agency aims to:

- provide assistance and protection to Palestine refugees, inclusive of advocacy, in the framework of human rights and international humanitarian law and associated evolving international standards until a durable solution based on the rights of refugees is reached;
- create a protection structure in UNRWA that institutionalizes a protective approach according to international standards; and
- create strategic partnerships and other arrangements that enrich programmes, provide additional protection, and extend protection coverage to individuals and vulnerable groups among the refugees not covered by the Agency's programmes.

The Agency will:

- apply international legal frameworks to all policies, policy/other documents, plans and activities as well as administration; develop related advocacy plan (treaty bodies, special procedures etc.);
- develop technical specifications and information requirements with reference to international HR law and evolving international standards and in cooperation with other UN agencies (e.g. UNICEF, UNESCO);
- develop protection assessment and monitoring function to assure human rights outcomes of Agency services;
- develop Agency protection capacity: plan training, facilitated rights-oriented organizational change, and monitoring activities;
- fast-track urgent interventions and address/ refer issues requiring a protection response and develop protection programming initiatives;
- develop strategic partnerships and protection networks; and
- undertake consultative assessments and protection policy development, inclusive of the other cross-cutting areas, to be carried out by DOS in close coordination with Field Offices and programmes and with the participation of refugees, refugee advocates and others.

### *Benefits*

- Ensured human rights perspective on interventions.
- Compliance with international standards.
- Ensured holistic approach.

- Ensured framework for integrated approach enabling, amongst others, a stronger advocacy role for the Agency.

### 3. Social inclusion

There is agreement within the Agency that increased focus should be given to vulnerable groups in the community. These groups include *inter alia*:

- Children and youth;
- persons with disabilities;
- the chronic poor;
- the elderly;
- women-headed households;
- bedouins;
- non-ID holding refugees;
- children with special needs;
- children detainees;
- the mentally ill;
- those persons stuck between the barrier and the Green Line; and
- Palestine refugees in danger of losing their homes, land or livelihoods because of demolition orders, land confiscation (*de facto* or *de jure*) or the barrier.

UNRWA's Strategic Framework, programme strategies and policies and action plans will apply a rights-based approach and will be based on international human rights law and standards that are applicable to each of these groups, as they all fall under UNRWA's mandate.

The Agency's aims are to institutionalize an approach to programming (including planning, monitoring, evaluation) that recognizes and addresses the cause and issues of particularly vulnerable groups;

The Agency will:

- assess and analyse the current situation pertaining to vulnerable groups;
- develop policy and guidelines on how to target and address issues pertaining to vulnerable groups within each programme to be co-ordinated through DOS in cooperation with Programme Departments and Field Offices;
- develop indicators and benchmarks; and
- establish technical guidance and programme specific policies by the Programme Departments at HQ Amman and Field Offices.

#### *Benefits*

- Improved targeting of interventions.

- Social inclusion of vulnerable groups of refugees achieved including equal access and use of to UNRWA's services and assistance.
- Empowerment.

### Action Plan

| No. | Action  | Requirements | Start   | Finish  | Budget                              |
|-----|---|--------------|---------|---------|-------------------------------------|
| 1.  | <p><b>Establish terms of reference for:</b></p> <ul style="list-style-type: none"> <li>• Gender Advisor + JPO</li> <li>• Social inclusion Advisor + JPO</li> </ul> <p>(Note: the terms of reference for the Protection Advisor have already been developed)</p> | DOS staff    | Q3 2006 | Q3 2006 |                                     |
| 2.  | <b>Recruit Gender Advisor (SSA)</b>   | DOS          | Q4 2006 | Q1 2007 | \$235,900 (including support costs) |
| 3.  | <b>Re-task existing JPO to gender mainstreaming issues</b>  | DOS and AHRD | Q4 2006 | Q1 2007 |                                     |
| 4.  | <b>Assign/appoint Social Inclusion Advisor (an existing staff member will be re-assigned at no additional cost)</b>   | DOS and AHRD | Q4 2006 | Q1 2007 |                                     |
| 5.  | <b>Re-task existing JPO to Social Inclusion work</b>  | DOS and AHRD | Q4 2006 | Q1 2007 |                                     |
| 6.  | <b>Engage administrator and secretary</b>   | DOS and AHRD | Q4 2006 | Q1 2007 | \$84,800 (including support costs)  |

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|---|---|--------------|---------------|---------------|
| 7.         | <b>Advisors to start/continue work against work plans (see above)</b> | Gender Advisor, Social Inclusion Advisors, Protection Advisors + JPOs/UNVs/SSA holders.<br>Budget to cover activities, training and travel costs – including costs of youth conference. | Q2 2007      | Q3 2009       | \$142,000     |
|            |   |   |              | <b>Total</b>  | \$462,700     |

## **Initiative 2-H - Information/Knowledge Management**

### **Background**

The need for better knowledge/information management has received considerable recent attention in the United Nations system. As the Agency delivers its operations and support services, the Agency continuously generates and applies vast amounts of information and knowledge. The Agency has done a lot of work at the departmental and inter-departmental levels to use technology to package and store some of this information and knowledge. Examples include the RAMCO system, the PRRP and the (still evolving) registration database. The Agency has in place a functioning ICT system, including intranet, e-mail and internet access, and the Agency has a fair level of internal understanding about how to use these systems. The Agency also bears in mind that one of the objectives of the UNRWA-IUED Project was “to conduct an assessment of UNRWA’s system for the collection, use and management of data; and to facilitate the development of a knowledge management strategy for UNRWA”.

What remains to be developed are: (i) a systematic and coordinated harnessing of our collective intelligence in order to better achieve our strategic objectives; and (ii) the technology, management practices, behavior and values that will centralize the collection, codification, and organization of data and information, and enhance the capacity of Agency staff to create, share and apply knowledge.

### **Rationale**

The rationale of this Initiative is based on two premises. First, efforts to enhance information and knowledge management are best pursued - not as stand-alone initiatives – but as part-and-parcel of other relevant OD Initiatives. Second, the information and knowledge management initiatives should build on existing and ongoing experience within the Agency.

In relation to the PMC process, information and knowledge management is intimately linked to what is foreseen for HQ and the Field Offices in terms of gathering and storing data for assessment, monitoring and evaluation purposes. In addition to existing data and information (including that generated by the recent IUED survey) it is expected that data generated by applying the PMC (including new primary data) needs to be stored and made accessible electronically. This will happen as a result of establishing a central database as well as the tools such as a PMC-related intranet and e-mail discussion groups. As part of the initiative, the Agency will carry out an initial study to map PMC-related (and possibly other) information and knowledge management needs. In addition, the Agency will establish the database and related tools in direct support of the PMC.

### **Aims**

Our aims include the creation and institutionalization of information and knowledge management capabilities in UNRWA including:

- to align information and knowledge management initiatives with Agency strategies and ensure that Agency staff are aware of: (i) the importance of information and knowledge management as tools in their efforts to achieve the Agency’s strategic and

programme objectives; and (ii) the general benefits of, and prerequisites for, effective information and knowledge use;

- to study and map the Agency's information and knowledge management needs and thus to inform management decisions to promote information and knowledge management. This assessment will build on the outcomes of the UNRWA-IUED Survey and other surveys;
- to embed effective information and knowledge management practice across the Agency's operations using the PMC as the central frame of reference;
- to establish an effective and efficient information and knowledge management practice in the Executive Office, HQ and Field Office programmes and support services;
- to provide the ICT equipment and capabilities that are needed as tools for effective information and knowledge use. These capabilities will enhance all dimensions of information and knowledge management (e.g., scanning, capturing, packaging, storing, sharing, applying and innovating);
- to identify and protect the Agency's information assets, as well as managing the different aspects of information (security, accessibility, quality, etc.);
- effective maintenance of organizational memory (information of permanent value to UNRWA), including through the establishment of a Palestine refugee documentation centre within the Agency; and
- to establish an internal mechanism for oversight, monitoring, and discussion of information and knowledge management issues, and for promoting and managing the long-term maintenance of information and knowledge management capabilities at a high level.

As far as the PMC process is concerned, the Agency's aims are to:

- ensure that development of the PMC is supported by appropriate information and knowledge management systems;
- improve efficiency and effectiveness in information and knowledge processing, scanning, capturing, packaging, storing, sharing, applying and innovating; and
- have more enlightened decision-makers and higher quality decisions as a result of ready availability of the information and knowledge.

## **Outputs**

The Agency's most valuable resources include the data, information and specialized knowledge that the Agency generates. The Agency aims to maximize the harvesting and utilization of those resources by strengthening ICT capabilities, technology practices and management practices, and by promoting behaviors and values that enhance the creation and sharing of knowledge. This includes the following:

- ICT capabilities and technology practices (see also Initiatives 4-B (ICT) and 4-D (ERP)). The Agency should acquire and develop such additional ICT capabilities and practices as may be needed to facilitate strategic planning, programme management, and innovation.

- **Management practices:** The PMC will be the organizing framework for the Agency's operations. Accordingly, the way we manage information and knowledge should correspond to the various stages of the programme cycle – assessment, planning, implementation, monitoring and evaluation. Given its oversight and supervisory role, DOS should be adequately resourced to ensure that effective information and knowledge management practices are applied at each stage of the programme cycle. Initiative 2-B (Building PMC Capacity in HQ) sets out the staffing and structure of DOS and indicates that it will be the focal point for knowledge management in operations within the PMC framework. This, however, will not cover the entire spectrum of the Agency's information and knowledge management needs and should therefore be augmented by information and knowledge management focal points in the Executive Office, the various HQ support services and the Field Offices. Promoting innovative ways of creating and sharing knowledge – including by facilitating informal networks - should be a key aspect of our emerging management practice.
- **Promoting optimum behaviours and values.** This aspect of information and knowledge management is closely related to human resource development and therefore to the HRM Initiatives. Knowledge is a human product. The Agency's staff are our most valuable asset because they are sources of knowledge about how the Agency fulfils its mandate. If this knowledge is to be readily shared by all, then all staff must cultivate the mind-sets, attitudes, behaviours and values that enable mutual sharing. A multi-year awareness and training programme is needed to make staff conscious of the benefits of effective information use and to inculcate behaviour patterns that enhance information and knowledge capabilities.

The Agency notes that the general goals and recommendations stemming from the ongoing reform process have yet to be translated into (i) a concise and flexible conceptual framework, (ii) practical policies, and (iii) a concrete action plan. The Agency appreciates that more needs to be done to further clarify and make more tangible the concept and practicalities of the knowledge/information management theory as it applies to the Agency.

### **Benefits**

- Information and knowledge management systems that contribute to the achievement of organizational objectives.
- Improved efficiency and effectiveness in information and knowledge processing, scanning, capturing, packaging, storing, sharing, applying and innovating.
- More enlightened decision makers and higher quality decisions as a result of ready availability of the information and knowledge.
- Staff that are: (i) aware of the importance of information and knowledge management as tools in their efforts to achieve the Agency's strategic and programme objectives; (ii) aware of the general benefits of, and prerequisites for, effective information and knowledge use, and, as a result, (iii) more efficient and effective and feel empowered.
- Information and knowledge management issues are overseen in an effective way.

### Action Plan

| No.          | Action   | Requirements | Start   | Finish  | Budget      |
|--------------|--|--------------|---------|---------|-------------|
| 1.           | <b>Establish terms of reference for consultant to study and develop elements of information/ knowledge management</b>  | DOS          | Q3 2006 | Q3 2006 |             |
| 2.           | <b>Engage consultant and develop and implement (i) data systems for the collection, analysis and storage of data, monitoring, (ii) evaluation systems, and (iii) other knowledge management systems to be accessed by staff in all fields.</b> | DOS          | Q3 2006 | Q3 2006 | \$1,000,000 |
| 3.           | <b>Consultant to complete the study and development as defined by the terms of reference</b>   | Consultant   | Q4 2006 | Q4 2007 |             |
| <b>Total</b> |  |              |         |         | \$1,000,000 |

## **Annex 3**

### **Lever Three – Leadership and Management**

## **Initiative 3-A: Leadership and Management Development**

### **Aims**

The aim of this initiative is to provide staff currently or potentially in a management, supervisory or leadership role with the knowledge, skills and behaviors to enable them to empower and motivate colleagues with whom they work. By doing so, the Agency will (i) be staffed with managers who are committed to, and competent in, their leadership and management roles, (ii) have the capacity to deliver management training, and (iii) have developed learning modules on leadership and management.

### **Actions and Outputs**

The Agency will engage external facilitators to work hand-in-hand with UNRWA staff (including, in particular, middle and senior managers) to define the scope of the initiative and see it through to successful completion.

#### ***Preparation of planning framework***

A planning framework will be developed. The framework will include conceptual frameworks and tools upon which the developmental process for managers will be grounded. It will define the scope and timetable for the initiative; identify the staff who will participate in it; and set out an evaluation process for measuring participants' progress.

#### ***Leadership and management handbook.***

A leadership and management handbook will be developed to serve as an Agency-wide reference text for middle and senior managers. It will set out the Agency's expectations of all its managers in terms of roles, responsibilities, competencies and behaviors, and differentiate the roles and decision making of authority of managers at different levels. It will contain outlines of mandatory and optional courses through which appropriate competencies can be developed.

#### ***Implementation of a training and development programme for middle and senior managers.***

A three-year training and development programme will be developed. The programme will be (i) based on the handbook, (ii) led and coordinated by external facilitators and (iii) integrated with related HRM initiatives (see, for example, Initiatives 1-A (Staffing Strategy), 1-B (Competency Framework and Job Profiles), 1-C (Performance Management) and 1-J (Training and development)). The programme will include a "training-of-trainers" component to ensure that it becomes self-sustaining after the initial three-year period. The programme will result in a clearer and stronger understanding of the role of managers at various levels in the hierarchy, the alignment of authority with responsibility and the degree of delegation and decision making required at the various levels.

## Action Plan

| No. | Action   | Requirements  | Start   | Finish       | Budget    |
|-----|--|---|---------|--------------|-----------|
| 1.  | <b>Engage external facilitators</b>  | Executive Office<br>Personnel<br>PLD  | Q4 2006 | Q4 2007      | \$312,500 |
| 2.  | <b>Preparation of planning framework.</b>  | External facilitators<br>Executive Office<br>Personnel<br>AHRD  | Q4 2006 | Q4 2006      |           |
| 3.  | <b>Preparation of a leadership and management handbook.</b>  | External facilitators<br>Executive Office<br>Personnel<br>AHRD  | Q4 2006 | Q1 2007      |           |
| 4.  | <b>Implementation of a training and development programme for middle and senior managers (including: training and learning modules, training workshops and retreats, and training of internal management trainers)</b> | External facilitators<br>Senior and Middle Management<br>AHRD<br>Budget for travel, training and support costs. | Q1 2007 | Q2 2008      | \$187,500 |
|     |  |   |         | <b>Total</b> | \$500,000 |

## **Initiative 3-B: Dialogue with our staff**

### **Background and Rationale**

Internal communication is much more than providing information; it is about meaningful and timely dialogue. A key outcome of our OD process is to dramatically improve our internal communication with and between our staff, through a change in mindset and a much more proactive and innovative approach. Our culture must change, from one where information is selectively used, sometimes to retain power, to one where information is used to empower and motivate.

Information is the currency of communication, good internal communication is the key to staff motivation and good decisions: we must therefore ensure that all of our staff have the information they need to do their job and - equally important - an opportunity to provide feedback to those making decisions impacting on their job.

In an agency of more than 25,000 staff, dialogue beyond one's immediate colleagues is of course a challenge; we all suffer from information overload and an overwhelming array of tasks, therefore improving our internal communication must keep these two realities foremost in our minds.

We are convinced that the path to success is to put the needs of our individual staff members at the centre of our internal communication strategy, therefore our two simple questions to test our internal communication from now on will be:

- First, what information does the individual staff member need to have and what is the most effective and efficient means of getting that information to him?
- Second, has every individual a reasonable opportunity to influence decision-making before decisions are taken and to provide feedback on their impact?

Having placed the needs of individual staff members at the centre of our internal communication strategy, we will examine the nature of the information that will be communicated and explore the most effective means to enable dialogue on the principal components.

### **Aims**

We aim to create innovative and proactive means and mechanisms for dialogue within and between our staff, where all share a clear understanding of the Agency's focus and challenges and have a reasonable opportunity to provide timely feedback to shape decision making. We aim to have an effective flow of information vertically and horizontally in the Agency and a dialogue with the staff on all key issues, thereby improving relations between management the staff and improving motivation at all levels.

### **Outputs**

A matrix of tools for communication will be developed. It is not sufficient to simply provide the information, it must be communicated. For example, in the case of certain directives on conduct, issuing them in writing and locating them on the Agency intranet will not be enough; managers must proactively and regularly follow-up to raise awareness and ensure that policies

are understood by all. A key function of the Executive Office will be to provide communications and guidance that can be used by managers in their discussions with their staff. This will be crucial in ensuring that a consistent standard of communication is achieved throughout the organization.

