



## INTERNAL AUDIT DIVISION

### REPORT 2017/150

---

Audit of shelter programmes at the  
Office of the United Nations High  
Commissioner for Refugees

There was a need to clarify the scope of the  
Global Settlement and Shelter Strategy,  
strengthen strategic planning of shelter  
solutions, enhance technical and  
performance monitoring and reporting on  
settlement and shelter, and implement fire  
risk mitigation measures in Refugee Housing  
Units installed

20 December 2017  
Assignment No. AR2017/163/02

# **Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the development, implementation and management of shelter activities at UNHCR were carried out in compliance with applicable policies and procedures, and in an effective, timely, and suitable manner to meet the needs of beneficiaries. The audit covered the period from 1 January 2015 to 31 December 2016 and included a review of the following aspects: (a) strategic planning; (b) implementation, monitoring and reporting; (c) capacity and knowledge management; and (d) cluster management and coordination.

Capacity and knowledge management on settlement and shelter matters was generally adequate, and cluster management and coordination arrangements and management of the European Union Humanitarian Aid and Civil Protection grant on behalf of the Global Shelter Cluster were satisfactory. However, UNHCR needed to: (a) clarify the scope of the Global Settlement and Shelter Strategy, strengthen monitoring of the quality and standards of country-level shelter strategies, and reinforce the capacity of field operations to conduct shelter needs assessments; (b) enhance focus on urban shelter solutions in the strategic planning of shelter, and develop guidance and tools on the implementation of the Master Plan approach launched; (c) provide guidance on construction and technical monitoring of shelter activities; (d) monitor and support the implementation of fire risk mitigation measures in Refugee Housing Unit (RHU) shelters installed; and (e) enhance performance monitoring and reporting on settlement and shelter.

OIOS made five recommendations. To address issues identified in the audit, UNHCR needed to:

- Clarify the applicability of the Global Strategy for Settlement and Shelter to non-refugee situations, monitor country shelter strategies against agreed key standards to ensure their quality and consistency with the Global Strategy, and further build on the capacity of staff in the field to conduct needs assessments that adequately feed into country shelter strategies;
- Ensure that country shelter strategies have a focus on urban shelter solutions, in alignment with the UNHCR Policy on Alternatives to Camps, review the implementation of the Master Plan approach in different country operations, and finalize the development of corporate guidance and tools for its implementation;
- Provide various forms of guidance to country operations on construction and technical monitoring standards of shelter activities at different stages of delivery, including documentation requirements;
- Verify implementation of adequate risk mitigation measures in country operations with RHU shelters installed and monitor the respective costs, and estimate the potential additional cost implications arising from installation of these shelters to assist the field operations in making an informed selection decision; and
- Review the existing settlement and shelter indicators within the context of the ongoing revision of the Results-Based Management framework, develop standard data collection procedures and tools applicable to different population groups to support reporting, and review settlement and shelter monitoring and reporting practices in the field.

UNHCR accepted all recommendations and has initiated action to implement them.

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. AUDIT RESULTS	2-10
A. Strategic planning	2-4
B. Implementation, monitoring and reporting	5-9
C. Capacity and knowledge management	9
D. Cluster management and coordination	9-10
IV. ACKNOWLEDGEMENT	10
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# **Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. Shelter, defined as a habitable covered human space or more simply a home, is a fundamental human need. As part of its protection mandate, UNHCR needs to ensure access of persons of concern to shelter that provides security, privacy, protection from the elements, and emotional support in a dignified manner. Shelter support depends on the settlement type and displacement scenario, and can include the provision of: tents or other emergency shelter (with a life span of 1 to 5 years); transitional/temporary shelter (with a life span of 2 to 4 years); durable shelter (with a life span of 10 years); shelter kits with core relief items; plastic sheeting; construction materials; rental support; and/or cash assistance. Shelter should be adapted to the geography, climate, cultural practices, availability of skills within the affected population, and accessibility of construction materials in a given country. Settlement refers to how the communities of persons of concern are established, how they access to basic needs and self-reliance opportunities, and how they maintain relations with the host country and communities.
3. As at December 2016, the total population of concern to UNHCR was 67.7 million. While over 4.5 million refugees (or 26 per cent out of 17.2 million refugees under UNHCR's mandate) lived in planned or self-settled camps, the majority of refugees lived outside camps in urban or peri-urban areas, often with substandard living conditions, in shared accommodation, non-functional public buildings, collective centers, slums and informal settlements. The UNHCR Global Strategy for Settlement and Shelter for 2014-2018 envisioned that all refugees would be able to satisfy their settlement and shelter needs in a safe, dignified and sustainable manner wherever they lived, be it in urban or rural settings.
4. From 2015 to 2016, UNHCR spent organization-wide \$516 million on shelter. Most of the shelter expenditure was disbursed in the provision of emergency shelter (33 per cent), followed by the construction and maintenance of site operations (30 per cent) and the provision of long-term/permanent shelter (14 per cent). The implementation of shelter programmes was done mostly through partners, with 152 partners spending 54 per cent of the total shelter expenditure.
5. The Shelter and Settlement Section (SSS), under the Division of Programme Support and Management (DPSM), was responsible for: (a) leading the implementation of the Global Strategy for Settlement and Shelter; (b) providing guidance, support and training to country operations in the implementation of shelter programmes; (c) overseeing the technical integrity of shelter programmes; (d) delivering information management and sharing of good practices on shelter management organization-wide; (e) providing human resources advice and functional clearance of candidates applying to UNHCR positions; and (f) co-leading the global shelter cluster. The Section was resourced with 11 positions and headed by a Chief of Section at the P-5 level, who reported to the designated Deputy Director at DPSM.
6. Comments provided by UNHCR are incorporated in italics.

