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FOLLOW-UP ON PROJECT STAFF

Auditor:

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AUDIT OF STATUS OF PROJECT STAFF IN UNHCR (AR2005/162/01)

EXECUTIVE SUMMARY

Between October and December 2005, OIOS reviewed the current status of project staff to determine if this ‘staffing’ arrangement had been phased-out in accordance with IOM/81/2001&FOM/79/2001, ‘UNHCR Project Staff’, dated 21 September 2001. OIOS acknowledges the current work of the Director of Structural and Management Change, in the course of which staffing and personnel arrangements will be reviewed. In light of this OIOS has limited the recommendations to the areas where action is required in OIOS’ opinion, independent of the results of the overall change or direction to be taken by UNHCR.

- OIOS commends the work done by UNHCR to phase-out project staff. For instance, regular posts were created for some project staff and for many others the contractual status was converted to that of a UNV. Additionally, companies instead of individuals were contracted to provide security and cleaning services.
- OIOS appreciates, considering the nature of UNHCR operations, that there is a need for ways to flexibly and economically recruit and separate personnel. OIOS is also aware of the budgetary constraints and obstacles met by field offices to have the staffing levels required to manage an effective operation. OIOS recommended in 2001 that the Division of Human Resources Management advise Bureaux and field offices of the most appropriate contractual mechanism for project staff (during the transitional period) to avoid the risks associated with the use of irregular type agreements. This recommendation was not implemented, which could be one of the reasons for the continuation by field offices of hiring additional personnel on irregular contracts.
- OIOS’ current review found that over 50 personnel are still ‘employed’ by UNHCR under staffing arrangements that could be defined as irregular under the 2001 IOM/FOM. This figure does not include the 23 persons working under ‘UNDP special service agreements’ or the 27 persons hired by MINURSO under ‘individual contractor’ contracts, as referred to under ‘service contracts’ below. *DOS disagreed with OIOS statistics and indicated that only 4 project staff (in Syria) remained. DOS referred to some of the other arrangements identified by OIOS as ‘pseudo project staff’ and ‘de-facto consultants’.*
- The above figure does not include contracts issued through UNOPS or those under ICMC, Surge, IRC and similar arrangements, for which a separate policy instruction has been (or will be) issued. Interpreters hired through various arrangements, another area where guidelines are currently being drafted, are not included in this figure either.

- It is clear that there is still no central depository for UNHCR's ad hoc staffing arrangements. This means that 'staffing' numbers are still not properly represented.

Service Contracts

- OIOS identified 69 persons employed under service contracts; 46 under UNHCR service contracts and 23 under UNDP special service agreements. In addition 27 individual contractor's contracts were found in Western Sahara (MINURSO) after the draft of this report was issued. UNHCR does not currently have an established or guided 'Special Service Contract/Agreement', and the standard contract for individual contractors is still in draft form. Despite this, some field offices are hiring personnel under these contracts. In some cases contracted through UNDP, using its service contract; in others the contract had been drafted by UNHCR locally, sometimes using the UNDP service contract as a basic framework. *DOS stated that it regarded UNDP service contracts as regular contracts, but agreed that the UNDP contracts reviewed by OIOS (in for instance Yemen) are in fact irregular contracts.*
- OIOS' review of the service contracts entered into by UNHCR indicated that they varied considerably in nature and content. The terms and conditions of employment varied substantially sometimes even between staff performing the same function at the same level in the same operation. Such an approach to employing personnel is an open invitation to discontent and dissatisfaction among staff, and possibly even legal repercussions.

Other contractual arrangements

- OIOS is pleased to note the extensive work done by UNHCR with regard to the use of UN Volunteers. Further efforts are required to centrally coordinate and manage UNV activities. Up-to-date information was not always available, and the UNVP Bonn staffing table issued in December 2005 differed substantially from the number of UNVs reported by the respective Bureaux in the same period. Reliable information for monitoring and disclosure purposes is necessary.
- OIOS found that UNOPS contracts have mainly been established in the Africa region. DOS subsequently informed OIOS that there are 45 persons employed under UNOPS contracts in Malaysia. OIOS appreciates this arrangement could be an alternative additional staff resource, but would highlight that there is no overall central or clear policy on the hiring of personnel through UNOPS. If such arrangements are to continue OIOS recommends that practical guidelines for implementation and monitoring of UNOPS contracts be developed. *DOS was of the opinion that the 1998 bilateral framework agreement was sufficient, but agreed that it should be up-dated.*
- Interpreters are working for various field operations, and although some operations have regularized interpreters' posts, the vast majority of interpreters are 'employed' by UNHCR under 'UNHCR service declarations'. Often their contractual status is vague and ambiguous. OIOS is pleased to note that a working group has been established that has developed practical guidance for the field. This work however still needs to be finalized and disseminated.

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I. INTRODUCTION

1. Between October and December 2005, as a follow-up of the audit conducted in 2001 (AR2001/601/5), OIOS reviewed the current status of ‘project staff’ in UNHCR. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. Project staff were traditionally defined as individuals employed by an implementing partner, *or* by UNHCR (but without a standard UNHCR letter of appointment), to carry out staff functions or functions normally carried out by an implementing partner, who form part of the UNHCR staffing table and work under the direct control and supervision of UNHCR staff. To a third party they would be perceived as ‘UNHCR staff’.

3. The 2001 audit found that UNHCR field offices were hiring ‘staff’ either directly or through implementing partners and in some instances by the creation of companies, under various contracts, to conduct core and other functions. These project staff carried out the same or similar responsibilities as UNHCR staff, and were engaged in various positions such as Protection Assistant, Logistics Assistant/Clerk, Administrative Assistant/Clerk, Driver and/or Guard. OIOS found that there was no consistent approach or focal point at UNHCR Headquarters to provide guidance, or to oversee the sourcing and monitoring of this type of ‘staff’. As a consequence there was a myriad of contractual arrangements entered into by field offices. OIOS issued eleven recommendations, which included the recommendation that a policy decision be made to phase-out project staff, but that, at the same time, guidelines and/or instructions be issued for field offices to enable them to enter into flexible contractual arrangements to hire personnel for short-term functions and/or responsibilities essential for operations but not normally approved under a staffing table.

4. The findings and recommendations contained in this report have been discussed with the officials responsible for the audited activities during the exit conference held on 10 February 2006. A draft of the report was shared with the Director, Division of Operational Support in March 2006. The formal comments, which were received in May 2006, are reflected where appropriate in the report.

II. AUDIT OBJECTIVES

5. The main objective of the review was to determine the effectiveness of UNHCR’s policy to phase-out project staff. The review also aimed to assess the adequacy of the central procedures established for monitoring the additional workforce arrangements, as well as the current contractual arrangements for the hiring of such personnel.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit focused on the present status of the implementation of the policy for the phasing out of project staff, as well as the administration and procedures adopted to achieve this. OIOS followed up on the findings and recommendations made in 2001 to ensure they had been adequately implemented, and were still valid in the current working environment. Moreover, although not within the initial scope of the audit, we took the opportunity to briefly review UNHCR’s other staffing arrangements (‘additional workforce’), including United Nations Volunteers (UNVs) and UNOPS, which seemed in the most part to have replaced project staff.