Ideas being explored include:

- Ensure that all work units (schools, health centres, area offices, field offices, departments) hold regular team meetings to share information and to discuss issues.
- Facilitate inter-disciplinary dialogue, also across departments and Field Offices, thus allowing our staff to benefit from experiences and best practices elsewhere in the Agency.
- Issue in Arabic all the Agency's key messages and documents (a translation unit will be created under Initiative 1-H).
- Continue our efforts to improve information-sharing within the MC and then ensure that directors share information and ideas discussed in the MC with their staff, thus allowing information to cascade throughout the organization.
- Offer greater internet access to staff, for example, in the Area Offices.
- Through the performance management system, ensure that there are frequent discussions on performance between the supervisor and each of his/her staff members (see Initiative 1-C).
- Enhance our induction programmes for newly-arrived international and area staff.

#### Action Plan

| No. | Action                         | Requirements | Start   | Finish       | Budget                                |
|-----|--------------------------------|--------------|---------|--------------|---------------------------------------|
| 1.  | Two support area staff         |              | Q4 2006 | Q3 2008      | \$63,600<br>(including support costs) |
| 2.  | Computer hardware and software |              | Q4 2006 | Q2 2007      | \$150,000                             |
| 3.  | Training                       |              | Q4 2006 | Q1 2008      | \$90,000                              |
|     |                                |              |         | <b>Total</b> | <b>\$303,600</b>                      |

## **Initiative 3-C: Management Committees**

### **Background and Rationale**

Under the SPARE paradigm, the Management Committee (MC) assumes a critical role in building cohesion within the Agency and ensuring that the respective roles of the directors are in fact complementary and integrated. In 2005, the MC was strengthened and now meets fortnightly by video-conference and quarterly in person for a more strategic discussion lasting two days. These meetings are supplemented by ad-hoc retreats. Efforts to strengthen the MC will be continued during 2006.

In the DFID report, a number of criticisms were made about the number and roles of our management committees. Since then we have made some changes but, during the course of the discussions on organizational design in Part Two, we concluded that management committees are important to the Agency and that they will continue.

It is, of course, equally important that the committees focus on their institutional roles and that they do not take on those decision-making roles which are the prerogative of the appropriate manager.

### **Aims**

The aim of this initiative is to streamline the system of committees dealing with different aspects of the Agency's management, in order to support more effectively the work of the Commissioner-General and of the Management Committee by clarifying/changing the purpose, roles, composition and frequency of meetings of the various committees and, if necessary, closing them down.

### **Actions and Outputs**

During the coming months, we will review the following committees: Human Resources Committee, Programme and Budget Committee, Information Systems Policy Advisory Committee, Internal Oversight Committee, Investment Review Committee, Emergency Task Force, Palestine Refugees Registration Project Steering Committee, Food Aid Committee and others.

We will apply the SPARE principles and clarify their purpose and roles; the participation; the chair; the frequency of meetings; a sunset clause if needed.

In carrying out this exercise, we will consider current and future need for these committees; and where necessary reconstitute or close them down. We will ensure that all committees have a clear charter and that all committees have similar tools, for example, agenda and minute formats.

The costs of this Initiative are covered under Initiative 3-E (OD Engine).

**Action Plan**

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>              | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|---|----------------------------------|--------------|---------------|---------------|
| 1.         | <b>Review (and affirm, amend or change, as necessary) purpose, role, composition etc., of management committees</b> | Consultancy (see Initiative 3-E) | Q3 2006      | Q3 2007       |               |
|            |   |                                  |              | <b>Total</b>  | \$0           |

## Initiative 3-D Accountability & Oversight

### Background

As noted in Part Two of this document, one of the key organizational building blocks in a SPARE paradigm is a “culture of accountability”. “Accountability” requires (i) the rendering of accounts by reporting on the use of resources and on the achievement of results, and (ii) being held accountable for the management of resources, the achievement of results, the use of delegated authority and compliance with policy. As noted in Part Two:

*without accountability, there cannot be effective empowerment; and without effective empowerment, there cannot be the trust that is the bedrock of the SPARE paradigm.*

*... without robust accountability, the SPARE paradigm cannot work—indeed, it can represent a high risk. Promoting a culture of accountability will require significant changes in the roles of managers in HQ and the Field Offices, clear definitions of decision-making authority and a determination to hold managers and staff accountable.*

In many ways, therefore, accountability is everywhere in the OD process and underpins many of the other initiatives.

### Rationale and Aims

#### **Accountability**

Once most of the other building blocks of the SPARE paradigm have been put into place, the Agency must bring together an accountability framework. The framework will define responsibility, delegated authority, accountability of the managers and senior staff for all major steps in the operational, managerial and administrative processes. Such frameworks often appear in the form of a matrix that defines key steps in the process in a vertical line and, in the horizontal line, responsibility, delegated authority, accountabilities, mechanisms and linkages. There are other ways of designing the accountability framework and the exact format will be developed in the course of completing this initiative.

The Agency will need the assistance of an external expert consult to:

- consult with the appropriate managers;
- develop options for the approach, methodology and format;
- review documents, interview managers and staff, organize focus groups;
- prepare drafts and facilitate consensus; and
- finalize the document.

The accountability framework will, however, be only a tool. The primary aim of this Initiative is to introduce a culture of accountability. This will be done through many of the other initiatives, especially those relating to leadership, management and performance management.

In this latter regard, the Agency will, under Initiative 1-C (Performance Management), strengthen accountability by overhauling its performance management system and making a major effort to deal with situations of chronic under-performance (to be led by the management committee). The challenge facing the Agency is to make the performance management system actually work. This will be achieved partly by ensuring that the system is put into implementation correctly but, more important, is the demonstration of management determination to ensure effective performance at all levels of the organization and above all, to deal with cases of significant under-performance. This theme will be a major part of the leadership and management development programmes. There will be many other aspects of accountability that will be developed within the other initiatives. For example, as further responsibility for HRM is devolved to line managers, this will be accompanied by clearer policies, tools and guidelines to help line managers.

### **Oversight**

At the same time, HQ will devote much more of its time and energy to oversight, thus holding managers accountable.

During the past few years, we have strengthened the Audit and Inspection Department. We are currently expanding the Audit and Investigation Committee into an Internal Oversight Committee with enhanced responsibilities and external membership. Under the Programme Management Cycle, we are introducing an important monitoring and evaluation function, and will be improving evaluation by each of the Programme Departments. In addition, as part of the SPARE paradigm, we will strengthen the capacity of the organizational support departments to monitor and oversee implementation by managers.

We will also increase our capacity to carry out investigations by building partnerships through outsourcing.

### **Outputs**

Accountability frameworks will be developed and approved for all managers and staff categories.

More and better investigations will be carried out by a strengthened Audit and Inspection Department.

Appropriate investigations carried out by external consultants.

An enhanced Internal Oversight Committee with external membership.

Improved evaluations by Programme Departments (see also Lever 2 concerning the Programme Management Cycle).

Strengthened capacity of the organizational support departments to monitor and oversee implementation by managers.

**Action Plan**

| <b>No.</b> | <b>Action</b>  | <b>Requirements</b>                  | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|--|--------------------------------------|--------------|---------------|---------------|
| 1.         | <b>Engage consultant for assistance in preparing accountability frameworks</b> | Executive Office                     | Q4 2006      | Q4 2007       | \$375,000     |
| 2.         | <b>Investigations</b>  | Budget for conducting investigations | Q4 2006      | Q3 2009       | \$180,000     |
|            |  |                                      |              | <b>Total</b>  | \$555,000     |

## Initiative 3-E: OD Engine

### Background, Rationale and Aim

The overall aim of the OD process is to strengthen the Agency's capacity to serve Palestine refugees effectively and efficiently – an aim that will be achieved through the implementation of the numerous initiatives set out in this document. The ambitious size of this undertaking requires a dedicated engine of staff, managers and external specialists to ensure interest and commitment does not wane and necessary adjustments are made during implementation to ensure the process is able to cope with obstacles and blockages.

The momentum of the changes that have already begun must continue.

### Actions and Outputs

#### *OD manager and consultancy team*

An OD manager will be engaged to assist the Deputy Commissioner-General in the implementation of the OD strategy and work plan. This person will be based in the Executive Office for 18-24 months. His/her responsibilities will include:

- Facilitation and coordination of the whole process.
- Development and maintenance of the implementation plans.
- Organization of the various activities and events that are not “owned” by a specific department.
- Identification of linkages, good practice and common problems and sharing them across the different Initiatives.
- Drafting of key reports and documents.

A specialist OD consultancy team will be engaged to accompany this process. This team will accompany the Agency in the OD process by:

- providing change management and OD advice as required;
- identifying and analysing any blockages or obstacles in implementation;
- assessing the evolution of the organizational culture and how that helps or hinders the process;
- facilitating important meetings and workshops;
- anticipating problems and resistance and alerting the Deputy Commissioner-General;
- providing coaching for members of the MC in leadership and OD;
- reviewing the development of OD initiatives and assessing them in terms of their alignment and consistency with the OD strategy; and
- identifying gaps and designing new OD activities.

## **MC**

The MC will play a vital leadership role in the OD process. A retreat of the MC will be held in late 2006 to review the strategic framework, to build leadership skills and to plan how the MC will lead and support the OD process.

OD has already become a standing item on the MC agenda.

## **OD Teams**

The experience of the OD Team (ODT) that has been advising the DCG and the Field ODT in the Jordan Field Office, will be reviewed. We will then decide whether we should continue to have the ODT for the Agency and ODTs for each Field Office and, if so, how they would work and who should be members.

## **OD implementation plan**

A detailed implementation plan for the OD Initiatives will be developed. This plan will be continuously updated throughout the process.

## **SPARE principles**

A detailed definition of the overall SPARE principles in terms of organizational design, focusing on the delegation of decision-making authority. This will become a working tool to help all four levers. It will be formalized in the accountability frameworks mentioned above.

Towards the end of the process, it will be necessary to review all rules and regulations using the SPARE lens and the work done in the other levers.

## **Action Plan**

| <b>No.</b> | <b>Action</b>  | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|--|--|--------------|---------------|---------------|
| 1.         | <b>Dedicated OD programme manager for 36 months</b>  | Executive Office to draft Terms of Reference   | Q4 2006      | Q3 2009       | \$288,000     |
| 2.         | <b>OD consultancy team to accompany the process for 36 months</b>  | Executive Office to draft Terms of Reference   | Q4 2006      | Q3 2009       | \$360,000     |
| 3.         | <b>Functioning ODTs (the need for, and composition of these teams will be determined in Q4 2006) and the development of the OC implementation plan</b> | OD Programme Manager<br>OD consultancy team<br>DCG<br>Budget for travel, training, workshop and support costs. | Q4 2006      | Q3 2009       | \$92,000      |

| <b>No.</b> | <b>Action</b>  | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|--|---|--------------|---------------|---------------|
| 4.         | <b>Definition of the overall SPARE principles in terms of organizational design, focusing on the delegation of decision-making authority</b> | OD Programme<br>Manager<br>OD consultancy team<br>DCG<br>ODTs<br>MC | Q4 2006      | Q1 2007       |               |
| 5.         | <b>Review of all rules and regulations using the SPARE lens and the work done in the other levers</b>  | OD Programme<br>Manager<br>OD consultancy team<br>DCG<br>ODTs       | Q3 2008      | Q4 2008       |               |
|            |  |   |              | <b>Total</b>  | \$740,000     |

## **Initiative 3-F: Executive Office**

### **Background**

At the time UNRWA HQ moved from Vienna to Gaza in 1993, it was widely assumed that a solution to the Palestine refugee problem was in sight. The move was seen as an opportunity to streamline the Agency's administration and to reduce staffing levels as part of the preparation for a possible winding down of operations. The Commissioner-General's Office, among others, was drastically scaled down to levels that have remained unchanged since 1993. Currently, the only support staff in the Commissioner-General's Office are three G6 personal assistants, two secretaries, a Director of the Executive Office, and his Assistant. The Agency's chief executives have functioned with very little support in a context that places huge pressure on the executive function. Certain features of UNRWA's operational environment underscore the need for the executive function to be strengthened. These include the constantly increasing needs of refugees; high expectations from donors and host countries; mounting demands from the local and international media; intrinsically complex environment with its mix of security concerns, political instability, armed conflict, perennial humanitarian crises; the need to maintain three Headquarters locations; and the challenge of reforming a 56 year old Agency with 26,000 staff in order to make it more agile, responsive and efficient. It is rather obvious that such an environment warrants more support staff in the Commissioner-General's Office than is currently available.

### **Rationale**

The rationale of this initiative is to provide the Commissioner-General and her Deputy with the minimum level of dedicated support needed to enhance efficiency within the executive function. With the additional support, the Commissioner-General and the Deputy Commissioner-General will benefit from a broader range of substantive services and stress levels in the Executive office will be relieved.

### **Aims**

The aim of this Initiative is to enable the Commissioner-General and the Deputy Commissioner-General to respond more rapidly to management demands, and allow them to focus more exclusively on providing leadership and guidance to the Agency; furnish policy and strategic direction; take political and high-level decisions promptly and provide support to the Agency's directors.

### **Outputs**

Under this initiative, the Front Office will receive support in two areas: support to the Commissioner-General and the Deputy Commissioner-General and the appointment of a Spokesperson.

#### ***Support to the CG and DCG***

Two Special Assistant posts will be created to support the Commissioner-General and the Deputy Commissioner-General in their day-to-day work. The responsibilities of the Special Assistants will be to ensure optimal preparation for – and follow-up from - the Commissioner-General's and the Deputy Commissioner-General's contacts with internal and external

interlocutors. This will entail research and analytical writing; drafting of presentations, talking points, speeches and notes for the record; serving as secretariat for selected internal meetings; follow-up on decisions and actions required from Directors; and ensuring a consistent flow of information to and from the Executive Office. Under current staffing levels these crucial support tasks are either performed by the Commissioner-General, the Deputy Commissioner-General, the Director of the Executive Office or the Assistant to the Director of the Executive Office, in addition to their already heavy workload themselves – or not at all. The Special Assistants will thus fulfill important responsibilities that current staffing levels do not cover.

**Spokesperson**

With the recruitment of a Spokesperson, the Executive Office will benefit from dedicated professional expertise in the media relations function. UNRWA’s environment has grown increasingly more complex in recent years. This complexity rests on a number of intricately intersecting dynamics that constantly impinge upon the Agency’s operations, such as the link between humanitarian interventions and political imperatives in UNRWA’s area of operation. This poses a perennial challenge to the Agency’s ability to distance itself from the political arena, and compels the inclusion of political insights within the Agency’s strategic thinking processes. There is a further relationship between the growing power of print and visual media and the ability of these to influence international public opinion, to shape political outcomes in the world’s major democracies, and to affect support for UNRWA. A critical aspect of UNRWA’s transformation into a modern and agile humanitarian entity will be its ability to better understand these relationships and to exploit in a positive way the opportunities that they present.

The Spokesperson will provide advice and support to the Executive Office on matters relating to communications and media relations, if necessary and whenever appropriate making public statements on behalf of the Commissioner-General. The incumbent will be tasked with developing a comprehensive and proactive media and communications strategy aligned with the Agency’s strategic direction. The media strategy would ensure that UNRWA’s use of and relationship with the media would contribute to enhancing the Agency’s image and support for its mandate. As the principal adviser on media and communication issues, the Spokesperson would lead and support the Executive Office in its media contacts, as well as in the training and capacity-building on media issues.

**Action Plan**

| No. | Action   | Requirements  | Start   | Finish  | Budget |
|-----|--|---|---------|---------|--------|
| 1.  | <b>Draft terms of reference for two Special Assistants</b> | Commissioner-General<br>Deputy Commissioner-General<br>AHRD | Q4 2006 | Q4 2006 |        |
| 2.  | <b>Draft terms of reference for the Spokesperson</b>       | Commissioner-General<br>Deputy Commissioner-General<br>AHRD | Q4 2006 | Q4 2006 |        |

| No. | Action  | Requirements  | Start   | Finish       | Budget                                   |
|-----|---|---|---------|--------------|--|
| 3.  | <b>Recruit Special Assistants to the Commissioner-General and Deputy Commissioner-General</b> | Commissioner-General<br>Deputy Commissioner-General<br>AHRD | Q4 2006 | Q4 2006      | \$1,157,400<br>(including support costs) |
| 4.  | <b>Recruit a Spokesperson</b>   | Commissioner-General<br>Deputy Commissioner-General<br>AHRD | Q4 2006 | Q4 2006      | \$821,412<br>(including support costs)   |
|     |   |   |         | <b>Total</b> | \$1,978,812                              |

## **Initiative 3-G: Resource Mobilization**

### **Background**

The vast majority of UNRWA's Regular Budget and all of its Projects and Emergency Budgets are dependent on voluntary contributions. These contributions are made on an annual basis from governmental sources either from "political" (i.e. foreign ministry funding) or "developmental" (i.e. humanitarian/ development) sources.

Over the past decade, the funding environment in which the Agency operates has changed markedly. Competition for limited resources has increased at a number of levels:

1. locally, through the increase in the number of UN agencies active within UNRWA's area of operations;
2. regionally, through increased funding to other countries outside the area of operations such as Iraq; and
3. globally, through increased humanitarian funding for large scale emergencies such as the south Asian Tsunami.

At the same time, donor needs have changed. Aid funding policies have become increasingly sophisticated and a growing influence of a culture of auditing prevalent elsewhere in public sector policies in the West can be clearly seen. Worryingly, such challenges to Agency practice have been accompanied by an increasing level of donor fatigue with funding ever-growing needs on the part of the Palestine refugee community against a backdrop of an apparently intractable political situation - unleavened in recent years by any sustained progress in the peace process.