## II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether the development, implementation and management of shelter activities at UNHCR were carried out in compliance with applicable policies and procedures, and in an effective, timely, and suitable manner to meet the needs of beneficiaries.

8. This audit was included in the 2017 risk-based work plan of OIOS due to risks related to the delivery of shelter activities which are significant in terms of resources that they consume and essential as a protection tool in the context of UNHCR's mandate.

9. OIOS conducted this audit from May to October 2017. The audit covered the period from 1 January 2015 to 31 December 2016 and was carried out in UNHCR headquarters in Switzerland, and in the following six field locations with a total shelter expenditure of \$251.6 million, or 49 per cent of the total UNHCR expenditure: Cameroon, Chad, Iraq, Jordan, Tanzania and Ukraine. In addition, OIOS reviewed the implementation of the Master Plan approach (tool aimed at the sustainable development of settlements and support to alternatives to camps) in Mozambique. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the management of shelter activities, which included: (a) strategic planning; (b) implementation, monitoring and reporting; (c) capacity and knowledge management; and (d) cluster management and coordination.

10. The audit methodology included: (a) interviews of key UNHCR and partner personnel; (b) reviews of relevant documentation; (c) analytical reviews of data; (d) sample testing of shelter related transactions in each country operation reviewed, using a combination of stratified sampling by partner, and monetary unit sampling of high-value shelter transactions; (e) physical observation of settlement sites, shelters and infrastructure; and (f) interviews of beneficiaries.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

## III. AUDIT RESULTS

### A. Strategic planning

There was a need to clarify the scope of the Global Strategy, strengthen monitoring of the quality of country shelter strategies, and reinforce the capacity of field staff to conduct shelter needs assessments

12. At the level of UNHCR country operations, it is essential to ensure that multi-year settlement and shelter strategies exist to guide the implementation of shelter activities. Such strategies should be supported, *inter alia*, by: (a) data collection, context analysis and needs assessments; (b) participation of the population of concern and the local affected population, host governments, and partners; and (c) coordination with other sectors (e.g., education; health and nutrition; and water, sanitation and hygiene). Shelter strategies that do not adequately take the specific country level operational context into account could contribute to a weak design of shelter programmes. It is also important to ensure that the country strategies are consistent with the UNHCR Global Strategy for Settlement and Shelter 2014-2018.

13. All operations reviewed had developed country shelter strategies for the period 2015-2016, except for Ukraine, which had developed a strategy only for 2015. The strategies were generally country context-specific, as required. The inter-sectoral approach necessary to enable persons of concern to access basic needs and protection was not always clearly stated in the country shelter strategies in terms of the specific shelter response required. However, it was reflected in different practices put in place, such as: the

identification of persons with specific needs and conduct of vulnerability assessments for the prioritization in shelter assistance carried out by multi-sectoral committees in two country operations (Cameroon, Chad); and the validation of country shelter strategies by different sectors and stakeholders in five operations (Cameroon, Chad, Iraq, Jordan, and Tanzania).