7. The scope of the audit excluded personnel contracted by UNHCR under ICMC, Surge and IRC arrangements, as we understand that a detailed review of this has been conducted by UNHCR and an IOM/FOM is currently being drafted. OIOS interviewed various representatives of the Bureaux, the Division of Operational Support (Programme Coordination and Operations Support [PCOS]), the Division of Human Resources Management (DHRM), the Financial Resources Service (FRS) and the Legal Affairs Section (LAS). OIOS reviewed documentation made available at those offices regarding project staff and the other contractual arrangements entered into at the field level.

8. There was no detailed or comprehensive information available centrally. We had to rely therefore on the information requested through the bureaux/desks from the field.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. UNHCR Project Staff and Additional Workforce

9. The information received by OIOS from the field through the bureaux and PCOS, indicated that there was an overall consensus that project staff, as defined in the 2001 audit and following IOM81/2001&FOM 79/2001 'UNHCR Project Staff', dated 21 September 2001, had been phased out as at the end of October 2005. This was confirmed by UNHCR in its General Assembly Report (A/AC.96/1011), 'UNHCR Annual Programme Budget – 2006', dated 30 August 2005, which reads that UNHCR had "taken steps to regularize this category", and that only "a limited number of (...) staff had continued to work under this arrangement during 2005".

10. OIOS noted however that the definition of project staff in the GA Report is narrower than the 2001 IOM/FOM definition, and includes only "persons nominally employed by another organization and paid by funds placed at the disposal of organizations by UNHCR". By using this narrow definition, OIOS would agree that, project staff have for the most part been phased-out. Our concurrence is based on the results of the statistics presented to OIOS as part of this review, as well as the fact that OIOS has identified fewer cases of such project staff in its regular audits of UNHCR field operations in the period between 2003 and 2005. The audited countries which OIOS found still using project staff extensively during this period were Ethiopia and Liberia. OIOS was informed however that the 200 plus project staff found in those countries, had either been phased-out or regularised as at October 2005. In the Americas (Costa Rica), there were still five project staff maintaining the Spanish website for UNHCR (Ref. OIOS/AR2004/151/02). For Europe, OIOS identified one project staff in Moldova.

11. The broader definition of project staff as outlined in the 2001 IOM/FOM, includes staff "(a) hired through an Implementing Partner to undertake tasks which should normally be done by UNHCR regular staff", but also "(b) *staff hired directly by UNHCR using an irregular service contract* to carry out either staff functions or functions normally carried out by an Implementing Partner". It is OIOS' opinion that project staff in this wider definition has not yet been fully phased-out.

12. From the information received in December 2005, at least 69 personnel were contracted under (Special) Service Contracts/Agreements (SC/SSA). The majority of such service contracts (46) were issued and administered directly by the UNHCR field offices concerned, whereas the

others (23) were ‘UNDP special service agreements’. In addition, a recent audit of UNHCR’s operation in Western Sahara noted that 27 personnel were hired under MINURSO individual contractor contracts.

13. The majority of personnel working under these contractual agreements are in OIOS’ opinion ‘project staff’ as set out above, as they are fulfilling UNHCR core functions (e.g. protection, finance, logistics), they are working in a UNHCR office, they are supervised by UNHCR staff, and they are perceived to be UNHCR staff members by third parties. The costs associated with these ‘staff’ were charged to programme in some cases, and to the ABOD in others. In addition, some of the so-called UNDP contracts were in fact irregular contracts created on an ad hoc basis by UNHCR. *DOS was of the opinion that ‘UNDP special service agreements’ cannot be regarded as irregular, and would thus not qualify as ‘project staff’-arrangements as defined in the 2001 IOM/FOM. DOS agreed however that irregular (UNDP) contracts were issued in Syria and Yemen, although they preferred to refer to the latter as ‘pseudo-project staff’ as “the standard UNDP SSA was used as a model and signed by UNHCR”.* OIOS would emphasize that many of the UNDP contracts referred to were assessed by OIOS as ‘non regular UNDP contracts’ on the basis of the fact that some of these contracts were in fact *ad hoc* contracts created by UNHCR field offices (sometimes based on the UNDP SSA model), and others were ‘irregular’ in the sense that they were used for UNHCR core functions, such as protection, which is not the purpose of the use of such contracts.

14. In order to analyse the trend in how UNHCR project staff were phased-out, it was relevant to look at the movement in staff and the various categories of staff, defined as UNHCR’s ‘additional workforce’. Overall and as at December 2005, from the information received, 943 persons were hired by UNHCR under non-regular staff contracts. They could be divided in the following categories:

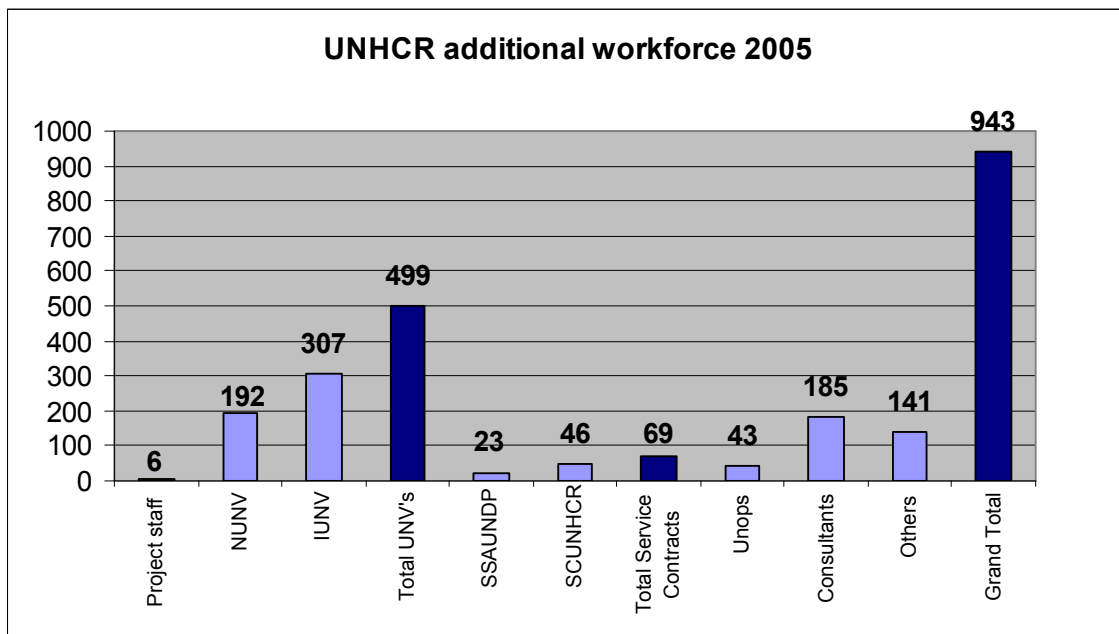


Chart 1: UNHCR’s additional workforce 2005; based on the statistics and information made available to OIOS by the respective bureaux (and excluding the 45 additional UNOPS identified by DOS after the issuing of the draft report).