### **Rationale**

UNRWA's approach to resource mobilization has likewise developed during the period albeit to an insufficient degree. The Agency's policy of engagement with donors has moved in the direction of a more participatory model, notably through the Geneva Conference in 2004 and its follow-up. Although this policy has not always been consistently applied, it has produced results in terms of a warmer climate of donor relations, if not as yet in an increased level of financial contributions.

Likewise, in recent years additional resources have been provided to the External Relations Department, although it remains small relative to resources deployed by other agencies with comparable budgets and funding structures. Although the team benefits from a good understanding of the donor market and represents a key asset in the process of resource mobilization, its actions are not guided by a clearly articulated strategy and market analysis. Given the volatile political situation, and complex funding environment, this requires immediate address if the Agency is to be sustained at current level of requirements into the medium term.

Additional resources have fueled efforts to broaden the donor base in recent years through the development of nascent approaches to NGOs, foundations, the private sector, high value individuals and the establishment of "country associations" in Spain and the USA. Likewise, the Agency has long recognized that insufficient attention has hitherto been paid to funding opportunities in countries of the region (both governmental and non-governmental) and,

although there have been some notable successes in this regard, there is a general understanding that this is an under-performing segment of the Agency’s potential “market”.

### Aims

The aims of this Initiative are to ensure that resource mobilization initiatives meet the Agency’s needs into the medium term and to address the Agency’s under-performance in terms of fundraising within the region.

### Outputs

A regional fundraising executive (D1) will be employed to ensure the Agency is appropriately represented in Gulf countries and is able to attract significant contributions from government and non-governmental sources in the region. The Regional Fundraising Executive will report to the Director, External Relations. The post will initially be based in Amman with frequent travels through the region.

### Action Plan

| No. | Action  | Requirements   | Start   | Finish       | Budget  |
|-----|---|--|---------|--------------|---|
| 1.  | <b>Draft terms of reference for Regional Fundraising Executive (D1)</b> | Director External Relations<br>Executive Office<br>Director, Liaison Office New York | Q3 2006 | Q3 2006      |   |
| 2.  | <b>Employ Regional Fundraising Executive (D1)</b>                       | Director External Relations<br>AHRD  | Q4 2006 | Q4 2006      | \$941,400<br>(including support and travel costs) |
| 3.  | <b>Employ Assistant to Regional Fundraising Executive (Gr 10)</b>       | Department of External Relations<br>Regional Fundraising Executive<br>AHRD           | Q4 2006 | Q4 2006      | \$48,900<br>(including support costs)             |
| 4.  | <b>Workplan drafted, finalized and implemented</b>                      | Regional Fundraising Executive<br>Department of External Relations                   | Q4 2006 | Q4 2007      |   |
|     |   |  |         | <b>Total</b> | \$990,300   |

## **Initiative 3-H: Inter-Governmental Fora**

### **Background**

The Advisory Commission was created by United Nations General Assembly Resolution 302 (IV) in December 1949 with a mandate to advise and assist the Commissioner-General. For several years, the Advisory Commission had not fully exercised its mandate.

At the June 2004 Geneva Conference, stakeholders expressed their collective desire for a more active Advisory Commission. Under the leadership of the Commissioner-General, and with encouragement from stakeholders, the Advisory Commission has been revitalized and expanded to include 24 members/observers.

### **Rationale**

The revitalized Advisory Commission (and the expanded format of the Hosts and Donors meeting) places a significant additional qualitative and quantitative burden upon UNRWA. As a result, it was decided to establish a dedicated Advisory Commission Secretariat within the Department of External Relations. While a temporary arrangement has been made to kick-start the process, it is necessary to secure additional resources to ensure these temporary arrangements remain sustainable in the longer term.

### **Aims**

The aims of this initiative are to (i) build a revitalized Advisory Commission that reflects on substantive issues and provides constructive advice and assistance to the Commissioner-General, (ii) establish a well-functioning Secretariat to fulfill the duties incumbent upon it, and (iii) ensure the Advisory Commission serves as an instrument for a strengthened relationship between UNRWA, Donors and Host Countries. More specifically, the aim of this Initiative is to achieve the following outcomes:

1. The Advisory Commission provides consensus-based advice and assistance to the Commission General during sessions. This advice and assistance is given consideration by the Agency, which may report thereon in subsequent sessions.
2. Meetings of the Advisory Commission will seek to produce tangible outcomes.
3. The Advisory Commission creates an environment for greater dialogue and cooperation amongst Host and Donor Countries.
4. The Advisory Commission provides opportunity for members and observers to exercise their mandated function.
5. The activities and objectives of the Advisory Commission are communicated and fully understood within the Agency.
6. Members and observers have a common understanding of the objectives and processes of the Advisory Commission.
7. Issues relating to UNRWA are better understood amongst members and observers as well as in their respective capitals. In particular, the Advisory Commission becomes an

instrument for informing members and observers on the complex political, legal and humanitarian context in which the Agency operates.

8. The Advisory Commission provides a vehicle for advocacy of UNRWA on financial, political and humanitarian issues.

## **Outputs**

### ***Bureau***

The Bureau serves as the link between the Advisory Commission and UNRWA to promote dialogue and common understanding of issues facing the Commission. The Bureau will be assisted by the Secretariat (below) to, *inter alia*, prepare regular and annual sessions of the Commission. In addition, the Bureau coordinates the implementation of the Commission's annual Work Plan and facilitates transparent decision-making.

### ***Secretariat***

A Secretariat will be established in the Department of External Relations. The Secretariat will be staffed by a P5 (to be provided through internal transfer at zero cost) and one additional P3 post. The Secretariat will:

- prepare, in close coordination with the Bureau, an annual workplan, provisional agenda and summary note,
- build consensus in advance of meeting sessions on items including: the agenda, workplan and issues for the Advisory Commission's consideration,
- support the Bureau's efforts in facilitating transparent decision-making and build consensus among members and observers on substantive issues before the Advisory Commission ,
- seek guidance from the Commissioner-General on substantive issues before the Advisory Commission,
- assist the Bureau in the preparing, organizing, and ensuring the smooth conduct of, the Advisory Commission's meetings,
- make the logistical arrangements for meetings and circulate in advance of sessions the names of participants and notify members of the agenda, date and location in advance of Session,
- ensure that relevant documents are appropriately translated (formal documentation will be translated into Arabic and French),
- provide background documentation in advance of meetings and in a timely fashion. The actual production of documentation is the responsibility of the relevant Department (relevant Agency officials may be requested to provide presentations to the Advisory Commission). However, the responsibility to ensure the documentation is provided in a timely fashion is the joint responsibility of the Secretariat, the Bureau and the relevant Department,

- where necessary, provide feedback on documentation,
- facilitate précis writing,
- prepare reports on the meetings,
- promote dialogue and common understanding of issues facing the Advisory Commission,
- support the sub-committee(s) of the Advisory Commission in a manner similar to its support for the Bureau,
- circulate, on a case-by-case basis, other material of interest to members and observers of the Advisory Commission.

### **Regular and annual meetings**

The Secretariat’s deliverables will be determined by the Advisory Commission’s calendar.<sup>35</sup> A proposal for an annual calendar for the Advisory Commission is set out below.

|   |   |
|---|---|
| February<br>(2 days - normally the third week in February)<br>Amman           | <b>Regular Session of the Advisory Commission</b> <ul style="list-style-type: none"> <li>• Agenda Items adopted in Annual Workplan</li> <li>• Potentially: extraordinary item(s) and report(s) from Standing Committee(s)</li> </ul>  |
| June<br>(2 days - normally the first week in June)<br>Amman <sup>36</sup>     | <b>Biennial Session of the Advisory Commission</b> <ul style="list-style-type: none"> <li>• Agenda items adopted in Annual Workplan</li> <li>• Standing Item: Biennium Budget</li> <li>• Potentially: extraordinary item(s) and report(s) from Standing Committee(s)</li> </ul>   |
| 1 July  | Incoming Chairperson  |
| September<br>(2 days formal - normally the fourth week in September)<br>Amman | <b>Regular Session of the Advisory Commission</b> <ul style="list-style-type: none"> <li>• Agenda items adopted in Annual Workplan</li> <li>• Standing Items: (i) Annual Report (ii) Letter from the Chairperson of the Advisory Commission of UNRWA to the Commissioner-General.</li> <li>• Potentially: extraordinary item(s) and report(s) from Standing Committee(s)</li> </ul> |
| Beginning of November   | <ul style="list-style-type: none"> <li>• UNGA SPDC debate on UNRWA</li> </ul>   |
| November  | <b>Host and Donor Meeting</b> <ul style="list-style-type: none"> <li>• A brief will be provided at the Hosts and Donors Meeting on the outcome of the Advisory Commission’s proceedings.</li> </ul>   |
| November (1 day immediately following the Hosts and Donors Meeting)           | <b>Regular Session of the Advisory Commission</b> <ul style="list-style-type: none"> <li>• Standing Items: (i) review outcomes from Hosts and Donor Meeting (ii) the Commission shall adopt an Annual Work Plan and Calendar of Meetings for the following year.</li> <li>• Potentially: extraordinary item(s) and report(s) from Standing Committee(s)</li> </ul>                  |

<sup>35</sup> The Rules of Procedure states that “at the final Regular Session of each calendar year, the Commission shall adopt an annual Work Plan and Calendar of Meetings for the following year, in coordination with the Commissioner General. The Calendar shall be synchronized with the annual and biennial work cycles of UNRWA, the UN’s consolidated annual calendar of meetings, and statutory reporting requirements of the Agency.”

<sup>36</sup> The June Regular Session of the Advisory Commission will take place every-other year.

### Action Plan

| No. | Action  | Requirements                          | Start   | Finish       | Budget                                 |
|-----|---|---------------------------------------|---------|--------------|--|
| 1.  | <b>Draft terms of reference for Secretariat assistant (P3)</b>                | External Relations Department<br>AHRD | Q4 2006 | Q4 2006      |  |
| 2.  | <b>Recruit staff member to assist the Secretariat (P3)</b>                    | External Relations Department<br>AHRD | Q4 2006 | Q4 2006      | \$453,000<br>(including support costs) |
| 4.  | <b>Securing venues, translation and interpretation services, précis teams</b> | Budget                                | Q4 2006 | Q3 2009      | \$480,000                              |
|     |   |                                       |         | <b>Total</b> | \$933,000                              |

## **Annex 4**

### **Lever Four – Organizational Process and Systems**

## **Initiative 4-A: Quick Wins**

### **4-A-1: Budget Adjustment Process**

#### **Background**

UNRWA currently uses a financial management system supplied by Ramco Corporation. This system incorporates a budget module used for management of the Agency's budget. One of the most time consuming and labour intensive areas in budget management is the daily requirement to move budget allotments between budget line items in order to reflect changing requirements in each field and provide the budget allotments required for vendor payments. The current system is unable to distinguish between levels of authority and therefore all adjustments, no matter how small, must be approved by the Field Finance Officer, Field Office Director, Budget Staff and Chief Budget Division. This rigid system increases the workload of staff without a like return in management efficiency and effectiveness

#### **Rationale**

A system in which "management-by-exception" is employed would greatly enhance the management efficiency and effectiveness of UNRWA. The ability to focus management on important items of budget adjustment rather than all items would more effectively utilize the time of all managers and staff concerned.

#### **Aims**

UNRWA proposes to study the financial process involved to include the authority levels, types of transactions and amounts involved in order to develop a simplified procedure. The aim is to give more authority to the Field Offices to manage their budget, reduce the flow of documents and improve the efficiency and effectiveness of the management of the budget adjustment process.

#### **Outputs**

Initially, a review of the current system will be conducted with a view toward simplification, increasing responsibility and accountability at the Field level, and reducing the flow of non-value added paperwork. The review will be carried out by a team to be composed of Budget Division and Field Office representatives.

The findings of the review and a plan of action will be presented at a future meeting of the PBC for comment and, ultimately, approval.

Following the approval of the action plan, the team will commence implementation of the budget adjustment simplification process. System improvements will be made and users advised of the changes to the system.

Training sessions with budget staff in each Field Office will then be conducted.

## Action Plan

| No. | Action   | Requirements  | Start   | Finish       | Budget  |
|-----|--|---|---------|--------------|---|
| 1.  | <b>Establish review team composed of HQ and Field Office members</b>   | Budget Division officers<br>Field Finance Officers. | Q4 2006 | Q4 2006      |   |
| 2.  | <b>Conduct review of current system and prepare recommendations. Review will be circulated to all Fields for input/comments.</b>   | Budget Division officers<br>Field Finance Officers. | Q4 2006 | Q1 2007      |   |
| 3.  | <b>Prepare action plan</b>   | Budget Division officers<br>Field Finance Officers. | Q1 2007 | Q1 2007      |   |
| 4.  | <b>PBC meeting</b>   | Programme and Budget Committee                      | Q1 2007 | Q1 2007      |   |
| 5.  | <b>Revise action plan based on comments of Programme and Budget Committee</b>  | Budget Division officers<br>Field Finance Officers. | Q1 2007 | Q1 2007      |   |
| 6.  | <b>Prepare new procedures and train users. Includes meeting with each Field Office to ensure new procedures are clear and concise. Also includes possible amendment to the Ramco System (the need (or not) for such amendment will be determined in the course of the review in 2. above).</b> | Budget Division officers<br>Field Finance Officers. | Q1 2007 | Q2 2007      | \$15,000<br>(this is an indicative figure to cover the possibility that amendments may need to be made to the Ramco system) |
|     |  |   |         | <b>Total</b> | \$15,000  |

## **4-A-2: Emergency Appeal Budget Allotment Cycle**

### **Background**

The Agency produces an Emergency Appeal for the Gaza and West Bank Fields due to the extraordinary and frequently-changing circumstances of the refugees in the occupied Palestinian territory. When funds are received it is imperative that mechanisms be in place that allow the Agency to utilize the funds as early as possible. Funds received are either earmarked (for specific activities) or un-earmarked. In the case of earmarked funds, the budget is allotted immediately to the relevant activity. When funds are un-earmarked, the Field Offices must decide how the funds are to be utilized before a budget allotment can be made and, as a result, delays are sometimes experienced.

### **Rationale**

A system in which funds can be made available immediately upon receipt to clearly defined objectives would enhance service delivery to the refugees. A mechanism should be designed and implemented to enable funds to be allocated without delay. This requirement is particularly important for un-earmarked contributions.

### **Aims**

The aim is to speed the availability of funding to clearly defined objectives in order to improve service delivery to refugees. Field Office staff will be empowered to assume more responsibility for their budget.

### **Outputs**

Initially, a review of the current allotment process will be conducted with a view toward simplification. In particular, the review will explore priority setting within the Field Office to determine if pre-defined priorities can be established for un-earmarked contributions that will allow for immediate allocation of funds when received. The review will be conducted by programme, project office and Budget Division representatives. Revised allotment procedures and an action plan will be prepared on the basis of the findings of the review. The revised procedures and action plan will then be presented to the Emergency Task Force for consideration and, if appropriate, approval.

Following the approval of the revised procedures and action plan, the team will commence implementation of the action plan.

Training sessions with budget staff in the Gaza and West Bank Field Offices will be conducted.

### Action Plan

| No. | Action  | Requirements  | Start   | Finish       | Budget |
|-----|---|---|---------|--------------|--------|
| 1.  | <b>Establish review team composed of HQ and Field Office members</b>          | Programme, Project Office and Budget Division representatives | Q4 2006 | Q4 2006      |        |
| 2.  | <b>Conduct review of current system and prepare recommendations</b>           | Programme, Project Office and Budget Division representatives | Q4 2006 | Q1 2006      |        |
| 3.  | <b>Prepare action plan</b>  | Programme, Project Office and Budget Division representatives | Q1 2006 | Q1 2006      |        |
| 4.  | <b>Emergency Task Force meeting</b>   | Emergency Task Force meeting                                  | Q1 2006 | Q1 2006      |        |
| 5.  | <b>Revise action plan based on comments of Programme and Budget Committee</b> | Programme, Project Office and Budget Division representatives | Q1 2006 | Q1 2006      |        |
| 6.  | <b>Prepare new procedures and train users.</b>                                | Programme, Project Office and Budget Division representatives | Q1 2006 | Q2 2006      |        |
|     |   |   |         | <b>Total</b> | \$0    |

## 4-A-3: P11 forms in the Recruitment Process

### Background

When applying for a vacant post with UNRWA, external applicants are required to complete a Personal History Form (P11). They can download the form from the UNRWA website but the Agency does not have the ability to accept applications on-line. The majority of applications are received by e-mail. A number of other applications are faxed.

For Area Staff vacancies, hard copy applications are often delivered personally to the office or sent by post. In many cases, completed P11 forms are still hand-written. Although there are still limitations in relation to using on-line applications for local candidates due to availability and use of technology; access to such technology appears to be increasing.

The Agency is currently exploring the possibility of using the UN Galaxy System for International Staff vacancies. Simultaneously, the Agency is developing an online system for Area Staff (Online Rec. Inf. System – ORIS).

### Rationale

For certain Area Staff positions, rosters are kept, and high volume recruitment is undertaken (e.g., teachers). It is necessary to improve and streamline the applications and short-listing process for Area Staff.