14. However, OIOS noted the following issues related to the country shelter strategies:

- a. *Lack of a medium to long-term approach:* Except for the operation in Chad, which had developed a strategy for five years, all other country operations had developed short-term country shelter strategies, with timeframes of one year (Jordan, Tanzania and Ukraine) or two years (Cameroon and Iraq). Considering that strategic planning is about planning for the future in the medium to long term, the envisaged timeframe for strategic plans is usually expected to be three to five years.
- b. *Lack of an all-inclusive scope:* The country shelter strategies varied in terms of geographical scope (i.e., national or regional), settlement types (camp and non-camp), and target groups of the population of concern. For example, in Ukraine, the shelter strategy targeted only the Internally Displaced Persons (IDPs) in Eastern Ukraine, despite the fact that there were IDPs also in other regions of the country, as well as refugees. In Jordan, the 2015 and 2016 shelter strategies did not target the non-Syrian population (nearly 60,000 refugees and asylum-seekers) and two smaller refugee camps existing in the country with approximately 6,800 individuals. The Global Strategy was unclear in terms of its scope: while the vision and strategic objectives related exclusively to the settlement and shelter response in refugee situations, the strategy also included limited references to other populations of concern.
- c. *Gaps in needs assessments:* The shelter strategies did not incorporate needs assessments supported by comprehensive shelter data collection. The multi-sector participatory assessments normally carried out in the countries did not provide detailed information on shelter needs, including information on the affected population, and number, location, condition and life span of shelters and infrastructures, as well as possible gaps in the adherence to shelter standards that needed to be addressed. The site assessment form, a data collection tool prescribed by SSS, was scarcely used in Iraq, or had only been used at the early stage of the emergencies and not updated subsequently in Chad and Cameroon. The Representation in Jordan had used an alternative multi-sectoral framework that assessed vulnerability in shelter, based on the results of specific indicators on housing conditions, security of tenure, and family composition; however, this assessment was only partial as it did not target persons of concern living in camps, those living in informal tented settlements, and the non-Syrian refugee populations. The Representation in Tanzania was still in the process of conducting a baseline survey using mobile data collection to obtain a breakdown of shelter needs across camps. In Chad, the Representation did not reflect the conclusions on the analysis of the existing shelter data in the country shelter strategy.
- d. *Inconsistent formats and information standards applied in the strategies:* In general, the country operations reviewed applied different formats and level of detail in their shelter strategies, and the template for the strategy made available by SSS was not consistently followed as guidance. This led to omissions of relevant information; for example, the country strategies for Chad and Jordan missed details of target beneficiaries per location and shelter assistance required, scenarios, planning standards, and monitoring and evaluation requirements.

15. The shortcomings discussed above occurred for different reasons depending on the operation, including resource constraints and knowledge gaps, lack of adequate local supervision, and insufficient coordination with SSS for advice and support. OIOS reported the issue identified to the respective country operations for corrective action. Nonetheless, SSS at headquarters level was required to ensure that all

country operations implementing shelter programmes had a shelter strategy that was consistent with the Global Strategy, and to support the development of country shelter strategies by providing tools and other forms of guidance. As part of its monitoring activities, SSS carried out annual assessments organization-wide on the level of implementation of the global strategic priority on shelter (“increase of the number of households living in adequate dwellings”), and on the level of implementation of the Global Strategy. Specifically, in 2015 and 2016, SSS reviewed shelter impact indicators reported per country and available in Focus, the UNHCR Results-Based Management software. It also verified the existence of and reviewed the strategies in countries with shelter budgets of \$1 million and above. However, the review process had been incremental since 2015, and SSS had not defined key parameters to monitor the quality of country shelter strategies, including their alignment with the Global Strategy. It had also not regularly engaged with the Regional Bureaux for assistance in monitoring of country shelter strategies. Regarding the development of tools to assist country operations, SSS had developed a comprehensive Needs Assessment for Refugee Emergencies Checklist, an inter-sectoral needs assessment framework, which it said was being introduced in trainings, but OIOS could not see the checklist being used in practice.

**(1) The UNHCR Division of Programme Support and Management should: (a) clarify the applicability of the UNHCR Global Strategy for Settlement and Shelter to non-refugee situations; (b) in coordination with Regional Bureaux, enhance monitoring of country shelter strategies against agreed key standards to ensure their quality and consistency with the Global Strategy; and (c) further build on the capacity of staff in the field to conduct needs assessments that adequately feed into country shelter strategies.**

*UNHCR accepted recommendation 1 and stated that it would: (a) review the existing Global Settlement and Shelter Strategy 2014-2018 and submit a Shelter and Settlement Policy proposal/outline; and (b) submit documentation to demonstrate the monitoring and consistency of country level strategies with defined global standards with an emphasis on ensuring needs-based responses. Recommendation 1 remains open pending: (a) receipt of a copy of the revised Global Strategy and/or other policies and guidance issued for the shelter sector stating their applicability to all persons of concern; (b) definition of key standards (e.g., a checklist) to be used consistently by SSS in its monitoring of country shelter strategies; and (c) receipt of examples of recent country shelter strategies reviewed by SSS that successfully incorporate the results of needs assessments.*

There was a need to enhance focus on urban shelter solutions in the strategic planning of shelter and develop guidance and tools on the implementation of Master Plans

16. According to the UNHCR Policy on Alternatives to Camps, overseen and supported by DPSM, country operations need to pursue alternatives to camps, which include relevant focus on solutions for urban refugees and developing settlement and shelter responses that enable refugees to settle in communities or facilitate the transformation of camps into sustainable settlements that minimize the need for humanitarian support. This is achieved through adequate linkage to national development plans, land and property laws, host communities, local economies, and infrastructure.