B. Project Staff Working Group – 2001/2002 - recommendations and current status¹

15. In 2001 a working group was established by PCOS to review project staff and to make recommendations on how to phase them out. The working group, in its final report, dated March 2002, established that as at the end of 2001 some 1099 project staff were working for UNHCR,² divided over the different regions. Of these 1099 project staff, recommendations were made to regularize 264 (24 per cent); to discontinue/terminate 516 (47 per cent); to convert 18 (1.6 per cent) to an individual contractor contract; to hire services through companies (security and cleaning),³ which would equate to 264 (24 per cent) persons, and to convert 37 (3.4 per cent) to UNOPS/UNDP/UNV contracts.

16. OIOS reviewed the recommendations of the Working Group per region in conjunction with the present situation of UNHCR's 'additional workforce'.⁴ Considering the passage of time and the changing nature and complexity of UNHCR operations and staffing requirements, it was very difficult to compare the staffing table of 2001 as recommended by the working group with that of 2005. It is however clear that significant changes have been made to the project staffing arrangements since 2001.

17. OIOS commends the work done by UNHCR, initially the active follow-up conducted by the PCOS Working Group established in 2001/2002, and at a later stage by UNHCR's field offices and Bureaux and more recently by the audit focal point in PCOS. In saying this however, further work is still required to ensure that all UNHCR's contractual arrangements are transparent and monitored on a regular basis.

C. Service Contracts⁵

18. OIOS found that although UNHCR has not developed or issued any guidelines on hiring personnel under Service Contracts (similar to those used in UNDP), some field offices have proceeded in hiring staff under this type of contractual arrangement. As at the end of December 2005, it has been determined that there were at least 69 persons employed by UNHCR under various versions of special service contracts (Annex II, chart 7).⁶ The service contracts reviewed by OIOS were irregular contracts both in nature and content. Some of those contracts were UNHCR 'service contracts' created on an 'ad hoc' basis, others were 'UNDP service agreements' created by UNHCR field offices (using the UNDP SSA model), while again others were 'irregular' in the sense that they were used for UNHCR core functions, such as protection, which

¹ See also Annex I as attached.

² This figure does not include the Afghanistan operation.

³ Please note that the 'service contracts' as suggested by the 2002 working group are contracts with companies (mainly providing security and cleaning services) and not with individuals. They thus differ from the individual service contracts as discussed in detail under section C. of this report (and hereafter referred to as 'service contracts' or 'special service agreements').

⁴ The staffing situation per region in 2001, including the PCOS' recommendations, as well as the staffing situation per region in 2005 are included and discussed in detail in Annex I.

⁵ The findings in this section have been reflected in Annex II, chart 7.

⁶ This figure does not include the 27 personnel hired in Western Sahara under MINURSO individual contractor contracts as mentioned earlier and as established after the issuing of the draft report. The Asia & The Pacific region is included in the table as service contracts have been identified in that region, for instance in Thailand, but as the exact number of those contracts is unknown - see under 'Asia & The Pacific', Annex I - it has not been reflected, nor included in the total amount of service contracts set out in the chart.

is not the purpose of the use of such contracts.

19. OIOS questioned the validity of the service contracts found, as there is no legal basis or policy instrument in UNHCR providing guidance and/or standardization for hiring personnel under such arrangements. *DOS regards the UNDP service contracts as regular and sufficiently legally based.* Moreover, the contracts varied in nature, quality and content, allowing for terms and conditions that are far from transparent or consistent. Also, unlike regular additional personnel arrangements, such as UNVs and consultants, there is no focal point for special service contracts in DHRM, the Bureaux or DOS. The use of special service contracts is not monitored, thus the staffing flows cannot be easily tracked or established. This prevents UNHCR from having comprehensive statistics and up-to-date information on its global additional workforce.

20. To illustrate the anomalies arising over the issuance of service contracts, OIOS noticed that UNHCR Syria had entered into a number of different contractual arrangements for the same position. UNHCR Syria had seven Eligibility Assistants, three of whom had a UNHCR ‘service contract’, one had a ‘special service agreement’ (also issued and administered by UNHCR) and another three had been hired under a national UNV contract. Such an approach to hiring personnel, especially when the personnel concerned are all conducting the same function, causes not only a lack of consistency and transparency, but also a risk of legal repercussions. *DOS concurred with OIOS and stated that this had been a serious concern for both DOS and the Bureau.* OIOS is pleased to note that DOS shares its concern.

21. Furthermore, OIOS compared the contractual terms and conditions of the issued ‘special service agreement’ (SSA) to that of the issued ‘service contracts’ (SC) in Syria and found that they vary in nature and content considerably. Under the SSA, the ‘staff member’ receives a ‘lump sum payment per month’, an amount that is considerably lower than those hired under a SC. SSAs are not entitled to annual leave, sick leave or holidays, unlike SCs. None of these ‘service staff’ is entitled to (any) other remuneration, benefits, compensation (except for service incurred injury) or subsidies, although the staff with SCs can take part in a social security scheme, the costs of which are added to the monthly payment. The SC has a termination clause comprising 30 days prior notice and ‘reasonable’ compensation, equivalent to one week of gross salary for each (un)expired month of the contract remaining after the date of termination (unless of course caused by the staff). The SSA has a termination clause comprising one-week prior notice in writing, without compensation.

22. Other examples of personnel hired under special service contracts were identified in Mazar-I-Sharif (Afghanistan) in the PIK encashment centre, which has however been discontinued at the end of 2005. In Yemen there were 10 personnel contracted under a special service contract issued and administered by UNHCR, mainly for protection related activities. In the case of Yemen, they were hired under UNHCR ‘individual contractor’ contracts. *DOS stated that the staff in Yemen should be regarded as ‘pseudo-project staff’ as the standard UNDP service agreement was irregularly used as a framework for issuing a UNHCR service contract.*

23. Some UNHCR offices were issuing UNDP special service agreements. The UNDP service agreements were found to be much more sound contracts. They are more comprehensive in nature as they include for instance the basic entitlements and benefits such as a monthly salary, medical insurance, leave and holidays. It could be argued from a contractual point of view that these personnel are not project staff, as they are not using an “irregular service contract” issued by UNHCR, as defined in IOM/FOM 81/79//2001. Nonetheless, these contracts are still in most

cases issued to personnel performing UNHCR core functions that should not be ‘sub-contracted’ to UNDP, and in that sense they may be regarded as ‘irregular’. For example, in Lebanon and Jordan there were 8 and 11 ‘UNDP service contracts’ issued respectively. In the case of Lebanon they were issued to staff performing protection and resettlement functions. OIOS understands that the Bureau of CASWANAME has suggested to its field offices to submit a proposal to regularize all UNDP service contracts issued to protection staff. OIOS sees this as a positive step forward.