For International Staff, ease of application, standardisation of the P11 and the ability to do key word searches will assist in the screening process and reduce manual handling of bulk paperwork. Most of the fields have set up their own small databases to deal with this; however an integrated Agency-wide approach is needed. Steps to improve this *ad hoc* approach are already underway.

For the exercise to be successfully completed, it will be necessary to coordinate and communicate with Field offices and accommodate their needs. For that to take place, a committee to oversee the implementation of this initiative, with membership from HQs and Field Offices, will need to be established, and will be meeting monthly (and when needed) to plan & review implementation, resolve problems, oversee system-related communications, etc.

### Aims

To allow for the electronic submission of applications for both Area and International posts thereby (i) broadening the pool of applicants, (ii) reducing paperwork, (iii) making the access and application process easier for candidates, (iv) saving time and resources for the Agency and applicants, (v) reducing subjective assessments and time taken to recruit, (vi) improving reporting, and (vii) decreasing the number of equivalency rulings.

### Outputs

A web-based application system available to accept and process applications for Area & International vacant posts. As noted above, the Agency is still exploring the possibility of

using the UN Galaxy System for International Staff; in the event that this possibility fails, the online system for Area Staff (Online Rec. Inf. System – ORIS) can be adapted to accommodate international vacancies. The system, with both its external and internal modules will be able to provide initial short lists, capture related data such as test information and results, panel members, government clearances (for Jordan), final successful applicant(s), etc. Candidates will be able to (i) log-on with their own user name and password, (ii) create, store and up-date P11 details, and (iii) submit P11 details for relevant vacancies as they arise. Hard copy applications will still be accepted (i.e., for candidates who do not have electronic access).

This module (online application) will complement an already-developed applications processing module, which provides for entering basic data of paper applications, successive short-listing of candidates, in addition to other functionality.

The above system will initially be hosted by an external service provider until such time as the Agency is able to establish its own data centre to host this, and other, web applications.

#### Action plan

| No. | Action  | Requirements  | Start   | Finish  | Budget                    |
|-----|---|---|---------|---------|---------------------------|
| 1.  | <b>Evaluate feasibility, applicability and cost of using Galaxy system for the recruitment of international staff</b> | Participation of HR recruitment personnel & ISD   | Q3 2006 | Q4 2006 |                           |
| 2.  | <b>Completing the development of the in-house application</b>   | Participation of HR recruitment personnel & ISD   | Q3 2006 | Q4 2006 |                           |
| 3.  | <b>Testing and initial user training &amp; reflecting user comments on the system</b>                                 | Participation of HR recruitment personnel & ISD. In consultation with HR users                | Q4 2006 | Q4 2006 |                           |
| 4.  | <b>Deployment &amp; piloting the system for HQA and JFO. The system will initially be hosted externally.</b>          | Participation of HR recruitment personnel & ISD. In consultation with FAOs and HQA Personnel. | Q1 2007 | Q2 2007 | \$15,000                  |
| 5.  | <b>Rollout – Agency wide. Including training.</b>   | Participation of HR recruitment personnel, ISD and FAOs                                       | Q2 2007 | Q3 2007 | \$10,000 (training costs) |

| No.          | Action   | Requirements | Start   | Finish  | Budget  |
|--------------|--|--------------|---------|---------|---|
| 6.           | Establishing data centre for hosting this system (and other web-applications). | ISD          | Q3 2007 | Q4 2007 | \$40,000 (contribution to the cost of establishing a data centre. Web Server SW Licenses Bandwidth) |
| <b>Total</b> |  |              |         |         | \$65,000  |

## 4-A-4: Modification to Area Staffing Tables (RPAs)

### Background

All transactions for modification of the Area staffing tables are documented by a request for post action (RPA) which is of two types:

- Local RPAs: Deletion of redundant posts; transferring posts from one location to another; establishment of a post as stipulated in OD15 para 11(b), establishment of site engineer posts.
- Management RPAs: Establishment of new posts; reclassification of posts following changes in basic functions and responsibilities and deletion of posts.

The RPA Process consists of the following steps:

1. The Department Heads concerned complete their request for post action on a special form and submit it with the supporting documents to the Field Office Director in case of the Field, to DOS in case of HQ (Amman) and to Director, AHRD in case of HQ (Gaza), who will review the request and ask the Field Personnel Officer in case of the Field and the Personnel Officer in case of HQ to raise the necessary RPA in the HRM system. The respective directors may sub-delegate this authority as they may find appropriate.
2. The respective Directors, using the RPA screen in the HRM system, recommends Management RPAs or approves Local RPAs. At this stage the RPA, either recommended or approved, becomes available for HQ/G for verification by Director, AHRD and clearance by Comptroller. The respective directors may sub-delegate this authority as they may find appropriate.

If it is a Management RPA, the process continues as follows:

3. Chief Budget Division (CBD): reviews the RPA to indicate availability of funds.
4. Chief Management Services Division (CMSD): Managerially reviews the RPA for approval (with either Y or N flag).
5. CBD: Modifies/approves Management RPAs after being approved by CMSD.
6. Comptroller: Authorizes RPAs (at this stage the requested post is completed)

If it is a Local RPA, the process continues as follows:

3. CMSD: Modifies approved Local RPAs
4. CBD: Modifies approved Local RPAs after being “modify approved” by CCMSD.
5. Comptroller: Authorizes RPA (At this stage the requested post is completed)

## Rationale and Aims

To simplify and streamline the RPS process in order for it to operate in more an efficient manner without sacrificing necessary controls. Efficiency gains may include:

Reducing the levels of involvement of Finance and AHRD staff (possibly through changes in delegations of authority);

Reducing the number of paper transactions required in the early stages of the process; and

Increasing responsibility and accountability at the Field level, consequently reducing the level of modification and review necessary at the HQ level (possibly through standardization of documentation in support of each form of RPA).

## Outputs

Revised process diagram and related instructions, potential changes in delegation of authorities, and electronic processing at additional stages of the RPA process.

## Action Plan

| No. | Action  | Requirements  | Start   | Finish  | Budget   |
|-----|---|---|---------|---------|--|
| 1.  | <b>Review simplification of RPAs in terms of number and level of approvals</b>                | CMSD (lead).<br>Consultations with Budget, HAPS, and Applications Manager Finance (AMF) | Q4 2006 | Q4 2006 | N/A (this initiative will be implemented using existing resources) |
| 2.  | <b>Prepare revised process and send to Fields and Programmes for comments and suggestions</b> | CMSD (lead).<br>Coordination and review with Budget, HAPS, AMF                          | Q4 2006 | Q4 2006 |  |
| 3.  | <b>Incorporate Field suggestions/comments</b>   | Drafting CMSD (lead) with the assistance of HAPS, Budget, AMF                           | Q4 2006 | Q4 2006 |  |
| 4.  | <b>Prepare process chart.</b>   | CMSD (lead). Budget, HAPS, AMF  | Q4 2006 | Q4 2006 |  |
| 5.  | <b>Present final process paper to Director, AHRD for approval</b>                             | CMSD  | Q4 2006 | Q4 2006 |  |
| 6.  | <b>Incorporate any revisions from Director, AHRD</b>  | CMSD (lead).<br>Coordination with Budget, HAPS, AMF                                     | Q4 2006 | Q4 2006 |  |

| <b>No.</b> | <b>Action</b>                               | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|---|---|--------------|---------------|---------------|
| 7.         | <b>Implement revised process in the HRM</b> | AMF (lead).<br>Coordination with all concerned (Fields and HQs) | Q4 2006      | Q4 2006       |               |
|            |   |   |              | <b>Total</b>  | \$0           |

## 4-A-5: Service Contracting Pilot—Centralizing the Procurement of Services

### Background

The Agency strives to be the best steward of donor funding and continually looks for ways to save operational costs.

The Agency spends in excess of \$150 million annually on the procurement of goods including ICT, contracting for engineering and construction services and on special service agreements. As the table below shows, these expenditures represent 30% of the Agency’s total spend per year including staff costs. Additionally, the “Other Non-Staff Costs” listed below (28% of the total) may also contain procurement-related costs that cannot be determined from the database. Realizing that only very small gains can be made in the area of personnel and related benefit costs, when staff costs are excluded, the percentage of procurement and contracting expenses rises to 72% of the Agency’s non-staff related expenses. Procurement and contracting spend is, thus, the area that could provide the greatest savings. A saving of 5% - 10% in the procurement of services through, for example, (i) centralization, (ii) consolidation of requirements (economies of scale), and (iii) having procurement handled by procurement professionals in coordination with users, would result in savings of \$4.5 - \$9 million. The savings could be used for more direct programs, supplies, commodities for the community.

**UNRWA's Expenditures 2004**

| <b>Contract</b>                                      | <b>Total Awards</b> | <b>%</b>    |
|--|---------------------|-------------|
| Procurement of Goods                                 | 89,978,438          | 59%         |
| Engineering (Construction & Maintenance)             | 32,937,401          | 22%         |
| Service Contracts & Special Service Agreements       | 28,547,622          | 19%         |
| <b>Total Procurement of Goods &amp; Services *</b>   | <b>151,463,461</b>  | <b>100%</b> |
| Total Procurement of Goods & Services                | 151,463,461         | 30%         |
| Staff Cost   | 293,177,727         | 58%         |
| Other Costs  | 58,686,277          | 12%         |
| <b>Total UNRWA Expenditure</b>                       | <b>503,327,465</b>  | <b>100%</b> |
| Total Procurement of Goods & Services                | 151,463,461         | 72%         |
| Other Non-Staff Costs                                | 58,686,277          | 28%         |
| <b>Total UNRWA Expenditure excluding Staff Costs</b> | <b>210,149,738</b>  | <b>100%</b> |

### Rationale

Savings can be achieved by combining acquisition-related tasks currently shared by a variety of resources within Departments when establishing service contracts and special service agreements. The Operational Technical Services Department (OTSD) is currently responsible for the Procurement and Logistics Division, the Information Services Division and the Engineering and Construction Division. Many of the resources are collocated at HQ Amman and can more easily be shared than in other areas. Sharing resources for specific procurement related tasks (e.g., market research, supplier evaluation and tendering, specifically in the high dollar and complex contracts such as engineering design and IT related services) will result in better overall contractual products and at less cost.

## Aim and Outputs

To reallocate and centralize resources that are currently performing procurement-related tasks, thereby relieving overburdened professional staff in non-procurement divisions/departments in the Field Offices and in HQ of the tasks of researching and buying of services. The aim is not to take administrative oversight of contracts or the development of requirements away from the actual users, but to make more time available for them to conduct such oversight and development.

A separate section for the central procurement of services in the Procurement and Logistics Division at the HQ level will be established to (i) consolidate requirements, (ii) improve procurement professionalism, (iii) achieve economies of scale, (iv) increase transparency in the procurement process by ensuring separation of duties during the procurement cycle (i.e., the official developing the requirement is not the one tendering, selecting, monitoring and paying for the services), and (v) free technical staff in other divisions/departments from procurement related tasks. Such section will be staffed by a section chief, a senior procurement and logistics officer, three procurement officers and a secretary. These staff will be re-deployed from elsewhere in OTSD.

The bulk of construction service procurement is undertaken at the Field Office level. The ultimate benefit of bringing such procurement activities under the responsibility of the Procurement and Logistic Division will, accordingly, not be fully realized until such integration is implemented in the Field Offices. After the changes referred to above concerning HQ are implemented, the Agency will consider the reallocation and centralization of resources at the Field Office level to free technical staff of procurement-related tasks and allow them to concentrate on projects and contract management. It may, however, not be necessary to establish a separate section in each Field Office for this purpose. Rather, depending on the size of the Field Office, the actions, functions and resources may be absorbed into the Field Procurement and Logistics Departments without the establishment of a completely new section.

In addition to the benefits referred to above, this initiative will (i) increase the speed of acquisitions, (ii) result in comparative savings for similar services in previous years, (iii) reduce the number of re-tendering exercises, and (iv) reduce the number of contracts that are extended despite less-than-satisfactory performance.

## Action plan

| No. | Action   | Requirements   | Start   | Finish  | Budget   |
|-----|--|--|---------|---------|----------|
| 1.  | <b>Draft terms of reference and engage consultant for mapping and redefining common procurement processes.</b> | OTSD staff to draft terms of reference and engage consultant | Q3 2006 | Q3 2006 | \$66,000 |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|--------------|---|--|--------------|---------------|---------------|
| 2.           | <b>Map the OTSD common procurement activities among the three HQ Divisions</b>  | OTSD staff<br>Consultant   | Q3 2006      | Q3 2006       |               |
| 3.           | <b>Identify resources in each Division</b>  | OTSD staff<br>Consultant   | Q4 2006      | Q4 2006       |               |
| 4.           | <b>Research the possibility of relocation to create synergy</b>   | OTSD staff<br>Consultant   | Q4 2006      | Q4 2006       |               |
| 5.           | <b>Redesign processes to support shared resources.</b>  | OTSD staff<br>Consultant   | Q4 2006      | Q4 2006       |               |
| 6.           | <b>Develop the policies, systems and standards that relate to the different aspects of new methodology.</b>               | OTSD staff<br>Consultant   | Q1 2007      | Q1 2007       |               |
| 7.           | <b>Identify small group of acquisitions and pilot two cases.</b>  | OTSD staff<br>Consultant   | Q1 2007      | Q1 2007       |               |
| 8.           | <b>Review pilot acquisitions, adjust and determine whether feasible to implement in Fields or other areas.</b>            | OTSD staff<br>Consultant<br>Field Procurement and<br>Logistics Departments | Q2 2007      | Q3 2007       |               |
| 9.           | <b>Establish a separate section within the PLD in the headquarters to deal with the centralized purchase of services.</b> | OTSD staff<br>AHRD<br>Consultant   | Q4 2007      | Q4 2007       |               |
| <b>Total</b> |   |  |              |               | \$66,000      |

## 4-A-6: Decentralizing International Purchasing

### Background

Historically, international procurement has been carried out by the Procurement and Logistics Division at HQ, Amman. In this regard, Field Procurement and Logistics Departments are authorized to undertake only local procurement. This division of processes was a function of (i) the long distance between Field Offices, (ii) the centralized nature of information flow and control and (iii) the different competencies and skill sets found in the Field Offices and at HQ.

### Rationale

With advances in information and communications technology (e.g., the internet), centralized procurement of all items in a HQ location is no longer necessary. Procurement of international products or services can take place at any Field Office, provided that the Field Office has the necessary (i) procurement competency, (ii) expertise and (iii) the time to do so. Because these three requirements constantly change, the location where an acquisition occurs in one year may be different in the next. However, it is exactly this fluidity and flexibility in the management of vital resources that the Agency aims to achieve. The regular transfer of product and service acquisition oversight between Field Offices and HQ will increase the levels of competency of the Agency's procurement staff.

Decentralization serves to achieve the right balance of commodity, product and service acquisition between HQ and Field Offices. It is accordingly important to determine which types of commodities, products and services can be procured by Field Offices. Decentralization will utilize effectively the local resources and benefit from the quicker response to requirements due to shorter lines of communication.

### Aim and Outputs

The Agency aims to decentralize the procurement of some international products and arrange for those acquisitions to take place in Field Offices with the appropriate time and talent. The Procurement and Logistics Division will need to research and make a determination to choose the right products to match the right locations. Such decentralization will increase the levels of competency of the Agency's procurement staff. Sharing resources will also shorten the acquisition schedule for all products.

### Action plan

| No. | Action   | Requirements   | Start   | Finish  | Budget                 |
|-----|--|--|---------|---------|------------------------|
| 1.  | <b>Review all regulations and redraft appropriate language</b> | Procurement and Logistics Division (HQ), Field Procurement and Logistics Departments | Q3 2006 | Q4 2006 | \$5,000 (travel costs) |

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|---|---|--------------|---------------|---------------|
| 2.         | <b>Review current list of product acquisitions and schedule of competitions</b> | Procurement and Logistics Division (HQ), Field Procurement and Logistics Departments. Travel costs. | Q4 2006      | Q4 2006       |               |
| 3.         | <b>Survey list of experience of FPLOs and staff and Section Heads and staff</b> | Procurement and Logistics Division (HQ), Field Procurement and Logistics Departments. Travel costs. | Q4 2006      | Q4 2006       |               |
| 4.         | <b>Establish Acquisition Schedule for 2007</b>                                  | Procurement and Logistics Division (HQ), Field Procurement and Logistics Departments. Travel costs. | Q4 2006      | Q4 2006       |               |
| 5.         | <b>Review Field acquisitions</b>  | Procurement and Logistics Division (HQ). Travel costs   | Q4 2007      | Q4 2007       |               |
|            |   |   |              | <b>Total</b>  | \$5,000       |

## **4-A-7: Inventory Reduction**

### **Background and Rationale**

Determining an appropriate amount of inventory is an issue faced by any organization (whether public or private; profit or not-for-profit) that provides or serves as distributor of goods and products. The first step is to determine whether the organization's existing inventory is too much, too little or just the right amount. In the area of replenishables, it may be relatively easy to immediately determine if the organization is distributing to its beneficiaries all that has been planned and ordered for their use. A look at what is stored in warehouses and in transit is a start. (Note: it is not as easy to determine whether the Agency owns the correct number of vehicles (in this regard, see Initiative 4-A-10)).