17. OIOS assessed the approaches planned by the country operations reviewed (except for the operation in Ukraine which did not have camps and had a shelter response focused exclusively on the IDP population) in the implementation of alternatives to camps, and observed the following issues:

- a. The country shelter strategies of Cameroon and Chad did not include effective exit strategies for the nearly 30 camps existing in the two countries. The exit strategy included in Jordan's annual 2015 and 2016 shelter strategies, which consisted in the decommissioning of camps when they were no longer needed, did not constitute a proactive measure to pursue alternatives to camps.

- b. The coverage of urban shelter in the country's strategies was at large omitted, except in Jordan, where despite the Government's encampment policy for Syrian refugees, a vast majority of refugees were allowed to live outside camps. Nonetheless, even though the Jordan's 2016 shelter strategy had a relevant focus in the development of urban shelter solutions, the Representation did not prioritize these activities.

18. OIOS review of the latest diagnostic tool report on alternatives to camps against approaches taken by the country operations reviewed indicated that there were still significant gaps to be addressed, and in practice the camps remained. The Master Plan approach launched by SSS envisaged linking settlement planning to the local context, thereby better integrating the needs of the refugees and the local population into a global network of services and infrastructure. The Master Plan had been implemented so far in Mozambique, Kenya, Chad, Uganda and Zimbabwe.

19. For the Master Plan implementation in Mozambique, SSS had sponsored a consultant's study in December 2015 that included recommendations for expansion of the Maratane camp to integrate in the Nampula region. OIOS noted some positive advances in Mozambique with the implementation of the Master Plan (i.e., land allocation for the camp expansion; engagement of other United Nations entities in livelihoods projects; and discussions on economic and spatial integration of the camp in the wider region of Nampula); however, there was no overall strategy/operational plan for the implementation, and it was not clear who was leading the project and what were UNHCR's and other stakeholders' roles. SSS engagement in the process of the Master Plan in Mozambique had ended with the sponsorship of the initial study, and the outcomes of the implementation of the Master Plan in Mozambique, as well as in other countries, had not been collected. The Master Plan toolkit was also still under development. Therefore, existing approaches and tools risked being ineffective in supporting country operations in the implementation of alternatives to camps.

**(2) The UNHCR Division of Programme Support and Management should: (a) ensure that country shelter strategies organization-wide have a focus on urban shelter solutions, in alignment with the UNHCR Policy on Alternatives to Camps; and (b) review the implementation of the Master Plan approach in different country operations, and finalize the development of corporate guidance and tools for its implementation.**

*UNHCR accepted recommendation 2 and stated that: (a) it would submit an interim report on urban guidance development that would ensure the complementarity of urban guidance with the Policy on Alternative to Camps; and (b) the implementation of the Master Plan approach would be considered within the broader review process outlined in recommendation 1(a). Master Plan tools would be issued in line with the recommendation. Recommendation 2 remains open pending receipt of: (a) a copy of specific urban guidance issued to support the implementation of the Policy on Alternatives to Camps and/or examples of recent country shelter strategies reviewed by SSS that successfully incorporate a focus on urban shelter solutions; and (b) the conclusions of the review undertaken by DPSM on the implementation of the Master Plan approach and a copy of the Master Plan Toolkit.*

## **B. Implementation, monitoring and reporting**

There was a need to provide guidance on technical monitoring of shelter activities

20. As per the UNHCR Global Strategy for Settlement and Shelter 2014-2018 and relevant standards for shelter (e.g., SPHERE), shelter solutions should provide adequate protection from the elements, affordability, habitability, respect for the environment, infrastructure, and access to services and livelihoods, while prioritizing assistance to the most vulnerable and disadvantaged groups. To achieve this,



shelter staff need to monitor the construction and condition of shelters and infrastructure to ensure that these meet the required standards, and are maintained as necessary.

21. Operations in Cameroon, Chad, Tanzania and Ukraine had considered the following aspects in shelter activities: the construction or rehabilitation of shelters with local materials; the local construction standards; the implementation of transitional or permanent shelter solutions; and community-based approaches. The Representations in Cameroon and Ukraine had also taken environmental aspects into consideration. However, OIOS observed inadequate documentation of technical monitoring of partner projects in five out of the six countries. In Chad, the Representation had not documented any performance monitoring through its Multi-Functional Team, and in Tanzania shelter activities were not monitored at the Nduta camp from October to December 2015. In Cameroon and Jordan, the shelter staff did not consistently document their regular technical monitoring activities. In Cameroon, the shelter staff also did not sign the certificates of completion of works to certify the completion of construction works as per specifications. In Iraq, the technical staff assisted the partners in preparing bills of quantities and conducted weekly monitoring of projects, but the technical monitoring reports were not signed or dated. The Representation in Ukraine did not monitor shelter projects in 2015, while in 2016 the monitoring reports did not confirm completion of the works.

22. The issues mentioned above occurred due to a combination of lack of internal coordination, resource constraints, and lack of corporate standards on technical monitoring activities, including on documentation requirements. Therefore, shelter solutions risked not being delivered, or not being delivered up to the standards to meet the needs of persons of concern.