24. In OIOS’ opinion, it is questionable whether (UNDP) special service agreements are an appropriate contractual arrangement for UNHCR to use. There are no guidelines or directives from UNHCR Headquarters as to the validity of using such arrangements. However, if UNHCR determines a need to contract staff under UNDP service agreements, it should issue such agreements directly with the support of Headquarters and within the framework of appropriate standards and guidelines. *DOS disagreed that the absence of such guidance should prevent UNHCR from using UNDP service agreements: “UNHCR does not restrict the use of UNDP SSA”.*

Recommendation:

- The UNHCR should continue its efforts to fully phase out project staff by discontinuing the ‘employment’ of personnel under irregular service contracts, as there is currently no legal basis or policy instrument in UNHCR providing guidance and/or standardization for hiring personnel under such arrangements, and by further monitoring its field operations with a view to prevent future recurrence of similar practices (Rec.01).

25. *DOS agreed with this recommendation, but is of the opinion that there is a legal basis for service contracts that could and should be used by UNHCR to engage in such service contracts.* OIOS takes note of DOS’s statement, but would add that in as much as OIOS was able to establish the existence of regular (for instance UNDP) service contracts, these contracts had not been issued by UNHCR in a regular way or fashion, indicating a need for guidance and standardization.

Individual Contractor Contracts

26. Another problem created by the special service contracts found is that some of those contracts use the term ‘individual contractor’ to define the status of the ‘employee’ (see for instance paragraph 22 and the case of Yemen). This is inconsistent with the meaning of ‘contractors’ as set out in several UNHCR instructions. In OIOS’ opinion, the term ‘individual contractor’ should only be used in relation to commercial contracts with private or commercial companies, firms or *para-statal* enterprises, whose services are required to obtain technical expertise and professional assistance that are not available in-house or from traditional (governmental) implementing partners. Such ‘independent contractor’ contracts have been issued and approved by UNHCR Headquarters on a limited basis and under specific conditions, to accommodate field offices in need of (large numbers of) security guards, cleaners, and sometimes drivers. The ‘individual contractor’ *service* contracts as currently used in the field, have been issued at the discretion of the field offices concerned, in an unlimited fashion, and sometimes without consulting UNHCR Headquarters, to individuals who fulfil a variety of positions,

including protection and programme related functions.

27. OIOS has understood that the Division of Human Resources Management is currently in the process of drafting an IOM/FOM relating to the ‘individual contractors’ contracts. This IOM/FOM is based on ST/AI/1999/7 and is meant to set out standards and policies as well as provide guidance for the use of such contracts. OIOS has obtained a copy of the draft of this document, and highly appreciates the work done to create some clarity and consistency in this matter. It is noteworthy to add however that section 8.2 of ST/AI/1999/7 distinguishes between ‘special service contracts’ and ‘contracts for individual contractors’, clearly indicating the difference between the two as also highlighted by OIOS in the previous paragraph, and emphasizing that the use of special service contracts will have to be discontinued with the entering into force of contracts for individual contractors. The self-created combination of the two by UNHCR field offices thus needs clarification and reconsideration.

Recommendation:

- The UNHCR Division of Human Resources Management should finalise and issue the guidelines for the hiring of individual contractors. At the same time the purpose of this type of contract, including its limitation in terms of duration, should be re-emphasised. It should not be used for hiring personnel to augment field office staffing resources (Rec.02).

D. United Nations Volunteers⁷

28. UNVs were generally referred to by the staff of the bureaux interviewed by OIOS for the purpose of this audit as the ‘next best thing to project staff’, both in terms of cost and in terms of the timeliness with which they can be recruited. In their view this was particularly the case for national UNVs who can be hired immediately in emergencies at a substantially lower cost than international UNVs, thereby allowing for the economical flexibility that UNHCR needs. UNHCR can be content that UNVs have established and fair contracts that clearly identify their status as non-UNHCR staff members. This valuable resource is re-emphasized in the UNHCR Policy on the use of UN Volunteers, where it states that UNHCR seeks to maximise the future deployment and service opportunities of UNVs.

29. OIOS did not conduct a detailed review of UNVs. Nonetheless, as part of the audit it was disclosed that further efforts are required to centrally coordinate and manage the activities of UNVs, as up-to-date information was still not always available at Headquarters. For example, for the purpose of discussion and comparison, the most recent UNVP Bonn staffing table that was provided to OIOS, dated 1 December 2005, showed completely different data from those obtained through the Bureaux regarding the UNVs at their respective field offices. From discussion with DOS/PCOS, it appears that the staffing table of UNVP Bonn is not always updated and often contains UNVs working for other international organisations. OIOS would emphasize that this issue be addressed with UNVP Bonn to ensure that UNHCR has up-to-date and reliable information. *DOS acknowledges UNHCR’s responsibility for monitoring and review*

⁷ The findings in this section have been reflected in Annex II, chart 8.

of the data submitted by UNVP Bonn, and indicated that UNHCR is in the process of allowing the Central Focal Point to concentrate on UNV matters on a full time basis, as well as establishing a support/back-up position, in the course of 2006-7.

30. Based on the information received from the field offices through the respective Bureaux, OIOS found that UNHCR had employed 499 UNVs as at the end of December 2005. 307 (62 per cent) of them were international UNVs and 192 (38 per cent) national UNVs (as set out in Annex II, chart 8).

31. It should be mentioned that instances have been noted where UNVs are still performing core functions in the field, reaching as far as even fulfilling head of office functions in the smaller and remote UNHCR offices. This is contrary to the UNHCR Policy on the use of UN Volunteers.

Recommendation:

- The UNHCR Division of Operational Support should ensure that accurate, complete and reliable data regarding UNVs is available at UNHCR Headquarters centrally, by addressing this issue with UNVP Bonn and stressing the importance of such accuracy for purposes of monitoring and review (Rec.3).

32. *DOS stated that it is the role of the current UNHCR Focal Point on UNV matters “to regularly liaise to obtain such data for internal use, to verify them with user operations, and to complement the work of UNV Bonn in maintaining 100 per cent accurate and updated data through UNDP Country Offices globally.” It added that “UNHCR should not duplicate the work of UNV Bonn, nor should it take over day-to-day administrative functions of another UN agency, for which it pays 10 per cent overhead charges.”* OIOS would reiterate that the data available were neither accurate nor up to date, and would re-emphasize that UNHCR has the responsibility to verify and monitor the reliability of the data provided by UNVP Bonn.