As of 30 April 2006 the Agency's inventories totaled \$101.4 million on hand. This inventory included a variety of items and commodities such as replenishable supplies, non-replenishable supplies, spare parts, raw materials, vehicles and equipment. There is a carrying cost associated with maintaining an inventory and the Agency is of the view that a reduction in its inventory is possible and that savings will be achieved.

Furthermore, the catalogues used throughout the Agency and the various lists of inventories kept by the Agency are not entirely accurate and need to be updated.

Two areas that are in immediate need of attention are (i) the Motor Transport Inventory of spare parts and its corresponding spare parts list, and (ii) the Agency's current Equipment Supply Catalogue (which needs to be updated to reflect the real needs of the user Departments).

### ***Motor Transport Spare Parts***

Based on the methodology used over the years for tracking the costs of maintaining Agency vehicles, the Motor Transport Spare Parts list grew to over 18,000 items. A recent review and scrub reduced that number to just over 2000 and after a recent discussion with the Field Procurement and Logistics Officers and Procurement and Logistic Division Section Heads, the Head Motor Transport and Spare Parts believes this number can be reduced even further.

### ***Supply Catalogue***

With the assistance of Churchill Training, Inc, a consultant firm working with the Procurement and Logistics Division on procurement issues, the Division has analysed the Agency's spend over the last three years on the various groups of commodities listed in the Supply Catalogue. The analysis indicated that over the last three year period: (i) 80% of the Agency's purchases of items from the Supply Catalogue were of 455 of the 3,228 items contained in it, and (ii) 90% of the Agency's purchases from the Supply Catalogue were of 753 of the 3,228 items. A significant number of items in the Supply Catalogue are not being purchased and, in this respect, the Supply Catalogue does not accurately reflect what is needed by the operating units. A significant scrub of the current Supply Catalogue is required.

## Aims and Outputs

Reducing the Agency's inventory will (i) reduce stock holding cost, (ii) release money tied up in stocks, and (iii) reduce the supplier base.

### ***Motor Transport Spare Parts***

The Motor Transport Spare Parts inventory will be reduced. Furthermore, a new process will be implemented for recording and entering new parts into the inventory so as to maintain the reduced levels of inventory items without compromising on operational readiness.

### ***Supply Catalogue***

The existing Supply Catalogue will be reviewed and "scrubbed" to (i) be more user-friendly, (ii) reflect the actual needs and usage of the Agency, (iii) be an efficient tool for users and (iv) accordingly, lead to a more efficient ordering process.

### ***Implementation***

The implementation of a new Procurement and Inventory Management system will help reduce inventory by providing tools for stock analysis (e.g. ABC analysis) and provide high quality data that will improve forecasting of usage. Such a system will also free human resources who can then be engaged in the inventory reduction exercise. Accordingly, no additional human resources will be required to implement this Initiative.

## Action plan

| No.                                       | Action  | Requirements  | Start   | Finish  | Budget                 |
|---|---|---|---------|---------|------------------------|
| <b><i>Motor Transport Spare Parts</i></b> |   |   |         |         |                        |
| 1.  | <b>Review the current Motor Transports Spare Part List</b>                          | Existing Agency staff (including Procurement and Logistics Division Chief and Section Heads; Head Motor Transport and Spare Parts; and Field Procurement and Logistics Departments) | Q3 2006 | Q3 2006 | \$2,500 (travel costs) |
| 2.  | <b>Identify possibilities for reductions by review with Field operational staff</b> | As above  | Q3 2006 | Q3 2006 |                        |
| 3.  | <b>Review processes that led to increased parts acquisition and redesign</b>        | As above  | Q3 2006 | Q3 2006 |                        |

| <b>No.</b>              | <b>Action</b>  | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b>          |
|-------------------------|--|--|--------------|---------------|------------------------|
| 4.                      | <b>Develop the policies, systems and standards relating to enforcing appropriate stock levels for spare parts.</b> | As above   | Q3 2006      | Q4 2006       |                        |
| <b>Supply Catalogue</b> |  |  |              |               |                        |
| 1.                      | <b>Put Supply Catalogue Review Team into place.</b>  | Existing Agency staff (including Procurement and Logistics Division Chief and Section Heads; Head (LSPS); and Field Procurement and Logistics Departments) Special Coordinator.        | Q3 2006      | Q3 2006       | \$2,500 (travel costs) |
| 2.                      | <b>Develop strategy for redesigning catalogue to meet operational needs and spend history</b>                      | Existing Agency staff (including Procurement and Logistics Division Chief and Section Heads; Head (LSPS); and Field Procurement and Logistics Departments)                             | Q3 2006      | Q3 2006       |                        |
| 3.                      | <b>Review processes that led to increased expanded Supply catalogue</b>  | Existing Agency staff (including Procurement and Logistics Division Chief and Section Heads; Head (LSPS); and Field Procurement and Logistics Departments) Consultant (already funded) | Q3 2006      | Q4 2006       |                        |
| 4.                      | <b>Develop the policies and procedures that relate to the publishing of an accurate Supply Catalogue</b>           | Existing Agency staff (including Procurement and Logistics Division Chief and Section Heads; Head (LSPS); and Field Procurement and Logistics Departments) Consultant (already funded) | Q4 2006      | Q1 2007       |                        |
| <b>Total</b>            |  |  |              |               | \$5,000                |

## **ODI 4-A-8: Fixed Asset Recording Using Bar Codes**

### **Background**

Asset management is a necessary function of all organizations (whether for profit or not-for-profit) and is required to calculate an accurate value of an entity's worth as it appears on the financial statement. It is a generally accepted accounting principle that listed assets and liabilities determine worth and viability.

By regulation, the Agency uses a manual system to annually record and physically check over 100,000 assets that are located within its five fields of operations and two HQ offices. Assets are tracked when they have an original purchase value of \$1,000 or more and have a useful life of more than one year. In addition, items of an attractive nature that cost less than \$1,000 but are considered to be valuable are also tracked.

The process of annually making a complete and comprehensive physical inventory of all assets is time consuming and labor intensive. The items are only marked by 'free hand' with an individual unique number. The item description and location are recorded on a manual ledger system. Physical checks for missing items (i.e., items that are not in their assigned/recorded location) and tracing whether they have been moved to another location requires a large amount of work, effort and time. The asset information is manually fed into the Financial Management System. Several staff members are assigned to the task of tracking assets on a full and part time basis in all Field Offices and have responsibility for asset tracking at the HQ offices.

Cost savings can be achieved by streamlining the process.

### **Rationale**

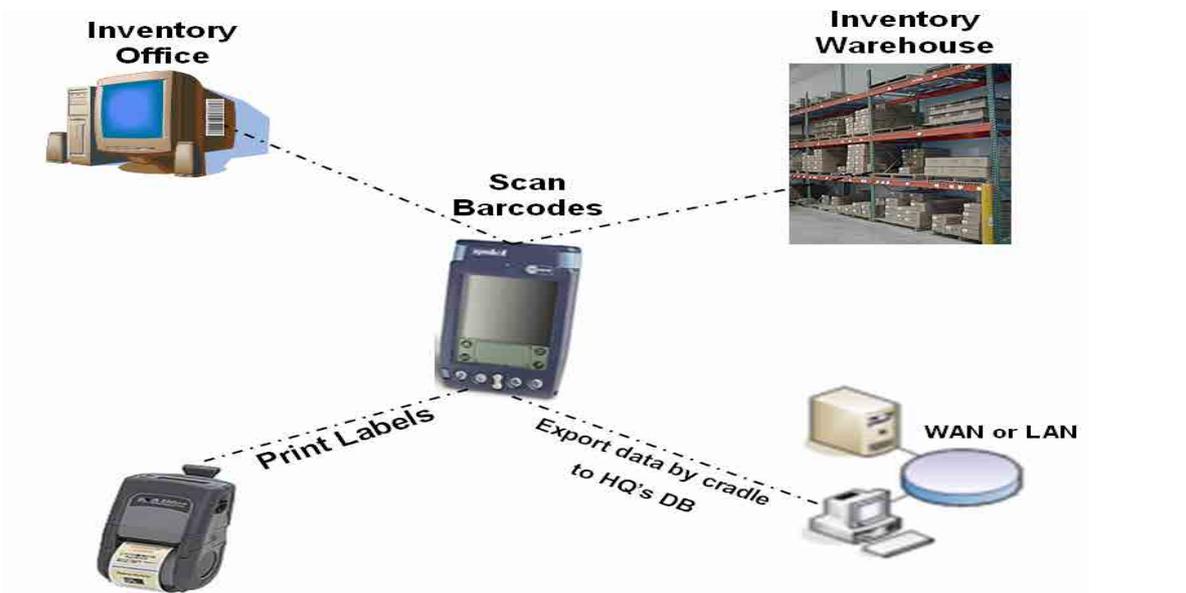
Using barcodes and hand held scanners and software to identify the fixed assets and locations will (i) reduce the time taken to track and physically check assets, (ii) reduce the number of staff required to conduct a physical check of assets, and (iii) give an up-to-date account for the financial management system (Ramco) "Fixed Asset Module" (something that is not possible with the current manual accounting). In this latter regard, the Ramco Fixed Asset Module is currently being installed to maintain a database of all Agency assets. The module will be integrated with the barcoding system for more effective and easier tracking.

### **Aims**

To computerize the recording and checking of fixed assets Agency-wide by using barcodes, portable scanners and software compatible with the financial management system (or any ERP) by using Microsoft Access. By using the West Bank Field Office as a pilot study (due to the fact that the manual fixed asset records have already been converted to Microsoft Access and advancement made in this Field Office on using barcodes), develop the barcode format (EAN 128) and portable scanner software so that when staff are checking fixed assets, real time information is available on the correct location of the asset and what fixed assets

should be found at a particular location. The information is then uploaded into the financial management system.

*Diagram 1: Fixed asset recording*



**Action plan**

| No. | Action  | Requirements   | Start   | Finish  | Budget   |
|-----|---|--|---------|---------|----------|
| 1.  | <b>Develop/purchase software and purchase hardware (scanners (x3), portable printers (x2), and heavy duty printer (x1)) for pilot project in West Bank Field Office</b> | Field Procurement and Logistics Office, West Bank (with assistance of Project Manager of Financial Management System and Procurement and Logistics Division) | Q3 2006 | Q3 2006 | \$16,500 |
| 2.  | <b>Pilot project in West Bank Field Office</b>  | Field Procurement and Logistics Office, West Bank.<br>Cost of travel and training  | Q4 2006 | Q4 2006 | \$2,500  |

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b>   |
|------------|---|---|--------------|---------------|---|
| 3.         | <b>Roll-out of projects to other Field Offices and HQ offices. Purchase of software and hardware, training and implementation</b> | Field Procurement and Logistics Office, West Bank.<br>Cost of travel and training | Q1 2007      | Q2 2008       | \$72,000<br>(\$36,000 for purchase costs in four Field Offices*;<br>\$36,000 for travel and training) |
|            |   |   |              | <b>Total</b>  | \$91,000  |

\* The heavy duty printer is only required once per Field Office in order to print the initial Barcodes, therefore this printer can be moved from Field Office to Field Office.

## 4-A-9: Automated Monitoring of UNRWA's Vehicles

### Background

UNRWA currently employs an outdated manual system to control and monitor the use of its vehicle fleet (approximately 925 vehicles (all types)). This system is very labor intensive and consumes a significant amount of paper daily. In this regard, (i) each vehicle (if used) requires one A5 sheet daily plus another sheet for approval purposes, (ii) all information is transcribed onto another sheet to manually calculate total monthly mileage (separated into duty & private usage), and (iii) all information is again transcribed into another paper report at the end of each month. Furthermore, fuel drawn is subjected to the same process. The system was designed and implemented prior to the introduction of computers and no re-engineering of the process has subsequently been made. Because the system is not automated, the Agency vehicle fleet is “invisible” for the purpose of any global analysis, and information cannot be quickly and easily extracted for either operational or management purposes. To access valid and quantifiable data, intensive manual input is required (currently a monthly report on mileage, fuel and maintenance cost is compiled manually over a number of days by each Field Office for submission to CPLD).

Manual effort is also required to distinguish between mileage for duty purposes and mileage for private purposes. Staff are later required to reimburse the Agency for private mileage. Due to the inherent deficiencies of this manual system, the system is vulnerable to abuse (drivers can charge private mileage as “duty” with little chance of being caught). It is because of this potential abuse that the Agency has imposed the criticized policy of charging all drivers that have a private mileage privilege with a minimum of 200km per month regardless of the actual kilometers driven.

The current system does not assist in investigating accidents. In this regard, using the manual system, no information can be automatically collected concerning the vehicle's speed, condition, etc., immediately prior to a collision. It is (at least partly) because there is often no clear evidence on which the Agency can determine that the accident was caused because the driver was speeding, the Agency claims (i) 10% of drivers monthly salary, plus allowances; or (ii) the total cost of repairs; whichever is the lesser. In many cases the Agency is reimbursed less than US\$100 from a driver who is responsible for an accident caused by his/her speeding for the total write off of a car often valued at approximately US\$11,000.

The maintenance schedule of vehicles is monitored manually. As a result, vehicles assigned to Area Offices are often not maintained/serviced in accordance with their proper maintenance schedule. In this regard, there is no indicator in the vehicle to advise the drivers that the vehicle requires maintenance/service. Because of the paper-work being processed and collected by each Vehicle Control Officer (see above), the service manual schedule is often overlooked.

Furthermore, apart from factory fitted locks (etc.), there are no security devices fitted to the Agency's vehicles to prevent theft.

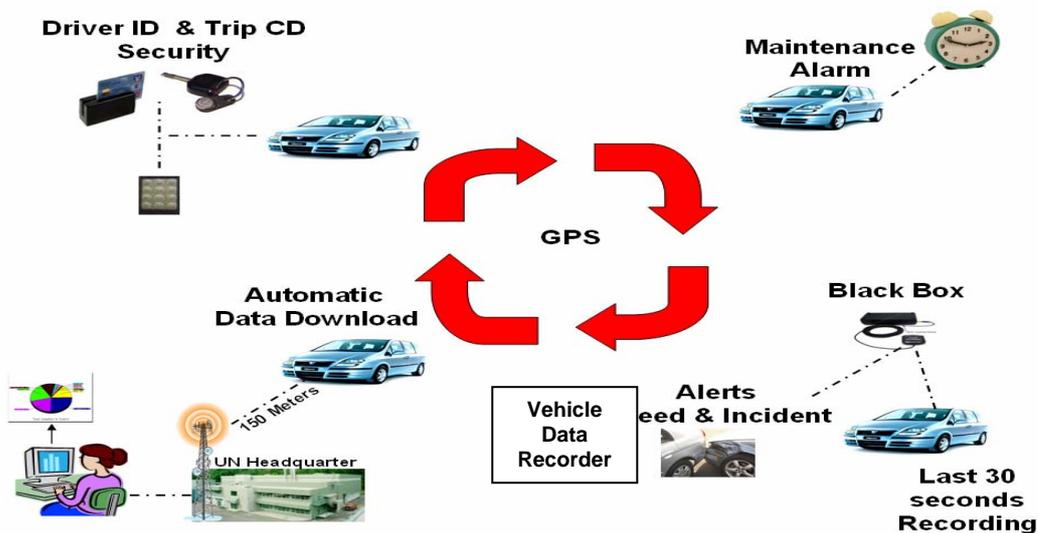
In 2005 the West Bank Field developed a “Transport Management Database” which recorded information in Microsoft Access and provided a quick means to access information for operational and management reports. After reviewing the database, the Agency's auditors recommended that the database be implemented in all UNRWA Field Offices.

## Rationale

To develop a “Fleet Management System” that captures data directly at the source (i.e. the vehicle) and integrates that data into a Transport Management Database similar to that used in the West Bank Field Office. For this purpose, suitable vehicle data recorders have been identified. These data recorders will communicate with the Transport Management Database via an RF modem in each vehicle and a receiving station located at the Field Office and each Area Office. Each data recorder will be capable of:

- identifying the driver (through a new UNRWA Driving Permit on a plastic card with magnetic strip (same as UNRWA ID Cards));
- recording duty and private trips (driver must select one or the other);
- recording the fuel consumed;
- recording pre-selected high speeds (every time the vehicle exceeds a certain speed it will be recorded along with the top speed reached and the duration of time over the high speed mark; a noise will alert the driver of the excessive speed);
- recording data over the 30 second period prior to an accident (vehicle speed; acceleration/de-acceleration);
- recording trip information (date, time, duration, driver ID, type of journey); and
- alerting the driver that regular maintenance/service will soon be due (e.g., a single beep on starting the vehicle) or is overdue (e.g., a constant beep or continuous beeping).

*Diagram 1: Vehicle data recorder*



## Aims

To transform UNRWA fleet management processes from a totally manually system into a seamless fully integrated operational fleet management system that allows Vehicle Control Officers to monitor the driving activities and performance of vehicles and, accordingly, optimize the performance of fleet resources.

The initiative will (i) decrease the number of vehicle accidents (through the use of speed warning indicators and by helping ensure proper maintenance), (ii) help eliminate abuse of the reimbursement system for private mileage, (iii) help ensure vehicles are properly maintained, (iv) reduce the amount of staff time (drivers, Vehicle Transport Officers etc.,) needed for trip recording and producing reports, (v) reduce paper consumption, and (vi) increase the accuracy and currency of vehicle fleet and usage information for operational and management purposes.