**(3) The UNHCR Division of Programme Support and Management should provide various forms of guidance to country operations on construction and technical monitoring standards of shelter activities at different stages of delivery, including documentation requirements.**

*UNHCR accepted recommendation 3 and stated that SSS would continue to provide further technical monitoring and quality control guidance to the field. In this regard, SSS would collate and share a library of contextually relevant guidance in support of field construction activities. Recommendation 3 remains open pending receipt of a copy of the guidance disseminated on technical monitoring of construction activities in the field, comprising not only references to construction standards, but also instructions on the monitoring steps and supporting documentation required for technical monitoring.*

There was a need to monitor and support the implementation of fire risk mitigation measures in Refugee Housing Unit shelters installed

23. The Refugee Housing Unit (RHU) is a transitional shelter solution developed jointly by UNHCR and a social enterprise with the support of a donor. The UNHCR Committee on Contracts approved a waiver of competitive bidding for the establishment of a frame agreement for the acquisition of 30,000 RHUs at the unit cost of \$1,150 excluding transport and storage, during the period December 2014 to June 2017. In 2015 and 2016, payments to the vendor for 15,000 RHUs totaled \$17.4 million.

24. In December 2015, Swiss and German authorities noted that tests on the RHUs showed that they constituted a potential fire hazard. DPSM and the social enterprise agreed to undertake additional testing, which confirmed the fire test results held by the Swiss and German authorities. UNHCR and the social enterprise agreed that the latter would ensure that the production of the remaining RHUs would meet the original specifications for the floor covering material, and would revise the panels' material composition to reduce its contribution to fire. In April and June 2016, for the 15,000 units already bought by UNHCR,

DPSM released the following instructions regarding fire safety: (a) cancelation of further deployment of RHUs in stock, unless a minimum of 8.5 meters between shelters was ensured; (b) retention of RHUs in stock under UNHCR control and without transfer or disposal; and (c) implementation of mitigation measures for the RHUs installed, or provision of alternative shelter options.

25. UNHCR therefore opted not to enforce the contract warranty and/or defects, insurance or limitation of liability clauses, which stated that the contractor warrants that the RHUs conform to the specifications, and the obligation of the contractor to replace defective parts. SSS conducted field missions during June and July 2016 to some of the countries where RHUs had been installed (Iraq, Djibouti, and Greece) with the objective to assess the situation and propose specific fire risk mitigation measures. In the three locations visited, the additional costs of meeting the distance standards and other mitigation measures was estimated by SSS at approximately \$500,000 for 2,235 units.

26. OIOS reviewed the usage of RHUs in Chad and Iraq, which held 1,000 and 3,509 respectively of the 7,018 RHUs deployed globally. The Representation in Chad received the RHUs in September 2015 but expressed concerns as they did not meet the shelter standards envisaged by the country shelter strategy. The Representation ended up not installing the RHUs because the camp sites identified for the installation had no water points. At the time of the audit, the RHUs in Chad valued at \$1.2 million were waiting to be re-deployed. In Iraq, OIOS noted that the fire risk mitigation measures had not been installed in 1,759 RHUs in 9 camps, more than one year after the SSS recommendations.

27. SSS did not monitor systematically and did not have a complete overview of the effective implementation of mitigation measures in RHUs installed and the respective costs. It had also not estimated the additional cost impact on settlements brought by the increase of the minimum distance between shelters from 2 to 8.5 meters, in terms of additional land and infrastructure required, to assess feasibility of future deployments. SSS planned to deploy - at no cost to the country operations interested – the existing stocks of RHUs (7,982 units as at July 2017 with a cost of \$9.6 million excluding storage costs), as long as the minimum distance between shelters was ensured. SSS estimated the total cost of deployment at \$2.6 million.

28. In addition to unplanned costs to country operations in addressing the problems with the installed RHUs, UNHCR incurred costs pertaining to unused inventory. As at 31 December 2016, UNHCR had written off approximately 11,000 RHUs in stock worth \$13.9 million. Furthermore, it was exposed to risks to its reputation and to the lives of persons of concern housed in RHUs.

**(4) The UNHCR Division of Programme Support and Management should: (a) verify implementation of adequate risk mitigation measures in country operations with Refugee Housing Units installed and monitor the respective costs; and (b) estimate the potential additional cost implications arising from the installation of these shelters to assist the field operations in making an informed selection decision.**

*UNHCR accepted recommendation 4 and stated that mitigation measures had already been agreed in consultation with field operations. Implementation plans would be shared with OIOS along with reports which provide concrete examples of the implementation of agreed actions. Recommendation 4 remains open pending receipt of the comprehensive reports on the level of implementation of fire risk mitigation measures in RHUs and agreed action plans with country operations for the implementation of such measures where implementation did not occur.*

There was a need to review existing standard settlement and shelter indicators, provide standard data collection procedures and tools, and review performance monitoring and reporting practices in the field

29. According to the UNHCR Programme Manual - and as further outlined in the Global Strategy for Settlement and Shelter 2014-2018 - country operations are required to select, monitor and report on suitable settlement and shelter indicators within the UNHCR Results-Based Management framework, in order to assess the impact and performance of settlement and shelter solutions delivered and to confirm the level of implementation of country settlement and shelter strategies. Country operations need to also maintain information and data management tracking systems and procedures supporting accurate, reliable and sufficient data collection, analysis and reporting.