E. UNOPS

33. Based on the information received from the respective Bureaux, OIOS established that UNOPS contracts have mainly been issued in the Africa region (8 in Eritrea and 33 in Kenya) and to a lesser extent in Europe (2 UNOPS contracts were issued in Azerbaijan). Though the Asia bureau did not officially report the use of UNOPS in their region, OIOS is aware that UNOPS contracts have also been issued in Malaysia. OIOS was further informed by DHRM that UNOPS contracts have not been issued at UNHCR Headquarters between 1 January 2005 and present. *DOS noted in its response to the draft report that there are 45 UNOPS in Malaysia,⁸ 46 in Kenya and 7 in Eritrea. Furthermore, no UNOPS contracts have been issued in Europe as per their information.* OIOS welcomes this information, especially that related to Malaysia, but would like to highlight that OIOS’ figures reflect the information provided, verified and confirmed by the respective bureaux. The fact that DOS has different information confirms OIOS’ concern that up to date and reliable information regarding UNHCR’s additional workforce is not always readily and centrally available at UNHCR Headquarters.

⁸ These 45 UNOPS have been reflected under ‘Asia & The Pacific’, in Annex I, chart 4, in this final report.

34. OIOS noted that there are no overall, central or clear guidelines for the hiring of personnel through UNOPS. The hiring of personnel under this arrangement is left to the discretion of the field operations concerned and their particular needs. In addition, there is no formal focal point in UNHCR for UNOPS personnel and there is no monitoring tool in place to keep track of these contracts. *DOS was of the opinion that the 1998 formal bilateral framework agreement between UNHCR and UNOPS guides the hiring UNOPS personnel.* OIOS appreciates that this is an important agreement, but would emphasize that there is a significant difference between the existence of a bilateral framework agreement between UNOPS and UNHCR and the practical guidelines that are needed to direct and assist field offices in hiring of UNOPS personnel in a consistent manner.

Recommendation:

- The UNHCR Division of Operational Support should update the existing UNOPS framework agreement, issue guidelines for the use of UNOPS in the field, and keep track of and monitor UNOPS staffing flows (Rec.4).

F. Other contractual arrangements⁹

35. 15 per cent (141) of the total additional work force consisted of ‘other contractual arrangements’, divided over the various regions (as set out in Annex II, chart 9). This figure includes contracts with ICMC, Surge and IRC.

(a) Surge, IRC and ICMC

36. It was suggested by internal memorandum, dated 24 June 2005 - following a 2004 management recommendation from the external auditors - to exclude staff employed through Surge, IRC and ICMC from the definition of project staff as provided in the 2001 IOM/FOM; “(This) deployment scheme was conceived as a way to address UNHCR’s decreasing capacity to respond to the sudden but temporarily and rapidly expanding staff in the field. (...) Prior to deployment, assessments are made together with Bureaux and country offices confirming the temporary nature of the deployments and the need to look at alternative staffing arrangements after the deployments.” In response to this proposal UNHCR is currently preparing an IOM/FOM that clearly distinguishes staff working under this scheme from the project staff.

37. In light of this and the fact that the total number of staff working under these schemes as well as their contractual duration remains limited, OIOS acknowledges the special status thus provided. OIOS would however like to emphasize the importance of monitoring and analysing statistics on staff needs and possible alternatives.

(b) CISAMAP and IP Triangle

38. Other contractual arrangements identified by OIOS were personnel working for CISAMAP (the Community Integrated Social and Medical Assistance Programme) – Iran, and IP Triangle - Algeria. CISAMAP is administered by a contractor (a service provider company called

⁹ The findings in this section have been reflected in Annex II, chart 9.

“Hefaz Gostar Ofogh”) that was contracted through a process of competitive bidding to provide services for a limited period. CISAMAP personnel are paid by ‘on hold contracts’ with this contractor. Their contracts include remuneration and all charges and fees foreseen in the Iranian Labour Act as well as one-month indemnity upon separation. The contract is charged to a sub-project budget.

39. The CISAMAP personnel work in various UNHCR offices in Iran, and according to the latest email OIOS received from the Bureau, the staff are recognised as part of a separate unit and are supervised by the physician in charge and the contractor. Nonetheless, according to section 3 of the contract between the contractor and UNHCR governing this arrangement, the selection of the CISAMAP staff is the exclusive responsibility of UNHCR, and UNHCR staff “shall be responsible for the supervision and monitoring of the staff performance (...)”.

40. OIOS appreciates the efforts UNHCR has made to clearly separate the tasks of CISAMAP personnel from that of the more regular UNHCR staff in the Iran operation. However, OIOS recommended during the related Committee on Contracts meeting in May 2006 that UNHCR review the proposed extension of the contract and reconsider its responsibility for the recruitment and selection, as well as the direct supervision of the CISAMAP staff. OIOS understands that the contractual terms and conditions will be revised, and OIOS will follow-up on this as part of its forthcoming audit of Iran.

41. As at the end of 2005, two guards (refugees) were still working for Triangle, the implementing partner established by UNHCR in Algeria. OIOS has been informed that Triangle will be in a position to take charge over the management of the UNHCR base in the Dakhla refugee camp. The two guards concerned will thus be fully administered by Triangle.

(c) Interpreters

42. A specific problem seems to have appeared with the hiring of interpreters. These interpreters, often refugees, do not have contracts with UNHCR. Instead they sign a ‘declaration’ with UNHCR entailing that they have accepted to assist UNHCR with translation and interpretation and that they will abide by the office rules. They are not paid salaries, but they receive ‘monthly allowances’ and transportation costs. In Egypt, for instance, an implementing partner of UNHCR, Caritas, pays these allowances.

43. In OIOS’ view, the current contractual status of interpreters in most regions is vague and ambiguous. OIOS appreciates that the function of interpreters may not always be equal to a full time post, and will often be based on *ad hoc* arrangements. It is however important to standardize interpreter contracts.

44. OIOS was pleased to note that a gap analysis was undertaken by UNHCR regarding the (a) recruitment (b) conditions of service (c) training and (d) monitoring and oversight of interpreters used by UNHCR in its interactions with asylum seekers, refugees and other persons of concern to the Office. Based on this gap analysis a small working group has developed practical guidance for the field. Though the work done still needs to be finalized, OIOS is pleased to note that an important first step has been taken by UNHCR.

Recommendation:

- The UNHCR should establish a focal point for its additional workforce, including UNOPS, individual contractors, and staff working under other (temporary) contractual arrangements, to issue guidelines and standard contracts for the use of field offices, and to keep track of and monitor staffing flows (Rec.5).

V. ACKNOWLEDGEMENT

45. I wish to express my appreciation for the assistance and cooperation extended to the auditor by the staff of UNHCR at Headquarters.

Eleanor T. Burns, Acting Chief
UNHCR Audit Service
Office of Internal Oversight Services

Project Staff Working Group – 2001/2002 - recommendations and current status per region.

