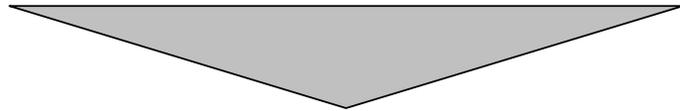




UNHCR AUDIT SERVICE
INSPECTOR GENERAL'S
OFFICE

RISK ASSESSMENT OF
UNHCR's TSUNAMI
RELIEF OPERATION
IN SRI LANKA



Assignment AR/2005/141/03
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Executive Summary

In May 2005, the UNHCR Audit Service and the Inspector General's Office conducted jointly a risk assessment of the 2005 tsunami relief project in Sri Lanka. The tsunami, which hit the coast of Sri Lanka on 26 December 2004, severely damaged 11 of the 25 coastal districts in Sri Lanka. Some 35,000 lost their lives and more than 500,000 were internally displaced. Most of the social infrastructure along the coast such as schools, hospitals and administrative and security structures were damaged or became dysfunctional immediately after the tsunami. The tsunami operation is funded under project 05/SB/LAK/EM/131 with a budget of US\$ 15.35 million.

Programme Strategy and Programme Implementation

- Time was a limiting factor in the formulation of the UNHCR strategy for Sri Lanka. With hindsight some of the objectives had been too ambitious, and it was considered unlikely that the objectives and their expected impact could have been achieved within the timelines established. For example, as of mid-May 2005, UNHCR had completed 252 shelters against the projected figure of 6,550 (4 per cent), with firm plans in place for only 3,850 shelters. This highlighted a risk that the funds available could not be effectively utilised by 31 December 2005. It was recommended that the programme strategy be refocused and revised to be more realistic and achievable. *The targets of the shelter projects have been revised to a current projection of 4,000 transitional shelters and the replacement of 400 emergency shelters. The overall progress of construction of transitional shelter (by UNHCR and other implementing agencies) is progressing steadily. Moreover, project 05/SB/LAK/EM/131 will be extended into 2006 to ensure the funds are utilized.*
- The team was informed that to ensure the funds were effectively employed more emphasis would be placed on activities for conflict affected internally displaced persons. In case there was a greater shift towards the needs of this group than initially indicated, the team recommended that the revised project and budget reallocation be presented to donors for their agreement. *There have been initial discussions between UNHCR and ECHO Colombo, (one of the largest contributors towards the special project), with ECHO informing UNHCR that it can already proceed with projects adding conflict affected internally displaced persons.*
- At the time of the review, due to the slow rate of implementation, there was a risk that once the transitional shelters were erected UNHCR did not have the beneficiaries to occupy them. It was found that some 25 per cent of the registered beneficiaries were already taken care of by NGOs erecting shelters. *It has been recognised that the shelter sector was over provided, and UNHCR has reflected this in its revised targets.*
- From a review of the completed shelters, it was noted that water and sanitation was not fully implemented. Water and sanitation was the responsibility of UNICEF in Ampara and the responsibility of international NGOs in Jaffna. The issue needed to be addressed and assurance obtained that work on water and sanitation are implemented 'hand in hand' with the construction of the shelters. *The Representation has requested UNICEF to speed up programme implementation, and has received a firm commitment from them that they will progress more quickly.*

Coordination with external partners

- In the early stages of the emergency, the UN family rallied round to cope with the disaster. Shortly



after however, considering the magnitude of the disaster, the number of people affected, as well as the geographical area to be covered, activities were difficult to coordinate. The team found that the activities of UN agencies were not always properly coordinated, and agency specific objectives and targets were not always clear. Difficulties in coordination were compounded due to diverse relief assistance, much of it spontaneous responses by various individuals and groups of individuals (national as well as international), and as a result, there was some duplication of assistance. Nonetheless, it should be noted that as the emergency situation disappeared within the first few weeks and no post emergency deaths were reported as initially predicted, the emergency phase of the operation must be deemed successful. *The Representation agreed that there has been some wastage and overlap in the tourist zones in the south. They highlighted that a well functioning distribution system was established in the north.*