30. All country operations reviewed reported on shelter impact and performance under the UNHCR Results-Based Management framework, as required. In addition, country operations produced different statistics on shelter, on an ad-hoc or regular basis, and in different formats. Some country operations also used specific interagency reporting frameworks for shelter. Such was the case for example in Ukraine, where UNHCR had internally instituted the reporting in accordance with the 5W shelter cluster tool (*Who, What, Where, from When, to When*). Nonetheless, OIOS observed the following issues:

- a. *Monitoring and reporting gaps*: OIOS observed gaps for all country operations in gathering relevant information that would allow monitoring of compliance with settlement and shelter standards adopted in the country (e.g. covered living space, design, construction, availability and accessibility to basic infrastructures and services) and shelter conditions. Deviations to the shelter standards had not been systematically captured in regular monitoring activities. Furthermore, there was lack of monitoring and reporting on urban settlements and shelter. For example, the Representation in Jordan had provided multi-purpose cash assistance to refugees for a total of \$97.8 million in 2015 and 2016. Even though post distribution monitoring reports indicated that refugees used approximately 79 per cent of the assistance received to pay rent, the Representation did not assess the impact of cash assistance on the effective reduction of vulnerabilities in shelter.
- b. *Disengagement of shelter technical staff from monitoring and reporting*: Despite the fact that shelter technical staff were responsible for undertaking performance and impact monitoring of shelter activities, they were normally disengaged from reporting, except when they were requested by the programme units to provide information. For example, senior technical staff in Jordan, Iraq and Ukraine were not aware of what was being reported by the programme units as a “household living in an adequate dwelling”, which related to the corporate global strategic priority for the sector. Overall, there was also no monitoring being done on the level of implementation of the country shelter strategies.
- c. *Inadequate information management systems*: In Ukraine, OIOS observed that at year-end 2016, under the goal “Emergency response”, the Representation had reported 6,615 emergency shelters provided, while in the 5W tool the equivalent number of households assisted was 3,762. The Senior Shelter Officer could not explain the difference, and the Representation’s Programme Section, which made the calculations and reported on the indicators, did not provide the details of such calculations. The process of data collection and reporting by Programme was manual and used multiple sources of information and was therefore error-prone and difficult to verify. Furthermore, existing information management systems applied mostly in refugee situations, and the Representation did not compile information on the distribution of the 36.6 million IDPs under its mandate per settlement type, as well as on the type and conditions of shelters where this population was housed.

31. The issues mentioned above occurred because: (a) none of the country operations reviewed had defined procedures for the collection of settlement and shelter data; (b) the UNHCR results framework

lacked impact indicators related to settlements; and (c) SSS had not monitored the implementation of monitoring and reporting practices and tools in the field to assess gaps and provide support where necessary. Inadequate performance monitoring and reporting of the shelter sector could adversely affect the delivery of shelter activities and planning of future shelter programmes.

**(5) The UNHCR Division of Programme Support and Management should enhance performance monitoring and reporting on settlement and shelter by: (a) reviewing the existing settlement and shelter indicators within the context of the ongoing revision of the Results-Based Management framework to ensure simplified and targeted monitoring of the sector; (b) developing standard data collection procedures and tools applicable to different population groups to support reporting; and (c) reviewing settlement and shelter monitoring and reporting practices in the field.**

*UNHCR accepted recommendation 5 and confirmed that the review of the settlement and shelter indicators would be undertaken within the framework of the broader Results-Based Management review, which was planned to begin in February/March 2018. SSS would actively contribute to this process. Awaiting the revision of the Results-Based Management framework and associated tools, interim guidance would be provided to operations on the monitoring of shelter interventions, which would emphasize the proper use of existing UNHCR monitoring tools. Recommendation 5 remains open pending receipt of: (a) the results of the review undertaken on the settlement and shelter indicators; and (b) interim guidance provided to the field on standard data collection procedures and tools applicable to different population groups to support reporting.*

## **C. Capacity and knowledge management**

Capacity and knowledge management on settlement and shelter matters was generally adequate