Africa

1. For Africa, out of the 542 project staff identified in 2001/02, the PCOS working group suggested 90 (17 per cent) be regularized, 178 (33 per cent) be converted to a service contract with a company (referred to as ‘company service contracts henceforth’¹⁰ and 27 (5 per cent) be converted to UNOPS/UNDP/UNV. It also suggested that 247 posts (46 per cent) be discontinued.

2. As at December 2005, there were no project staff identified in the Africa region by the Bureau¹¹ and there were no (company) service contracts issued in the Africa region. However, during its audit of the operation in Western Sahara OIOS established that 27 ‘individual contractor contracts’ had been issued. There were 49 national UNVs, 187 international UNVs and 41 UNOPS contracts (33 in Kenya and 8 in Eritrea – *DOS identified 46 and 7 UNOPS contracts respectively*) issued. In addition there were 44 consultants and 20 other contracts (ICMC, Surge, (1) JICA, etc.) issued.

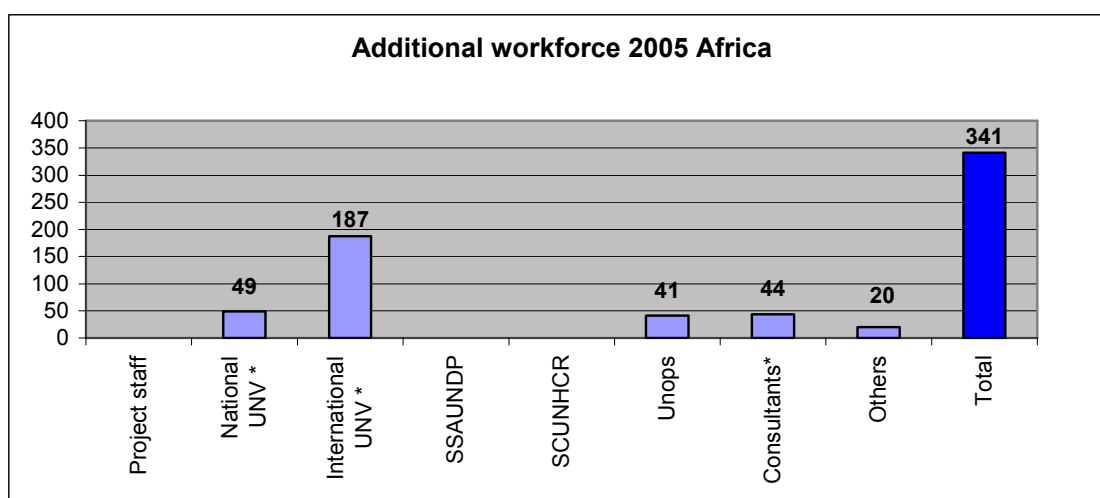


Chart 2: Additional work force 2005 Africa (*including Sudan and Chad), excluding the (27) individual contractor contracts issued in Western Sahara.

CASWANAME

3. For CASWANAME, out of the 249 project staff identified in 2001/02, the PCOS working group suggested 77 (31 per cent) be discontinued, 107 (43 per cent) be regularized, 18 (7 per cent) be converted to an individual contractor contract, 39 (16 per cent) to company service

¹⁰ Please note that the ‘service contracts’ as suggested by the 2002 working group are contracts with companies (mainly providing security and cleaning services) and not with individuals. They thus differ from the individual service contracts as discussed in detail under section C. of the report (and hereafter referred to as ‘service contracts’ or ‘special service agreements’).

¹¹ The last three project staff still working for UNHCR in Sudan, as identified by OIOS during one of its field audits in 2005, were phased out as at September 2005.

contracts, and 8 (3 per cent) transferred to UNOPS/UNDP/UNV.

4. As at the end of December 2005, there were 23 persons hired under UNDP service contracts and another 36 under UNHCR service contracts (of which 16 were for PIK encashment staff in Afghanistan, which has been discontinued as per 1 January 2006). In addition there were 13 consultants, 2 IP Triangle staff (in Algeria - taken over and administered completely by IP Triangle as per 1 January 2006) and 9 interpreters (Egypt), as well as 24 CISAMAP (the Community Integrated Social and Medical Assistance Programme) employees (Iran). There were furthermore 40 national and 37 international UNVs.

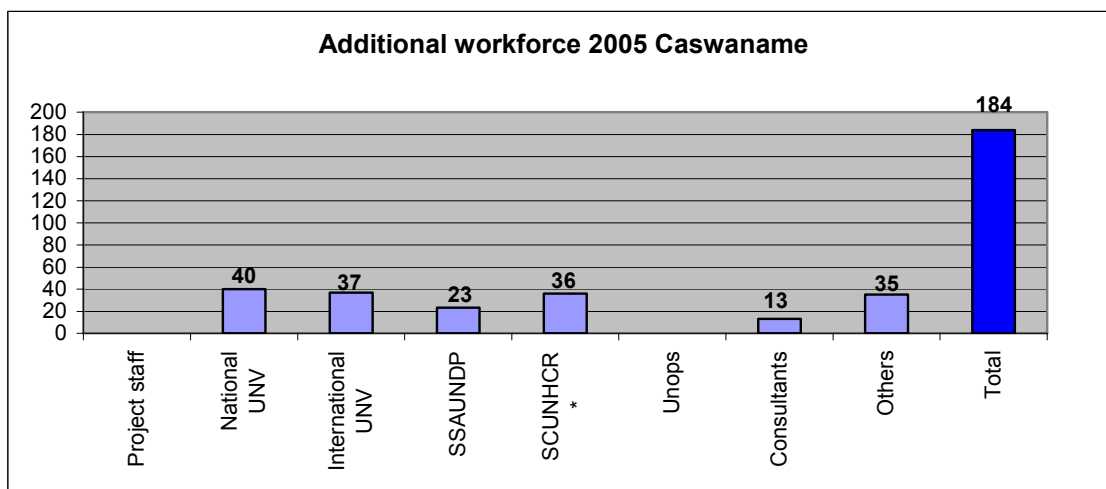


Chart 3: Additional work force 2005 CASWANAME (*excluding the 'some' UNHCR service contracts as identified in Libya, for which the exact figure was not provided).

Asia & The Pacific

5. For the Asia & The Pacific Region, out of the 158 project staff identified in 2001/02, the PCOS working group suggested that 103 (65 per cent) be discontinued, 15 (9 per cent) be regularized, and 40 (25 per cent) be converted to a company service contract (all in Myanmar).

6. *OIOS did not receive detailed staffing information for the region from the Bureau – except for that relating to Myanmar and India from the respective desk officers – and thus had to rely on information provided by the 'JPO and consultancy unit' at Headquarters, the UNVP Bonn, the general information received from the audit focal point in PCOS, and the information available at OIOS (e.g. field mission reports).*

7. As at the end of December 2005 there were 13 national UNVs, 35 international UNVs and 10 consultants.¹² Myanmar, the country with the second highest level of project staff in the region (63) in 2001, issued 40 contracts through a company providing services such as cleaning and security in 2002. As at January 2006 the number of contracts submitted through such company services had increased to 57. Apart from cleaning and security they included services such as gardening and vehicle maintenance. The services had been procured through a competitive bidding procedure. Similarly, in India a total of 23 of such company service contracts had been

¹² 8 consultants according to the UNHCR consultancy unit

issued.