## Outputs

The West Bank Field Office is already in the process of implementing the above. Following a review of the system used in the West Bank Field Office, the system will be rolled-out to other fields.

The software for the fleet management system has already been developed within the West Bank Field Office. Accordingly, only the vehicle data recorders and receiving stations need be procured.

## Action plan

| No. | Action   | Requirements  | Start         | Finish  | Budget |
|-----|--|---|---------------|---------|--------|
| 1.  | <b>Change UNRWA Driving permits of West Bank Field Office staff to plastic cards with magnetic strips for use in vehicle data recorders.</b> | West Bank Field Office staff (including Field Procurement and Logistics Officer and Field Administration Officer)                         | Already begun | Q3 2006 |        |
| 2.  | <b>Install Fleet Management System in West Bank Field Office vehicles</b>  | West Bank Field Office staff (including Field Procurement and Logistics Officer, Vehicle Control Officer and Vehicle Maintenance Officer) | Already begun | Q3 2006 |        |

| <b>No.</b>   | <b>Action</b>  | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b>  |
|--------------|--|--|--------------|---------------|--|
| 3.           | <b>Review Fleet Management System in West Bank Field Office</b>  | Field Procurement and Logistics Officer, West Bank<br>OTSD staff   | Q3 2006      | Q3 2006       |  |
| 4.           | <b>Tender and supply of Vehicle Data Recorders for all Agency vehicles</b>   | Procurement and Logistics Office   | Q4 2006      | Q4 2006       | \$335,486<br>(763 vehicle data recorders @ \$422 each;<br>18 RF receiving stations @ \$750 each) |
| 5.           | <b>Change UNRWA Driving permits for all staff to plastic cards with magnetic strips for use in vehicle data recorders.</b> | All Field Procurement and Logistics Officers, Vehicle Control Officers   | Q4 2006      | Q4 2006       |  |
| 6.           | <b>Install Fleet Management System Agency-wide (including training)</b>  | All Field Procurement and Logistics Officers and other, relevant, Field Office staff.<br>Travel and training budget. | Q1 2007      | Q1 2007       | \$5,000  |
| 7.           | <b>Commence use of Fleet Management System Agency-wide</b>   | All Field Procurement and Logistics Officers and other, relevant, Field Office staff.                                | Q1 2007      | Q1 2007       |  |
| <b>Total</b> |  |  |              |               | \$340,486  |

## **4-A-10: Simplification of Separation Benefits Process**

### **Background**

Payment of separation benefits to international staff is complex due in large part to the number of entitlements that international staff are entitled to (e.g., Repatriation Grant, Separation travel, Lump-sum Shipment Allowance). Separation entitlements can only be paid after the staff member's obligations vis-à-vis the Agency have been settled. There are a number of steps that separating staff can take to proactively manage the separation process and the settlement of their obligations. Experience has shown, however, that the settlement of these obligations is left until the last minute and, in some cases, is not complete by the time the staff member leaves the area of operations. The International Personnel Section plans to give face-to-face separation briefings to each separating staff member early in the separation process but, in many cases and for various reasons, such briefings take place either too late or only over the telephone. As a result, (i) the resources of the International Personnel Section are strained by the need to correspond with separated staff members in order to settle their obligations, (ii) the payment of international staff separation benefits is often delayed, and (iii) separated staff members sometimes harbour the impression that they have been fully informed of the separation procedures.

By comparison, the separation procedure for area staff is relatively straight forward and few delays are experienced in the payment of separation benefits. There is, however, scope for more information to be given to staff prior to separation to enable the staff member to plan for life-after-UNRWA.

### **Rationale and Aim**

Improving systems and processes for the separation of international staff, primarily through timely education and briefings, is expected to (i) avoid unnecessary work on the part of the International Personnel Section after the date of a staff member's separation, (ii) reduce the delays experienced in the payment of international staff separation benefits, and (iii) increase the staff's overall confidence in the Agency.

Providing more information to area staff in advance of separation will also increase the staff's overall confidence in the Agency.

### **Outputs**

Annual separation benefits briefing for retiring Area staff. (Note: By comparison to the number of area staff who retire every year, the number of international retirees is small. A yearly presentation to international staff on retirement benefits would not be an efficient use of limited resources.)

Separation benefits briefings (including briefing packs and separation checklists) for individual International staff (such briefing packs are in the process of being developed). It is essential that these briefings take place face-to-face. From experience, when such briefings are given over the phone, problems invariably arise.

On-line availability of briefings packs and checklists.

## Action plan

| No.          | Action   | Requirements   | Start   | Finish  | Budget   |
|--------------|--|--|---------|---------|--|
| 1.           | <b>Develop briefing programme/packs (including check-list) for international staff concerning each type of separation (retirement, resignation, termination, transfer to other UN agency etc.). In addition to providing the programme/pack to each staff member in a briefing (below), make this programme/pack available through the intranet/Outlook.</b> | HIPS and other departments involved in the separation process  | Q3 2006 | Q3 2006 |  |
| 2.           | <b>Require all separating staff attend a face-to-face briefing as early in the separation process as possible.</b>   | HIPS and managers of international staff<br><br>TSA to cover travel of separating staff                        | Q3 2006 | Q3 2006 | \$20,400 (\$170 x 2 days x 5 staff (ave.) x 12 quarters) |
| 3.           | <b>Begin programme of briefings on separation benefits for area staff one year before retirement. Follow-up with on-line presentation for all who are interested.</b>  | HAPS<br>Local personnel sections at HQ and Fields.<br>Field Finance Officers,<br>Field Administration Officers | Q3 2006 | Q3 2006 |  |
| <b>Total</b> |  |  |         |         | \$20,400   |

HIPS =Head International Personnel section

HAPS = Head Area Staff Personnel section

## 4-A-11: Improving Legal Service Delivery

### Background

The Agency receives legal services from three sources – (i) the Department of Legal Affairs (DLA) located in Headquarters (Gaza) now on relocation in Jerusalem, (ii) Field Legal Offices, headed by an international Field Legal Officer in West Bank Field Office and Gaza Field Office, and (iii) legal consultants, normally local lawyers admitted to the local bar, in each of the Syrian, Jordan and Lebanon fields.

DLA consists of seven international legal professionals organized in three tiers (Legal Adviser/General Counsel (D1/D2), Division Chiefs (P5), Legal Officers (P3/P4)) and two Divisions (1) General Legal (which consists of two distinct columns: (a) Contracts and (b) General Assistance and Recourse Procedures), and (2) International Law (in which all three lawyers act interchangeably on privileges & immunities, access, international humanitarian law, human rights law and other international law issues). Although legal advice and assistance is provided to all Departments and Programmes of the Agency, the main users of the existing legal resources are the Executive Office, Department of Administration and Human Resources, Operational Technical Services Department, Department of Operations, External Relations Department, offices of the Field Directors, and the Liaison Offices in Geneva and New York.

Field Legal Offices and field legal consultants give advice and assistance almost exclusively to the offices of their respective Field Directors. They receive advice from DLA.

### Rationale and Aim

The overall aim is to meet the legal needs of all clients in the Agency by providing legal advice and assistance that is (i) correct, (ii) timely, (iii) understandable, (iv) easily applied and capable of implementation, (v) not always reactive, (vi) educational and empowering, (vii) transparent, and (viii) consistent across all Fields and Headquarters.

Due to limited resources and a very heavy workload, advice and assistance of DLA has been primarily reactive and has, on occasion, been subject to significant delay. This could be addressed by allocating additional resources to DLA (if such resources could be made available), by streamlining DLA procedures (as by eliminating layers of review, though this could result in less consistent advice) and/or by altering DLA priorities (albeit doing so is often a zero-sum exercise, with improved service in one area leading to reduced service in other areas). However, changes in priorities might lead to overall benefits – e.g., devoting increased time to training should reduce the need for DLA legal advice, as should devoting increased time to cooperation and communication between DLA and field legal offices/consultants.

### Outputs and actions

#### **1. Increase legal capacity in Field Offices.**

At present Field Legal Offices in Gaza and West Bank (each headed by P-3 Field Legal Officers) and field legal consultants (in each of Syria, Lebanon and Jordan) give advice and assistance almost exclusively to the offices of their respective Field Directors. Field legal

officers/consultants are expected to have a good grounding in all legal issues that face the Agency. Although they receive assistance from DLA, the quality of the advice and assistance provided in the Fields is sometimes incomplete or not entirely correct. In this regard, (i) the duties and nature of the posts demand an officer of greater than P-3 experience, and (ii) Field legal consultants rarely have the experience required to handle issues that are unique to UN Agencies. Two actions are proposed:

Action A: Upgrade existing Field Legal Officer posts to P4, enabling the employment and retention of superior staff, and

Action B: The quality of consultants engaged in SAR and Jordan should be improved to, at least, the level of the legal consultant in Lebanon.

## **2. Establish an Ombudsperson**

Increase the capacity of the Agency to mediate and settle conflicts outside of the formal recourse procedure mechanisms, thus reducing the number of appeals. (See Lever 1, Initiative 1-I)

## **3. Electronic archiving**

At present, (i) DLA has no formal system for the electronic archiving of its advices in a manner that allows for easy searching and recall of advices and other documents, (ii) DLA has no formal tracking tool for the monitoring of DLA's workload and for the generation of reports on workflow, (iii) DLA and Field legal offices/consultants do not share such information electronically. Two actions are proposed:

Action A: Establish a DLA-wide file computer based tracking system that allows for the setting and monitoring of priorities and deadlines. In time, this system could be expanded to Field Legal Offices.

Action B: Establish an "e-chrono" that allows for searching of previous advices/documents. In time, expand this system to Field Legal Offices.

## **4. Procedural efficiencies**

In order to deal with DLA's heavy workload and the tight deadlines invariably set by DLA's clients, DLA needs to explore ways of making procedures more flexible and responsive, but without significantly compromising the quality of its output. It is proposed that delegation policies and approval/clearance mechanisms for DLA (e.g., deadlines after which advice is disseminated without further reviews) be reviewed. Cross-training and sharing responsibilities should also take place within DLA.

## **5. Relationship between DLA and Field Legal Offices/Consultants**

At present, the flow of information between DLA and Field Legal Offices and Field legal consultants varies from field to field. Communication and co-operation between DLA, and Field Legal Officers/consultants should be improved through

Action A: training of Field Legal Officers and Legal Consultants.

Action B: re-establishing annual meetings of all legal staff and/or ensuring regular DLA visits to Fields.

Action C: Rotation policy between DLA legal officers and Field Legal officers.

**6. Monitoring Client Satisfaction**

At present, DLA does not systematically monitor client satisfaction. Without such monitoring, DLA can only react to and improve its service based on informal and sporadic feedback from clients.

**7. Standard contract documentation**

At present, the Agency's standard contract documents require updating. Scope also exists for the creation of new templates. At present, all amendments to standard contracts require DLA approval. With contract training, it may be possible for certain types of contractual amendments to be approved at the Field level. Standard contracts should be updated. New templates should be drafted. Consideration should be given to conferring on Field Legal Officers additional scope to approve non-standard contracts.

**8. Central contract database**

At present, no central database of approved contracts and terms exists for use by those officials who draft contracts.

**9. Agency procurement procedure/rules**

The procurement procedure as set out in Organizational Directive No. 10 needs updating. The effective date of the amendment could coincide with the above two initiatives so that training (below) of Field Officers could cover all three initiatives.

**10. Procurement and contract training**

Fields have expressed an interest in the conduct of training on procurement procedures and the use of various pro-forma contracts. Conduct with OTSD contract training in each Field (preparation of contract proposals; new/amended pro-forma contracts; amendments to OD10). Refresher training to be conducted every 12 months. Increased travel necessary for such training is subject to budget allocation and time constraints (time constraints would lessen with the appointment of additional personnel).

**11. Staff awareness of the right to apply to the United Nations Administrative Tribunal**

Appellants before the Joint Appeals Board may be unaware of their right of recourse to the United Nations Administrative Tribunal and/or unfamiliar with the time limits that apply to such applications. Revision of procedures concerning circulation of JAB reports and UNAT procedures to appellants (this activity has been completed for Area Staff).

**12. Translation services**

Part of the delay presently being experienced in the handling of staff appeals and of investigations/ inquiries is attributable to the time taken to translate voluminous documents from Arabic into English. The translation services to be engaged under Lever 1 – Initiative 1-H may be used for this purpose.

### 13. Training on Privileges and Immunities

Agency staff's knowledge and appreciation of the significance of privileges and immunities varies amongst the fields. There is a need for training to be conducted in each of the Fields. This training could be timed to complement Field induction programmes and/or the training of Field Legal Officers. Outreach and trainings on P&I to all Fields should take place. Increased travel necessary for such training is subject to budget allocation and time constraints (time constraints would lessen with the appointment of additional personnel).

#### Action plan

| No. | Action   | Requirements   | Start   | Finish  | Budget    |
|-----|--|--|---------|---------|-----------|
| 1.A | <b>Upgrade existing Field Legal Officer posts to P4.</b>               |  | Q3 2006 | Q3 2006 | \$251,400 |
| 1.B | <b>Improve quality of legal consultants engaged in SAR and Jordan.</b> |  | Q3 2006 | Q3 2006 | \$136,350 |
| 2.  | <b>Ombudsperson</b>  | See Level 1, Initiative 1-I  |         |         |           |
| 3.A | <b>Computer-based tracking system</b>                                  |  | Q3 2006 | Q1 2007 | \$5,000   |
| 3.B | <b>Establish an "e-chrono"</b>   |  | Q3 2006 | Q1 2007 | \$10,000  |
| 4.  | <b>Procedural efficiencies</b>   |  | Q3 2006 | Ongoing |           |
| 5.A | <b>Training of Field Legal Officers and Consultants</b>                | TSA for annual visits to each Field. Increased travel necessary for such training is subject to budget allocation and time constraints (time constraints would lessen with the appointment of additional personnel). | Q3 2006 | Ongoing | \$10,200  |
| 5.B | <b>Annual meetings</b>   | TSA for travel of staff  | Q4 2006 | Ongoing | \$18,870  |
| 5.C | <b>Rotation policy</b>   | Opportunities need to be explored with AHRD before this can be implemented/costed  |         |         |           |
| 6.  | <b>Monitor client satisfaction</b>                                     |  | Q3 2006 | Ongoing |           |
| 7.  | <b>Standard contract documentation</b>                                 |  | Q4 2006 | Ongoing |           |
| 8.  | <b>Establish a central contract database</b>                           |  | Q1 2007 | Q1 2007 | \$5,000   |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|--------------|---|--|--------------|---------------|---------------|
| 9.           | <b>Update/amend Agency procurement procedures/rules</b> |  | Q4 2006      | Q4 2006       |               |
| 10.          | <b>Procurement and contract training</b>                | TSA for annual visits to each Field. Increased travel necessary for such training is subject to budget allocation and time constraints (time constraints would lessen with the appointment of additional personnel).                       | Q4 2006      | Ongoing       | \$10,200      |
| 11.          | <b>Staff awareness of right to apply to UNAT</b>        | [This activity was addressed in June 2006 as concerns Area Staff appellants. It will shortly be implemented with regard to International Staff appellants]   | Q4 2006      | Q4 2006       |               |
| 12.          | <b>Translation services</b>                             | See level 1, Initiative 1-H  |              |               |               |
| 13.          | <b>Training on privileges and immunities</b>            | TSA for travel to each field on a one and half year basis. Increased travel necessary for such training is subject to budget allocation and time constraints (time constraints would lessen with the appointment of additional personnel). | Q3 2006      | Ongoing       | \$5,100       |
| <b>Total</b> |   |  |              |               | \$452,120     |

## 4-A-12: Document Management

### Background

At present, different work units (Departments/Divisions/Programmes/Fields) use different procedures and processes for storage and retrieval of data and documentation. In some cases, document management is left to individuals. Many units/individuals use a paper-based system or other, localized, systems that do not allow for easy-sharing of information between staff, units and Fields. The Agency's Central Registry, although essential for archiving purposes, is not a user-friendly resource that can be used by staff for searching and retrieving documentation and templates. The present system is inefficient and is unable to adequately cope with staff turnover, staff mobility and relocation of staff and offices (e.g., during security-related relocations).

### Rationale

A standardized Document Management System that allows easy storage, transfer and dissemination of information and records to different Fields, Departments and programmes will improve efficiency, increase productivity and help ensure consistency.

### Aims

To design and implement a Document Management System across the Agency that:

- allows for the electronic storage and retrieval of records from central and remote locations;
- is compatible with Agency business applications and is robust enough to adapt when those business applications change;
- is easy to use;
- to the extent possible, takes advantage of publicly available software;
- permits the search and retrieval using a variety of criteria (e.g., author, name, addressee, document date, subject, keywords and document text); and
- allows for the storage of secure documents only accessible by authorized personnel.

### Outputs

A Document Management System that satisfies the following requirements:

#### *Imaging*

Bulk scanning of hard-copy documents and storage in a compressed and text-searchable format. Allows for storage directly into the target database (see two-step capture process under "Storage"). Supports text and images. Preserves hand-written notes and signatures. Is compatible with Microsoft Office (including Outlook). Allows for annotation by writing, drawing and insertion of objects in various layers. Allows for speedy decompression of documents for retrieval and processing.