32. The country operations reviewed were generally compliant with the minimum shelter staff capacity requirements stated in the Operational Guidelines on UNHCR Technical Specialists. Tools such as the Physical Site Planning Toolkit and the Shelter Design Catalogue were available and considered by staff as adequate and useful, even though additional support and guidance from SSS was referred as necessary for urban contexts, shelter standards and indicators. These specific needs of support to country operations were addressed in the earlier sections of this report. There were gaps in monitoring of staff and partner training that needed to be addressed at the country level. However, SSS had contributed to the capacity building of staff by delivering four physical site planning workshops; one urban shelter training workshop; and a “train the trainers” package for RHU assembly in 10 countries. Furthermore, SSS in coordination with the UNHCR Global Learning Center, had launched the e-learning course on “Introduction to Settlements and Shelters”. In the cluster context, UNHCR staff had access to three “Humanitarian Shelter Coordination” courses. The Global Shelter Cluster website constituted a platform for knowledge sharing. SSS planned to conduct a learning needs assessment survey and to review the shelter learning strategy accordingly. Based on the above, OIOS did not raise a recommendation regarding capacity and knowledge management on settlement and shelter.

## **D. Cluster management and coordination**

Cluster management and coordination arrangements were adequate

33. As at December 2016, there were a total of 25 active country shelter clusters, 5 of which were in preparedness mode (i.e., in stand-by for another emergency). Most of the country clusters had strategies defined for 2015 and/or 2016 (some of them reflected in the Humanitarian Response Plan), and had held

coordination meetings on a monthly basis or less frequently in some cases. Twenty country clusters had produced country-specific guidance in different topics (e.g., shelter designs, shelter repairs, emergency shelter kits, etc.). Monitoring and evaluation activities were conducted even though only sporadically by most (17) of the country clusters active in 2015 and 2016 (excluding those in preparedness mode), in the form of factsheets, situation reports, 5W tool, and/or dashboards. At the global level, global cluster activities were guided by the Global Shelter Cluster Strategy 2013-2017 under the leadership of the Strategic Advisory Group, and activities were reported on an annual basis. SSS further informed OIOS that the Global Shelter Cluster was in the process of establishing a mechanism that would allow to assess the performance of each cluster according to objective criteria and that the Global Shelter Cluster website was being continuously improved. OIOS concluded that the shelter cluster management and coordination arrangements were adequate.

Management of the ECHO grant by UNHCR on behalf of the Global Shelter Cluster was adequate

34. The Global Shelter Cluster had received a financial contribution to implement the Global Shelter Cluster Strategy 2013-2017 from the European Union Humanitarian Aid and Civil Protection (ECHO) Enhanced Response Capacity Fund for 2015-2016. The total contribution was \$1.5 million. The activities approved under the grant related mainly to: the development and deployment of surge capacity in countries where the shelter cluster was activated; hosting and maintenance of the Global Shelter Cluster website; funding of shelter cluster staff costs; and delivery of training. The Global Shelter Cluster agreed that UNHCR would manage the ECHO grant on behalf of the cluster. OIOS review concluded that UNHCR adequately applied all the required procedures for the programmatic and financial management of the grant.

#### **IV. ACKNOWLEDGEMENT**

35. OIOS wishes to express its appreciation to the management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

*(Signed)* Eleanor T. Burns  
Director, Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	The UNHCR Division of Programme Support and Management should: (a) clarify the applicability of the UNHCR Global Strategy for Settlement and Shelter to non-refugee situations; (b) in coordination with Regional Bureaux, enhance monitoring of country shelter strategies against agreed key standards to ensure their quality and consistency with the Global Strategy; and (c) further build on the capacity of staff in the field to conduct needs assessments that adequately feed into country shelter strategies.	Important	O	Submission to OIOS of: a) a copy of the revised Global Strategy and/or other policies and guidance issued for the shelter sector stating their applicability to all persons of concern; (b) definition of key standards (e.g., a checklist) to be used consistently by SSS in its monitoring of country shelter strategies; and (c) examples of recent country shelter strategies reviewed by SSS that successfully incorporate the results of needs assessments.	31 March 2018
2	The UNHCR Division of Programme Support and Management should: (a) ensure that country shelter strategies organization-wide have a focus on urban shelter solutions, in alignment with the UNHCR Policy on Alternatives to Camps; and (b) review the implementation of the Master Plan approach in different country operations, and finalize the development of corporate guidance and tools for its implementation.	Important	O	Submission to OIOS of: (a) a copy of specific urban guidance issued to support the implementation of the Policy on Alternatives to Camps and/or examples of recent country shelter strategies reviewed by SSS that successfully incorporate a focus on urban shelter solutions; and (b) the conclusions of the review undertaken by DPSM on the implementation of the Master Plan approach and a copy of the Master Plan Toolkit.	30 June 2018
3	The UNHCR Division of Programme Support and Management should provide various forms of guidance to country operations on construction and technical monitoring standards of shelter activities at different stages of delivery, including documentation requirements.	Important	O	Submission to OIOS of a copy of the guidance disseminated on technical monitoring of construction activities in the field, comprising not only references to construction standards, but also instructions on the monitoring steps and	30 June 2018