8. OIOS was further informed that individual service contracts have been issued in Thailand, and that UNOPS contracts are frequently used in Malaysia (*DOS indicated that 45 UNOPS contracts had been issued in Malaysia*). Chart 4 below indicates the existence of such contracts in the region, but as the exact figures of the issued service contracts were not made available they could not be reflected in the chart and have thus not been included in the total additional workforce for Asia.

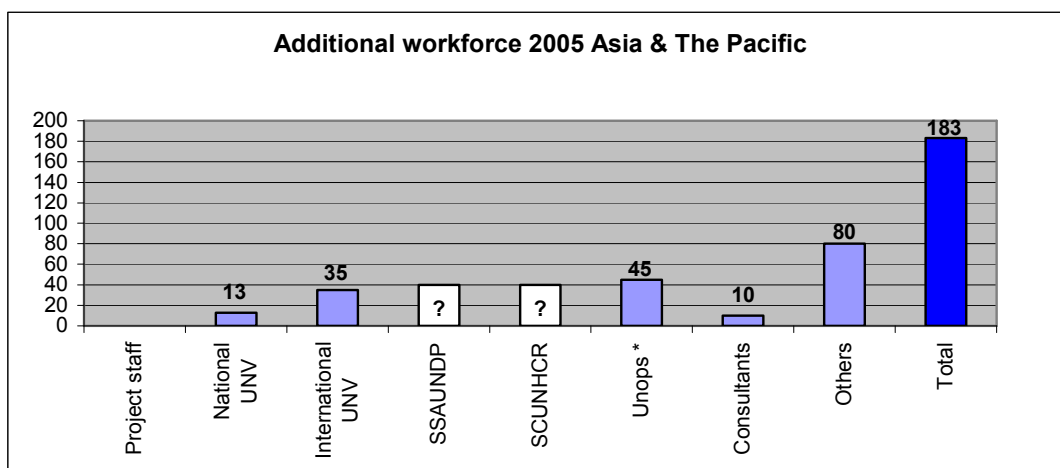


Chart 4: Additional work force 2005 Asia & The Pacific (* as identified by DOS)

Europe and UNHCR Headquarters

9. For Europe, out of the 108 project staff identified in 2001/02, the PCOS working group suggested that 83 (77 per cent) be discontinued, 16 (15 per cent) regularized, 7 (6 per cent) converted to a company service contract and 2 (2 per cent) to UNOPS/UNDP/UNV.

10. The Bureau confirmed that there was one project staff member left in the region (Moldova) as at December 2005, whose contract ended on 1 January 2006. There were 59 national UNVs and 29 international UNVs. In addition, there were 10 UNHCR special service contracts,¹³ 2 UNOPS (all in Azerbaijan) and 107 consultants, 78 of whom are in Geneva. Of these 78 consultants it should be noted that only one is directly related to the Europe Bureau, the others were used for various other functions at Headquarters. *DOS stated that there was neither project staff nor UNOPS in Europe as per its information. The staff identified by the Bureau as project staff should, even though provided with an irregular service contract, in DOS' opinion be regarded as a 'de facto consultant', while the UNOPS contracts identified by the bureau did not exist at all.* OIOS takes note of DOS' comments, but would highlight that this is the information provided to OIOS and subsequently verified by the Bureau for Europe.

¹³ Although the Europe Bureau identified these contracts as *individual* service contracts, they were all issued for functions such as cleaning and security. It may thus well be that these contracts are in fact service contracts with companies rather than individuals, in which case they should be disregarded for the purpose of this assignment (*DOS has indicated in its response to the draft report that these contracts are indeed company service contracts*).

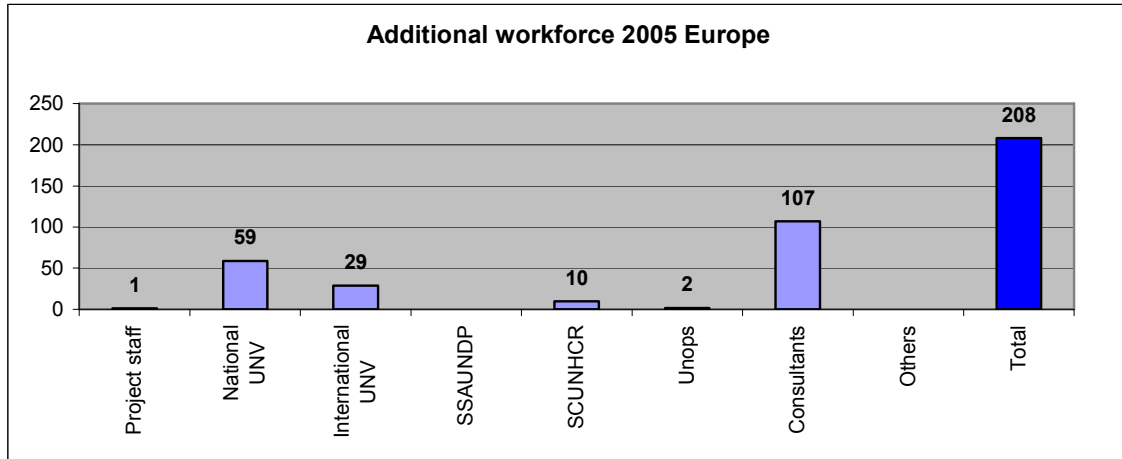


Chart 5: Additional workforce 2005 Europe

The Americas

11. For the Americas, out of the 42 project staff identified in 2001/02, the PCOS working group suggested that 6 (14 per cent) be discontinued and 36 (86 per cent) regularized.

12. As at the end of December 2005 there were 5 project staff identified by the Bureau in Costa Rica (see also OIOS audit report regarding Costa Rica - AR2004/151/02). In addition there were 31 national UNVs and 19 international UNVs. There were no special service contracts, but 6 staff contracted through Surge. In addition there were 11 consultants hired through UNDP. *DOS stated that the project staff in Costa Rica should not have been identified as such, as they work for a company engaged with UNHCR through a process of competitive bidding, and are conducting non-core UNHCR, highly technical IT functions, that could not be covered through the regular budget.* OIOS has taken note of DOS' concerns, which need to be further clarified by the Bureau.