## **Storage**

Automates, to the extent possible, categorization of documents. Otherwise allows the user to easily categorize the stored document (e.g., letter, memo, e-mail, contract, author, recipient(s), date, subject). Allows for storage of multi-type/multi-image documents in one searchable file. Detailed requirements:

- Two step capture: (i) temporary storage for sorting and quality control; (ii) final storage after completion of indexing.
- Indexing is completed using standard data entry form(s).
- Supports capture from most common desktop applications (PDF, Excel, Word etc.,). Captured files are stored either in their original format or converted to TIF format from within the Document Management System. Handles compressed (CCITT algorithms) files in TIF format. Converts other black and white raster graphic formats (BMP, PCX etc.,) to compressed TIF format.
- Supports capture from Outlook from the user personal folder or inbox with automatic extraction of index information (e.g., author, recipient(s), date).
- Allows for secure storage of sensitive documents only accessible by authorized personnel.
- Allows for creation of multiple databases. Allows for use of not less than 20 fields for every database.
- Supports unlimited storage capacity by automatic creation of disks and disk labeling.

## **Search, Retrieval and Manipulation:**

- Search facilities providing (i) full selection list of all existing records, (ii) partial list for a particular prefix; (iii) wildcard search; and (iv) logical search.
- A viewer providing (i) thumbnail view of document; (ii) display complete page or its upper part; (iii) enlarge/reduce display tools; (iv) right and left rotate; (v) multiple page display; (vi) page “de-skewing”; (vii) grey scale image enhancement.
- Ability to split multiple-page documents into single pages and to collate several single-page documents into one multi-page document.
- When viewing documents stored in a foreign format (e.g., .doc, .pdf), the system automatically launches appropriate application program for viewing.
- Allows for the addition of text, graphical and stamp annotation to each page of the document.
- Provides separate layers for annotation over the original document.

## **Architecture, Administration, Networking:**

- Based on Microsoft Windows platform.
- Scalable from a standalone configuration to network configuration.
- Easy-to-use GUI interface with support for “drag-and-drop”. System objects displayed as icons in Main Menu.

- Uses a common relational database e.g., MS SQL. Database license included with system's server license.
- Open System Architecture.
- Supports most industry standard file formats (e.g., TIF, BMP, PCX, JPEG).
- Compatible with most SCSI document scanners using TWAIN drivers.
- Provides administration utility for system setup.
- Utilizes range of storage media including magnetic disks, optical and CD's.
- Allows the system administrator to define and delete unlimited number of groups and users.
- Allows the system administrator to de-activate any menu options.
- Utilizes existing network infrastructure for delivery of documents to users over LAN and WAN. Capable of use by typical workstation user (a user at any main office or branch location should be able to access documents stored at any remote location server). User should be able to send any locally captured document to any other user over LAN, intranet or internet. User should be able to add a text note or make a graphical highlight in an annotations layer over the original document. Recipient should receive notification of document's arrival. System should keep all routing information such as recipient's names, reference, date.
- Transparent integration with (i) any Windows FAX card (incoming faxes are directly stored in the system as they are received without having to scan them after printed on the fax machine; similarly, outgoing faxes are sent directly from the DMS by pressing a single fax button); (ii) MS Exchange e-mail or any other MAPI compliant mail server (documents from the DMS archive can be sent by DMS users to any e-mail recipient (internal or external) and similarly; received e-mails can be directly stored into the DMS from within the DMS interface); and (iii) Microsoft office, for storage of documents directly into the archiving system.

**Security and Authorization:**

Access to the system must be controlled by user name and passwords. Access rights on documents are granted based on Users/User Groups. Logging and Audit Trail are capable of being produced.

**Action Plan**

| No. | Action   | Requirements   | Start   | Finish  | Budget |
|-----|--|--|---------|---------|--------|
| 1.  | <b>Refining needs and requirements of the system through consultation with users (Departments, Fields and Programmes). Prioritization of</b> | ISD (Consultation with Departments, Fields, Programmes and Central Registry) | Q4 2006 | Q1 2007 | N/A    |

| <b>No.</b>   | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|--------------|---|---|--------------|---------------|---------------|
|              | <b>system requirements (core requirements vs. preferred requirements).</b>                                      |   |              |               |               |
| 2.           | <b>Research of publicly available software. Costing of developing a system that is tailored for Agency use.</b> | ISD & PLD   | Q4 2006      | Q1 2007       | N/A           |
| 3.           | <b>System Development</b>   | ISD - Development and implementation of the system may require recruitment of personnel or engaging a consultant.   | Q2 2007      | Q3 2007       | \$100,000     |
| 4.           | <b>Purchase of Hardware (scanning equipment, server(s))</b>   | ISD & PLD   | Q3 2007      | Q4 2007       | \$300,000     |
| 5.           | <b>Purchase of Software</b>   | ISD & PLD   | Q3 2007      | Q3 2007       | \$300,000     |
| 6.           | <b>Implementation (including migration of existing (ad hoc) document management systems) and training</b>       | ISD and AHRD. Development and implementation of the system may require either recruitment of personnel or engaging a consultant.  | Q3 2007      | Q2 2008       | \$200,000     |
| 7.           | <b>Operational support</b>  | ISD. Depending on the final system design, it may be necessary to recruit additional personnel. (in addition to the Document Management System /Workflow Administrator in Initiative 4-B) | Q3 2007      | Ongoing       | \$100,000     |
| <b>Total</b> |   |   |              |               | \$1,000,000   |

## **Initiative 4-B: Strengthening ICT Capacity**

### **Background and Rationale**

UNRWA's ability to efficiently collect data and process information, as well as to communicate internally and externally is highly and critically dependent on its ICT capacity and capabilities.

The currently deployed ICT infrastructure was designed to facilitate the Agency's information and communication needs based on requirements identified in the period 1999 - 2000. At the time, the Agency deployed various ICT infrastructure systems to develop its communications capability, including (i) a satellite wide area network (SWAN) to enable data and voice communications between all Agency HQ and Field Offices, (ii) a new networking technology, (iii) a new e-mail system, and (iv) new telephone switchboards in HQ, Amman and HQ, Gaza. In addition, the Agency embarked on deploying a new Finance and HR/Payroll information system to enhance its management operational capability. The above infrastructure and systems were deployed with the then-identified objectives that emerged after the relocation of the Agency HQ offices from Vienna to Gaza and Amman. The main objectives were to (i) enable voice and data communications between HQ and Field Offices, (ii) reduce communications costs within the Agency, (iii) upgrade an obsolete e-mail system, (iv) upgrade an obsolete networking technology, (v) improve financial processes, and (vi) move the Agency payroll system from Vienna to UNRWA's new HQ offices. The IT resources and capabilities deployed to achieve the above were mostly addressed on project by project basis, adding resources and skills as and when needed depending on identified activities and projects.

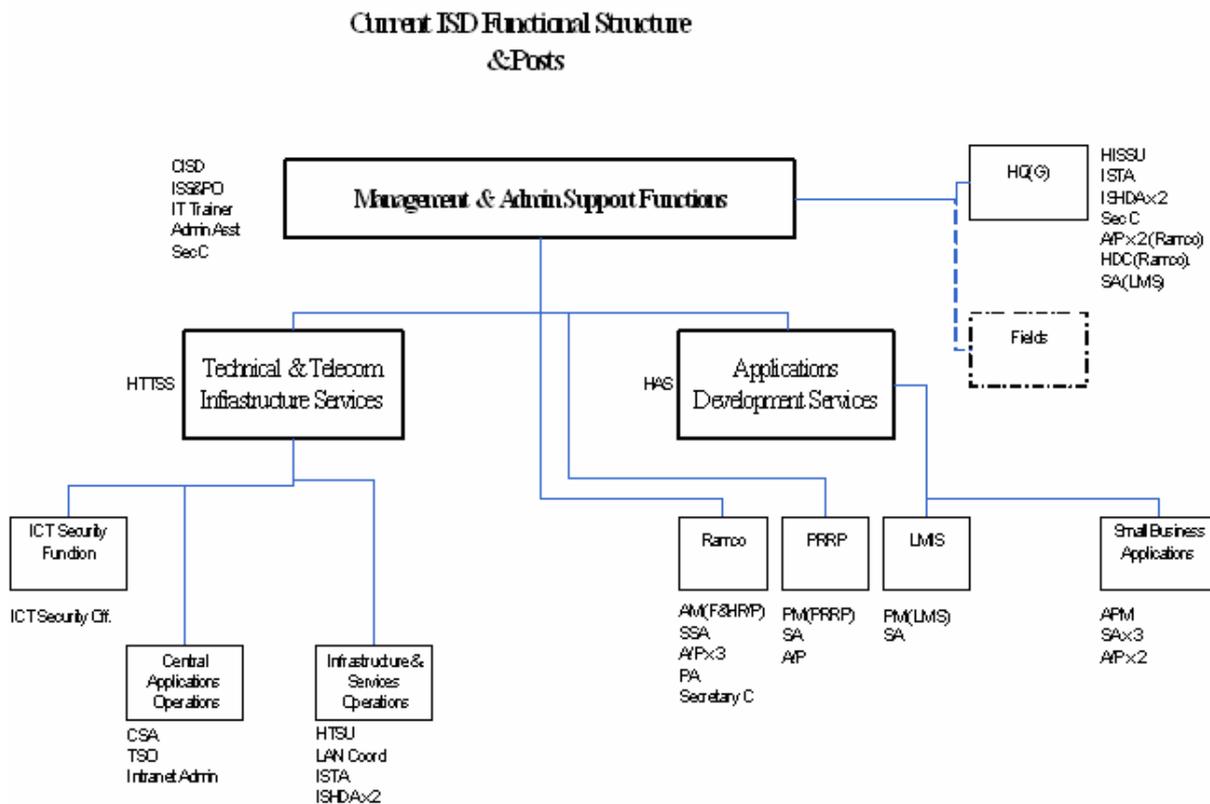
Although the above listed ICT systems were able to meet the Agency objectives at the time, they are now proving to be limited in meeting emerging and changing needs that call for stronger information management capabilities in both management services and programme areas and improved communications services in serving a larger, mobile, user community. The new needs, in addition to the fast pace developments in technology that renders older technology obsolete, are requiring UNRWA to conduct a thorough assessment of deployed systems, plan upgrades to old systems, deploy more capable technological solutions and capitalize on lower operating costs of alternative technological solutions.

Limited resources and skills have prevented the Agency from undertaking a number of ICT-related activities that would enable the Agency to operate in a more efficient (and less expensive) manner. For example, the Agency may be able to make significant savings by using new communications capabilities and services now offered by the Internet as a communications facility for data and voice in substitution for the Agency's Satellite Wide Area Network (SWAN). Currently the Agency spends US\$298,860 as a yearly operational cost on renting a total satellite bandwidth of 2176 Kbps space segment size. This space segment is sufficient to enable access from all Field Offices to central HQ, Amman information systems. The SWAN facility was deployed in year 2000 due to the absence of appropriate and reliable communications facilities alternatives in the region. As new central information systems are being developed and deployed, the Agency is forced to increase the space segment size to enable access to the new systems with acceptable performance. This increase is estimated at an incremental cost of US\$60,000 per year for each system deployed. Telecommunication facilities in the region have since matured and can offer reliable, secure and affordable services such as Internet VPN connectivity. The Agency must explore these

available technologies and deploy an alternate communications facility. These alternatives will result in a much lower operational cost with improved performance. Lack of resources and skills in new Internet technologies has so far not allowed the Agency to carry out this activity.

Furthermore, the Agency’s current ICT capabilities in addressing new infrastructure requirements, new technology and new identified information systems development needs proposed under various OD initiatives (e.g., Information Management/Knowledge Management (Initiative 2-H), Document Management System (Initiative 4-A-12) and ERP (Initiative 4-D)), are limited due to the present ICT resources capacity, skills and capabilities that is barely able to cope with existing its workload. The quick expansion of the ICT infrastructure over the past few years via the deployment of the SWAN, digital telephone switchboards, e-mail, video conferencing, expansion of network and communications facility to various installation in the Field Offices and the large increase of end-use computer hardware deployed Agency-wide as well as the deployment of various information systems applications, have stretched the capacity of ICT staff, who are mostly engaged in servicing existing systems and infrastructure, beyond their limits. The current structure of the Agency’s Information Systems Division (ISD) is set out in Diagram 1.

*Diagram 1: Current structure of ISD*



The existing resources are mostly dedicated to supporting current ICT operations leaving no additional capacity to define needs, address large scale IT projects, or introduce new technologies in support of the above initiatives. Without the strengthening of ICT capability, efforts towards improving efficiencies, modernizing infrastructure and deploying large scale information systems will be limited and have a high risk of failure in addition to putting current operations at risk.

## **Aims**

In summary, the aim is to have:

- a reliable, flexible and scalable ICT infrastructure (e-mail and Wide Area Network telecommunications) able to meet current and future information system access and performance demands;
- a stronger IT structure and governance able to clearly define Agency ICT needs, align the ICT strategy with the Agency needs and priorities as well as a responsive IT organization to the Agency information and communications changing requirements and operational needs; and
- a skilful and adequately resourced ICT team able to address emerging needs while sustaining reliable operations,

thereby ensuring enhanced and cost effective deployment of ICT capabilities yielding higher efficiency and returns on investments.

## **Outputs**

We will as a matter of urgency:

- carry out a review of the perceptions that managers and staff have of ICT (HQ and the Field Offices) in HQ and Field Offices;
- define the roles and competencies of ICT staff in both HQ and the Field Offices;
- develop training and self-learning modules for the ICT staff;
- organize training workshops for ICT staff to inculcate the new approaches and to provide training in such areas as technical skills and client orientation;
- organize sessions between ICT and stakeholders to discuss how to improve communication and services; and
- streamline ICT processes.

During these activities, we will also carry out a staffing review to determine whether the ICT functions have enough staff with the required competencies and, if necessary, appoint additional staff where necessary in both HQ and the Field Offices.

### Action plan

| No. | Action                                | Requirements | Start   | Finish       | Budget       |
|-----|---------------------------------------|--------------|---------|--------------|--------------|
| 1.  | <b>Review of ICT resources</b>        | Consultant   | Q4/2006 | Q4/2006      | \$60,000     |
| 2.  | <b>Implementing results of review</b> |              | Q1/2007 | Q3/2009      | \$1,940,000* |
|     |                                       |              |         | <b>Total</b> | \$2,000,000  |

\* The details and cost of this action will be determined by the review of ICT resources (i.e., Action Item 1). The \$1,940,000 figure is, however, indicative of the funds that will likely be required to achieve the aims described above.

## Initiative 4-C: Human Resources Management Processes

### Background

The Agency was established over 50 years ago and continues to use many HR processes which have not benefited from comprehensive reviews and updates, in line with UN processes across the common system. Reviewing and effecting change for HR processes has been particularly challenging given the use of two separate sets of Rules and Regulations for Area and International staff. The Area staff Rules and Regulations, in particular, cover approximately 25,000 local staff and do not have an equivalent in the UN system, which makes changes and developments unique to UNRWA, and without the benefit of precedents from the wider UN system.

### Rationale

HR processes are key support and planning functions for all staff Agency-wide, and critical to organisational development as a whole. It is therefore imperative that HR processes undergo a structured and comprehensive review with the ultimate goal of streamlining and simplifying processes where possible.

AHRD staff possess the skills and experience to assess the majority of the weaknesses and duplicated actions in HR processes but could benefit from external assistance in reviewing the identified changes and assisting in the implementation process. External assistance could also be used in the training of HR staff on new processes and enhanced client service delivery.

### Aims

AHRD's primary aim is to use the review process to identify processes which are unnecessarily bureaucratic (e.g. involve too many staff without adding value) or do not provide a result which furthers the Agency's goals, and could therefore benefit from simplification or even elimination. Specific processes which have been identified for streamlining and simplification, apart from those already included in the OD package, include the following:

1. **Structure of Approving Authorities:** review current structure to eliminate unnecessary or redundant steps in approving HR related-actions.
2. **Recruitment:** review the processes for both Area and International recruitments with a view to maximizing efficiency through the better use of candidate rosters, internal applicants, and on-line applications and screening.
3. **Implementation/updating of Rules, Regulations, and related policies and directives:** review the current process in order to implement change more efficiently and avoid duplication and multiple handling of standard paper work (e.g. number of signatures required for leave forms).
4. **Inter-departmental processes:** for example (1) consult and coordinate with the Finance Department, for example, on the elimination of unnecessary steps, actions or authorizations related to the processing of salary, benefits and entitlements; and (2) consult and coordinate with DLA and the Fields on reducing appeals and establishing a more efficient process for responding to appeals.

5. **Administrative processes:** review regular administrative processes with AHRD, such as monthly phone bills, to reduce and/or eliminate repetitive or unnecessary actions which are not cost-effective for the Agency.