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by UNHCR.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
				supporting documentation required for technical monitoring.	
4	The UNHCR Division of Programme Support and Management should: (a) verify implementation of adequate risk mitigation measures in country operations with Refugee Housing Units installed and monitor the respective costs; and (b) estimate the potential additional cost implications arising from the installation of these shelters to assist the field operations in making an informed selection decision.	Important	O	Submission to OIOS of the comprehensive reports on the level of implementation of fire risk mitigation measures in RHUs and agreed action plans with country operations for the implementation of such measures where implementation did not occur.	31 March 2018
5	The UNHCR Division of Programme Support and Management should enhance performance monitoring and reporting on settlement and shelter by: (a) reviewing the existing settlement and shelter indicators within the context of the ongoing revision of the Results-Based Management framework to ensure simplified and targeted monitoring of the sector; (b) developing standard data collection procedures and tools applicable to different population groups to support reporting; and (c) reviewing settlement and shelter monitoring and reporting practices in the field.	Important	O	Submission to OIOS of: (a) the results of the review undertaken on the settlement and shelter indicators; and (b) interim guidance provided to the field on standard data collection procedures and tools applicable to different population groups to support reporting.	30 June 2018

# **APPENDIX I**

## **Management Response**



## Management Response

## Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Division of Programme Support and Management should: (a) clarify the applicability of the UNHCR Global Strategy for Settlement and Shelter to non-refugee situations; (b) in coordination with Regional Bureaux, enhance monitoring of country shelter strategies against agreed key standards to ensure their quality and consistency with the Global Strategy; and (c) further build on the capacity of staff in the field to conduct needs assessments that adequately feed into country shelter strategies.	Important	Yes	Chief, SSS	March 2018	<p>SSS proposes to conclude point (a) of recommendation 1 through the review of the existing <i>Global Settlement &amp; Shelter Strategy 2014-2018</i> and submission of Shelter &amp; Settlement Policy proposal/ outline. The development of a revised policy document will be contingent upon Senior Management approval.</p> <p>Documentation in support of points (b) and (c) will be submitted to demonstrate the monitoring and consistency of country level strategies with defined global standards with an emphasis on ensuring needs-based responses.</p>

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Management Response

## Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees

2	The UNHCR Division of Programme Support and Management should: (a) ensure that country shelter strategies organization-wide have a focus on urban shelter solutions, in alignment with the UNHCR Policy on Alternatives to Camps; and (b) review the implementation of the Master Plan approach in different country operations, and finalize the development of corporate guidance and tools for its implementation.	Important	Yes	Chief, SSS	June 2018	<p>SSS proposes to close the recommendation 2 (a) through the submission of an interim-report with regard to urban guidance development. This process will ensure the complementarity of urban guidance with the Policy on Alternative to Camps.</p> <p>The implementation of the Master Plan approach will be considered within the broader review process – as outlined in recommendation 1(a). Master Plan tools will be issued in line with the recommendation.</p>
3	The UNHCR Division of Programme Support and Management should provide various forms of guidance to country operations on construction and technical monitoring standards of shelter activities at different stages of delivery, including documentation requirements.	Important	Yes	Chief, SSS	June 2018	SSS will continue to provide further technical monitoring and quality control guidance to the field. In this regard, SSS will collate and share a library of contextually relevant guidance in support of field construction activities.
4	The UNHCR Division of Programme Support and Management should: (a) verify implementation of adequate risk mitigation measures in country operations with Refugee Housing Units installed and monitor the respective costs; and (b) estimate the potential additional cost	Important	Yes	Chief, SSS	March 2018	Mitigation measures have already been agreed in consultation with field operations. Implementation plans will be shared with OIOS along with reports which provide concrete examples of the implementation of agreed actions.

Management Response

Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees

	implications arising from the installation of these shelters to assist the field operations in making an informed selection decision.					
5	The UNHCR Division of Programme Support and Management should enhance performance monitoring and reporting on settlement and shelter by: (a) reviewing the existing settlement and shelter indicators within the context of the ongoing revision of the Results-Based Management framework to ensure simplified and targeted monitoring of the sector; (b) developing standard data collection procedures and tools applicable to different population groups to support reporting; and (c) reviewing settlement and shelter monitoring and reporting practices in the field.	Important	Yes	Chief, SSS	June 2018	<p>The review of the settlement &amp; shelter indicators will be undertaken within the framework of the broader RBM review – review of indicators by the RBM teams in planned to begin in Feb/Mar 2018. SSS will actively contribute to this process. Minutes of these contributions to sector indicator revision will be submitted to OIOS.</p> <p>Awaiting the revision of the RBM framework &amp; associated tools, interim guidance will be provided to operations in the monitoring of shelter interventions. This guidance will emphasize the proper use of existing UNHCR monitoring tools.</p>