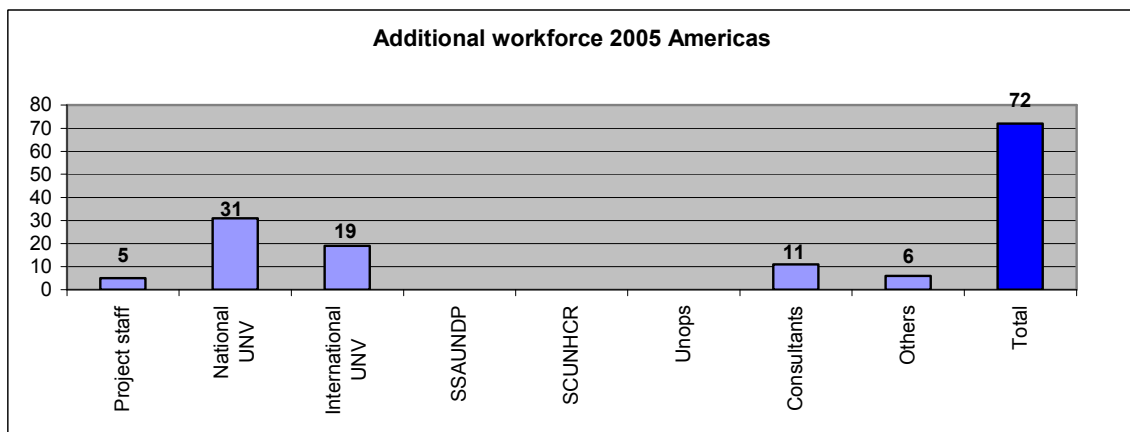


Chart 6: Additional workforce 2005 Americas

Specific Charts relating to UNHCR's additional workforce

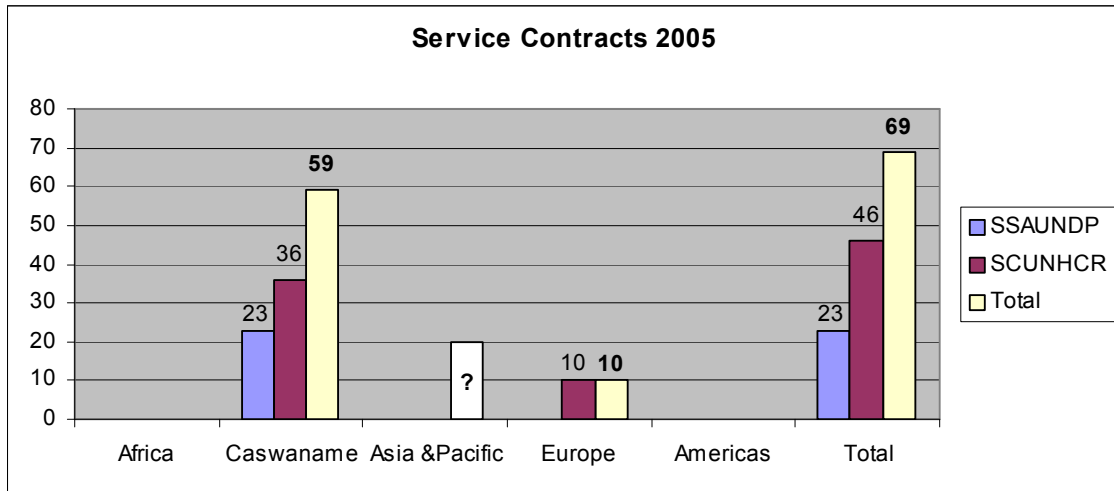


Chart 7: UNHCR Service Contracts 2005

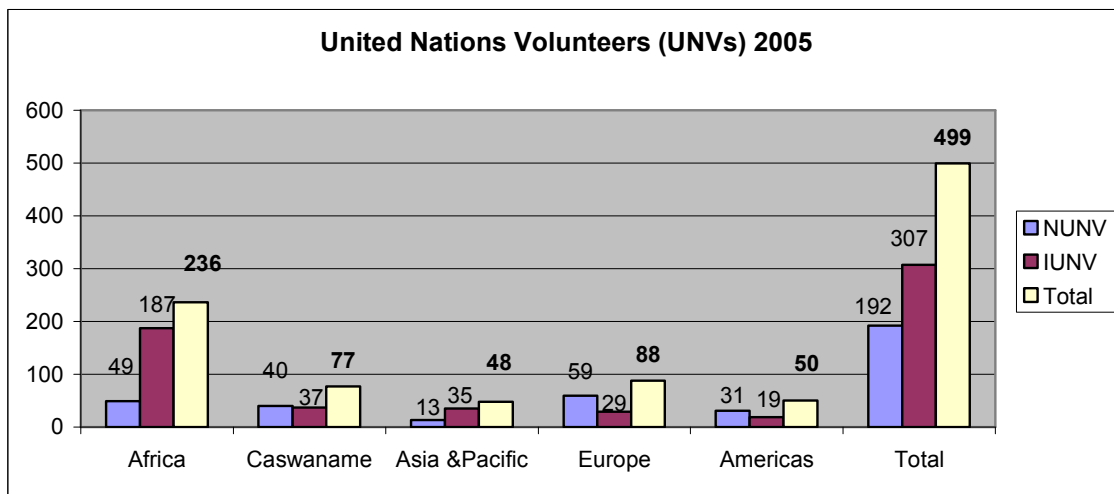


Chart 8: UNHCR United Nations Volunteers 2005

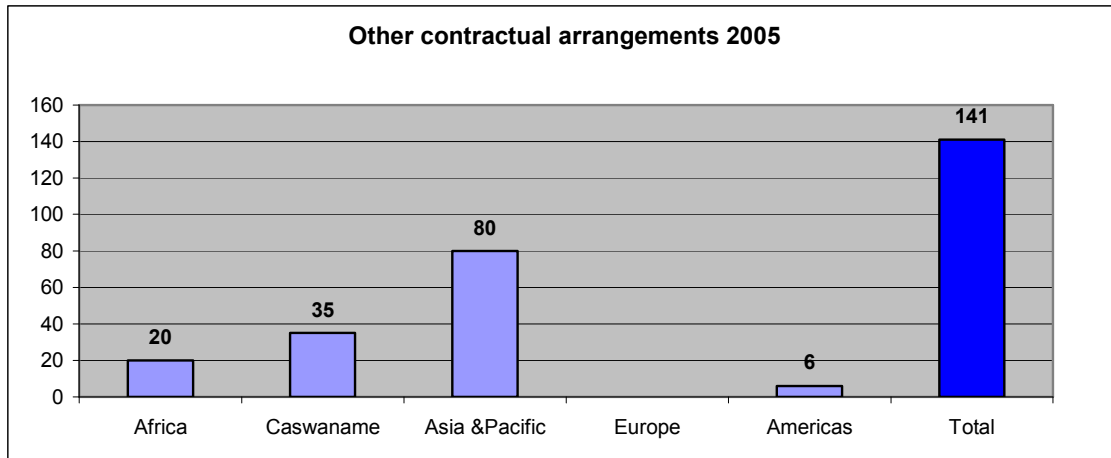


Chart 9: UNHCR Other contractual arrangements 2005