### Outputs

1. **Structure of Approving Authorities:** new structure which maximizes efficiency in the approval of HR related-actions and clearly defines accountability.
2. **Recruitment:** enhanced recruitment process which utilizes Agency time and resources more efficiently and provides readily available candidates through rosters, maximizes opportunities for internal applicants.
3. **Implementation/updating of Rules, Regulations, and related polices and directives:** new process allows for efficient implementation and updating of Rules, Regulations, and related polices and directives, and eliminates duplication and multiple handling of standard paper work.
4. **Inter-departmental processes:** inter-departmental processes avoid unnecessary steps, actions or authorizations related to processes for salary, benefits and entitlements; appeals are reduced and handled more efficiently, with fewer staff involved in process (time reduced for processing salary, benefits and entitlements, as well as appeals).
5. **Administrative processes:** only necessary and cost effective processes maintained.

### Action Plan

| No. | Action  | Requirements  | Start   | Finish  | Budget    |
|-----|---|---|---------|---------|-----------|
| 1.  | <b>Review current structure of approving authorities to eliminate unnecessary or redundant steps in approving HR related-actions.</b>   | Implementation Partner *. We envision that AHRD staff could complete the preliminary review of the 5 areas identified for simplification of processes in Q4 2006.   | Q4 2006 | Q4 2007 | \$250,000 |
| 2.  | <b>Review the recruitment processes for both Area and International recruitments with a view to maximizing efficiency through the better use of candidate rosters, internal applicants, and on-line</b> | The Implementation Partner could then begin at the end of Q4 2006, using Q4 2006 to Q1 2007 to review the changes identified by AHRD and make any adjustments as necessary.<br><br>Q2 2007 to Q3 2007 would be used for the | Q4 2006 | Q1 2007 | See above |

| No. | Action   | Requirements   | Start   | Finish  | Budget    |
|-----|--|--|---------|---------|-----------|
|     | applications and screening.  | drafting of necessary changes and the implementation phase,  |         |         |           |
| 3.  | <b>Implementation and updating of Rules, Regulations, and related polices and directives: review the current process in order to implement change more efficiently and avoid duplication and multiple handling of standard paper work (e.g. number of signatures required for leave forms)</b>   | with full time assistance through the Implementation Partner (policy development specialist would be needed).<br><br>Q3 – Q4 2007 would be used for training of AHRD on the new processes and enhanced client service, initially with assistance through the Implementation Partner. | Q2 2007 | Q3 2007 | See above |
| 4.  | <b>Review Inter-departmental processes. For example (1) consult and coordinate with the Finance Department on the elimination of unnecessary steps, actions or authorizations related to the process of salary, benefits and entitlements; (2) consult and coordinate with DLA and the Fields on reducing appeals and establishing a more efficient process for responding to appeals.</b> |  | Q4 2007 | Q4 2007 | See above |

| No. | Action   | Requirements | Start   | Finish       | Budget    |
|-----|--|--------------|---------|--------------|-----------|
| 5.  | <b>Review regular administrative processes with AHRD, such as monthly phone bills, to reduce and/or eliminate repetitive or unnecessary actions which are not cost-effective for the Agency.</b> |              | Q4 2007 | Q4 2007      | See above |
|     |  |              |         | <b>Total</b> | \$250,000 |

\* As noted in Part Four of this document, a consultancy firm (referred to herein as the “Implementation Partner”) will be engaged to assist the Agency with the implementation of a number of HRM–related initiatives, including this one.

## **Initiative 4-D: Enterprise Resource Planning System (the ERP Initiative)**

### **Background**

Since its creation, UNRWA has employed various computer systems to meet its basic and critical needs for processing data and managing information to discharge its mandate. The early systems were naturally geared for the management of refugee data, basic accounting, budgeting and payroll. These early systems were extended and modified to cater for an ever-growing number of beneficiaries and staff. When UNRWA moved its HQ from Beirut to Vienna in the early 1980s, the then-current out-of-date systems were replicated into a new platform. Following another relocation of HQ from Vienna to Jordan and Gaza, another “as-is” replication of the systems was undertaken (albeit using a packaged Finance and Payroll system).

The Agency has always been constrained by a lack of time and/or money to redesign its systems to meet its strategic work plans. UNRWA has limped from one frugal system to another, leaving its information systems fragmented and dislocated, thus creating islands of information, with replications of the same data, while each addressing a specific area without being fully satisfactory.

As a result, although current internal systems satisfy the Agency’s day-to-day basic data and information processing needs, the systems fall short of adapting to, or catering for, (i) ever-changing requirements of, and increase in services to, beneficiaries, (ii) new concerns and demands of donors, (iii) changing conditions of host countries, or (iv) changes in technology. The Agency has been unable to shift to International Public Sector Accounting Standards (an initiative being implemented by the UN). The current Financial Management and Payroll System has been in operation for six years and was originally based on technology that is over ten years old and requires a complete shift to a new platform. The systems are unable to (i) satisfy increasing demand for data and information from internal and external sources, and (ii) cope with the growing number of refugees and staff. *Ad hoc* and individual attempts to computerize and streamline workflow processes and apply computer based rules and regulations have created a serious gap in system capacity, enhancement capability and has lead to a system that is unsupportable in the long run. The Agency’s ability to streamline and simplify procedures is significantly limited and the Agency’s ability to provide the adequate ICT support has been stretched. Because of time, resource and cost restraints, the Agency has been unable to benefit from ICT advancements.

Consequently, the Agency’s systems are not relied upon or used for management decision-making and planning. The systems significantly constrain the Agency’s ability to improve operations service delivery using a results-based approach.

### **Rationale**

Now is an opportune time to explore a comprehensive solution to the Agency’s information needs by replacing all the “quasi-systems” referred to above in an integrated fashion (or interfaced in some cases) and providing up-to-date information and data to a wider user community. An ERP system will have a number of benefits for the Agency. The implementation of an integrated system to manage cross-functional processes in the areas of Finance, Procurement, Inventory Management and Human Resources will significantly

improve (i) administrative and financial processes and procedures, (ii) availability of information that supports strategic planning, management functions and operational activities, and (iii) visibility and transparency of activities. More specifically, such a system will result in:

1. Cost savings.
2. Cycle time reduction.
3. Visibility into the full chain of business processes.
4. Seamless flow of needed information.
5. Synergies through cooperation, coordination and integration.
6. More satisfied users and stake holders (both internal & external).
7. More efficient and effective staff as a result of the availability of needed information.
8. Improved UNRWA's programme service delivery.
9. An established foundation for external interfaces with donors, host Governments, and the refugee community by using up-to-date technologies (intra and internet), enhancing transparency and sharing information.
10. An established foundation for a link or interface with the systems of host countries for the purpose of obtaining factual and statistical data on demographic, education and environmental issues.
11. An established foundation for information exchange and partnerships with other members of the UN family.
12. An established foundation for an interface with the current Palestine Refugees Records System (PRRP). This will help the Agency:
  - obtain up-to-date statistics on refugee demographic data; and
  - establish the basis for tracking refugee costs.
13. An established foundation for a link to our educational systems to be able to obtain the necessary data for tracking student expenses and their progress.
14. An established foundation for a link to the Agency's future Health system to track patient expenses and the use of Agency medical facilities.

The Agency has already identified its basic information needs. The Agency currently expects that a new ERP system will include the following modules/functions:

1. Financial Systems
2. Planning and Budgeting
3. Donor Pledging and Reporting
4. Supply Chain (Procurements and Inventory)
5. Project and Programme Management support
6. Human resources Management including
  - Staff benefits and entitlement
  - Recruitment

- Performance Evaluation
  - Leave Management
  - Staff Training and career tracking Plans
  - Area Staff Payroll
  - International staff payroll
7. Processes Workflow
  8. Links and Interfaces to other internal and External systems

However, although the Agency has identified shortfalls in its current systems and its basic information needs, more preliminary work is required before the core architecture of a new ERP System can be designed and costed. In this regard, the development and implementation of an ERP System that meets the Agency’s requirements will take time, a number of additional dedicated staff, expert advice and additional funding. With regard to the latter, it is difficult to estimate the cost of introducing and implementing a total ERP system and the activities that should go with it (e.g., enterprise process improvements/re-engineering and change management). However, and in light of the systems developed by other organizations, an ERP system will likely cost in the vicinity of US\$10-15 million (see Table 1 below)

*Table 1: Cost estimate for implementing an ERP system*

| No | Item  | Cost (\$)          |
|----|---|--------------------|
| 1  | Consultancy (for mapping information needs, streamlining business processes, requirements formulation, etc.)                                | \$400,000          |
| 2  | Dedicated staff to work with the consultants, including 1 year cost of the Project Manager (estimated at 150,000), and travel to the fields | \$350,000          |
| 3  | Implementation Partner  | \$3m - \$4.5m      |
| 4  | Additional staff needed during implementation (also costs of PM during implementation)  | \$2m - \$3m        |
| 5  | ICT costs (hardware, software)  | \$3m – 4.5m        |
| 6  | Other costs   | \$1m – 1.5m        |
|    | <b>Total</b>  | <b>\$10m – 15m</b> |

### **Aims and Outputs**

The ultimate aim of implementing an ERP System is to (i) fully integrate the processes of service Departments, (ii) cover the shortcomings in current systems, (iii) cater for the Agency’s programme management needs (through, for example, the storage and retrieval of information), and (iv) allow the Agency to comply with new International Public Sector Accounting Standards (also see the benefits described under “Rationale” above).

The aim of this Initiative is to (i) conduct an in-depth analysis of the Agency’s needs and the requirements of stakeholders, (ii) draw up a strategic framework and work plan (defining, amongst other things, the scope, system priorities, system limitations, approach to identifying and selecting an implementation partner, form and extent of partnership with other UN agencies (if any)), and (iii) develop a detailed project funding proposal for presentation to donors.

## Action plan

The Initiative is divided into five main actions/steps.

Step 1: In light of the high degree of involvement and coordination between the Agency's senior management including Programme Directors, DOS and Field Office Directors that is required, a governing body – or “Working Group” - comprised of representatives of all system stakeholders (functional departments, ISD, and others) and led by a senior official, will be created. This Working Group will oversee, facilitate and ensure successful adaptation of the Agency to its future ERP system. In Step 1, the Working Group will develop a Project Management Structure and agree on the appointment of a Project Manager.

Step 2: A Project Manager will be appointed. In this regard, the development and implementation of an ERP will require a “multi-track” and phased approach (these tracks and phases will be decided upon by the Working Group) with a number of teams working in parallel. It is necessary that a Project Manager be appointed to ensure the work of each team is compatible and consistent with the work of other teams. Furthermore, to ensure continuity and consistency throughout the duration of the project, the Project Manager must be involved from the initial planning phase. In this Initiative, the Project Manager will, under the guidance of the Working Group, lead the process of formulating and validating the ERP Strategic Framework and Plan (Step 3), oversee the process of hiring the consultants to map the Agency's information needs and to formulate the Agency's requirements (Step 4), and, together with the Working Group, prepare a detailed project funding proposal (Step 5).

Step 3: An “ERP Strategic Framework and Plan” will be developed by various Agency stakeholders (this may involve the appointment by the Working Group of a “Project Team”). This Plan will include:

- Strategic objectives
- Systems, Areas and Scope of coverage
- Success Factors
- Implementation Priorities
- Required Resources (Internal & External manpower, Consultancy, infrastructure and Equipment)
- ERP acquisition approach (e.g., open tendering; partnership with other UN organizations)
- Identification of needed resources

Step 4: Recruit a consultant to conduct a further needs analysis, high-level business process mapping, and a review of current procedures, directives, technical instructions, rules and regulations for compatibility and updatability.

Step 5: Preparation of a detailed project funding proposal and presentation to donors.

After funding is received, implementation plans will be developed (Step 6), an implementation partner will be hired (Step 7) and the ERP will be developed and implemented (Step 8).

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>   | <b>Start</b> | <b>Finish</b> | <b>Budget</b>   |
|------------|---|---|--------------|---------------|---|
| 1.         | <b>Establishment of a Working Group (WG).<br/>Establishment of a Project Management Structure</b>   | ISPAC<br>To be composed of senior officials from DOS, AHRD, OTSD, Department of Finance, ERD & Field Offices  | Q3 2006      | Q4 2006       |   |
| 2.         | <b>Appointment of a Project Manager (PM) (P-3 level)</b>  | ISPAC<br>Working Group  | Q4 2006      | Q4 2006       | \$145,900 (initial one-year cost only)  |
| 3.         | <b>Development of the ERP Strategic Framework &amp; Plan.<br/>Appointment of a Project Team</b>   | Project Manager<br>Working Group<br>Project Team<br>Other representatives from Departments, Programmes and Field Offices, as required.                      | Q4 2006      | Q1 2007       | \$24,100 (for travel, equipment and other costs)  |
| 4.         | <b>Recruitment of a Consultant to conduct a further needs analysis, high-level business process mapping, and a review of current procedures, directives, technical instructions, rules and regulations for compatibility and updatability. Hiring (if necessary) staff to work with the consultant.</b> | Project Manager<br>Working Group<br>Project Team<br>One dedicated senior staff member from all Departments<br>Staff to work with consultant + support costs | Q1 2007      | Q3 2007       | \$580,000 (\$375,000 for the consultant; \$205,000 for the cost of staff to work with the consultant) |
| 5.         | <b>Preparation of a detailed project funding proposal and presentation to donors</b>  | Project Manager<br>Working Group  | Q3 2007      | Q3 2007       | (Cost included in the above)  |
| 6.         | <b>Development of detailed implementation plans<br/>Review with key users</b>   | Project Manager<br>Project Team<br>Consultant<br>Functional/Programme<br>Departments  | Q3 2007      | Q4 2007       | (Not costed under this Initiative)  |

| <b>No.</b> | <b>Action</b>   | <b>Requirements</b>  | <b>Start</b> | <b>Finish</b> | <b>Budget</b>                      |
|------------|---|--|--------------|---------------|------------------------------------|
| 7.         | <b>Identifying, Qualifying, acquiring and hiring an ERP implementation Solution and Partner (the partner will be responsible for change management). Hiring additional needed resources</b>   | Project Manager<br>OTSD<br>AHR<br>Legal<br>Functional/Programme<br>Departments<br>Project Team | Q4 2007      | Q2 2008       | (Not costed under this Initiative) |
| 8.         | <b>Implementation:</b><br><ul style="list-style-type: none"> <li>• <b>Procurement of HW &amp; Infrastructure</b></li> <li>• <b>Installation &amp; configuration</b></li> <li>• <b>Change Management</b></li> <li>• <b>Training</b></li> <li>• <b>Pilot runs</b></li> <li>• <b>Phased Deployment.</b></li> </ul> | Implementation Partner<br>Functional departments<br>OTSD<br>Project team                       | Q2 2008      | Q4 2010       | (Not costed under this Initiative) |
|            |   |  |              | <b>Total</b>  | \$750,000                          |

## **Initiative 4-E: OPTF**

### **Background, Rationale and Aim**

The overall aim of Lever Four is to transform the Agency's operational, work and administrative processes. This transformation will cover a number of different functions, many of which will be addressed in parallel. The overall success of the lever depends on the existence of a clear strategy, good coordination and proper integration. This can only be achieved with the assistance of a task force.

### **Outputs**

The Commissioner-General will set up an Organizational Processes Task Force (OPTF) to oversee the activities under this lever. The OPTF will be chaired by the Deputy Commissioner-General. The OPTF will set up working groups on specific sub-initiatives as needed.

The OPTF will be assisted by a specialist consultant in process mapping and analysis to accompany the work, to advise the OPTF and its steering groups and to carry out unforeseen mapping, analysis and development of solutions. More specifically, the specialist consultant will:

1. facilitate the early meetings of the OPTF and provide orientation and training in process mapping and analysis;
2. provide training for the sub-groups that the OPTF will be setting up and to accompany these groups in their work;
3. help the OPTF develop an organizational strategy for transforming the Agency's operational, work and administrative processes;
4. design for approval by the OPTF a comprehensive workplan for all initiatives related to process implication and streamlining;
5. monitor the implementation of the workplan, to identify blockages/obstacles and resolve them, or to bring them to the attention of the OPTF if they are of a policy nature;
6. help the responsible manager draw up the terms of reference and recruit staff and consultants required for any initiative in Lever Four and any related initiatives in the other levers;
7. assist in the briefing of any consultants/staff involved in process simplification, to be available to support them if required and to ensure that all initiatives are integrated into the comprehensive work plan;
8. (where work units are carrying out their own process simplification without any external assistance) be available to facilitate their discussions;
9. provide training and coaching on process mapping and analysis to staff;

10. (once the quick wins are completed and the other initiatives have been launched) review progress and identify any processes that still need attention and carry out the necessary process mapping;

11. play a lead role in HR process mapping and analysis in support of Initiative 4-C and the initiatives in Lever One; and

12. work closely with the team and consultants on the ERP design, ensuring close coordination with all other initiatives in the Agency.

This person will be available during the first 9 months.

| <b>No.</b> | <b>Action</b>  | <b>Requirements</b>                                    | <b>Start</b> | <b>Finish</b> | <b>Budget</b> |
|------------|--|--|--------------|---------------|---------------|
| 1.         | <b>Establishment of the OPTF and working groups</b>  | Deputy Commissioner-General and other senior officials | Q4 2006      | Q4 2006       |               |
| 2.         | <b>Provision, by a consultant, of assistance in process mapping and analysis and provision of advice to the OPTF and its working groups.</b> | Deputy Commissioner-General<br>Consultant              | Q4 2006      | Q2 2007       | \$187,500     |
|            |  |  |              | <b>Total</b>  | \$187,500     |