Protection

- Although UNHCR's involvement with tsunami affected internally displaced persons is described as exceptional and short-term, the requirements for protection work are long-term and cross-cutting, and therefore must be seen within the context of a protection "continuum". A short-term, compartmentalized approach could undermine UNHCR's credibility, and more importantly, could leave many of those UNHCR is seeking to assist without protection. It was recommended that a new timeline for the implementation of protection issues be established. *These concerns were noted especially taking into account that consideration is being given by the UN to extending the tsunami related programmes into 2006. Discussions with protection partners are underway and new agreements have already been entered into with partners.*

Procurement

- The inordinately long time taken to finalise the shelter design, as well as the indecisiveness of UNHCR Sri Lanka as to the quality and quantity of the goods to be procured, delayed the implementation of the UNHCR transitional shelter programme. The bulk of the procurement was not initiated until April 2005. This tarnished the image of UNHCR at the field level with the government and other agencies involved in the process.
- The delays in the receipt of the materials, and the subsequent decisions made to bridge the gap due to the delays had a financial impact. Most of the benefits achieved by procuring internationally were lost. For example, the zinc roofing internationally procured cost US\$ 950,000. The local cost would have been US\$ 157,400 (16.5 per cent) higher, slightly higher than the 15 per cent benchmark established by UNHCR. The urgency of the procurement and the initial aim to complete the transitional shelters by 30 June 2005 was not fully taken into account. Before the internationally procured zinc sheets arrived a further 10,000 were procured locally at a cost of US\$ 98,000. Therefore most of the envisaged savings by procuring internationally were lost, and the programme over-procured roofing sheets: enough for almost 4,000 extra shelters.
- The team found that local procurement systems and procedures were generally in place and operating effectively. The team suggested some improvements to ensure that the procedures were open and transparent, as well as more effective. Also, the electronic system used by the Representation to monitor and manage procurement activities lacked some critical elements and we recommended that it be enhanced. *A full evaluation of the current procurement procedures will be undertaken in September 2005 to align them with UNHCR rules and guidelines.*

Shelter Coordination

- UNHCR accepted to be the lead agency for coordinating the transitional shelter programme, but appropriate staffing resources, although requested by the Representation, were not put in place to



ensure this was carried out effectively from the outset. It was only at the time of the review (mid-May) that sufficient staff members were assigned. This was too late, and has affected UNHCR's ability to competently coordinate these activities. *The Representation explained that valuable time was lost, as the identified candidate pulled out at the 11th hour and local resources were not easily obtained.*

- At the time of the review, many of the decisions and actions by those involved in transitional shelter had already been taken. While UNHCR was instrumental in the development of common strategy and standards, it was not able to effectively influence the implementation of them. UNHCR shelter personnel are now on-board which should ensure an improvement in coordinating shelter activities. There is a risk however, particularly with prominent and well-funded NGOs, that UNHCR does not have the necessary authority and credibility and start to properly coordinate their activities. As part of the revised strategy, UNHCR should clearly define its role and its responsibilities as lead agency to ensure that UNHCR's added value and impact can be measured. *The Representation felt that they had developed a high degree of credibility with the government, donors and international NGOs in coordinating shelter activities. The Representation also believed that they had adopted a fully consultative approach and the shelter strategy has been revised to reflect this.*

Gender Issues

- Despite the disproportionately high numbers of deaths of women and girls, the team found that there were inadequate inter-agency efforts to analyse the implications of this and to incorporate a full gender equality dimension into the response. It was found that women have particular difficulties in accessing government bodies established to respond to the tsunami.
- The Representation had made important efforts to understand and address the gender-differentiated impact of the tsunami. There now needs to be a consistent and deliberate effort by the Representative to increase the capacity of UNHCR and implementing partner staff on gender equality issues and step-up its advocacy role. It is recommended that the Representation advocate and support the work by women's groups to gain passage of the current bills against domestic violence and for women's rights.
- *The Representation stated that UNHCR was working closely with the members of the UN Gender working group, UNAIDS, UNFPA and UNICEF, as well as other agencies and relevant government bodies to maintain a coordinated approach to address areas of concern raised by the team on gender related issues.*

Staffing Issues

- Due to rotation of management, leadership and direction were not fully effective during the initial few months of the operation. This affected UNHCR's relations with external partners and donors, who commented on the lack of leadership and indicated that a 'new face' was constantly representing/heading UNHCR.
- At the field level, junior and inexperienced staff members both national and international were delegated significant responsibilities. Although they appeared to be carrying out their functions competently, it would have been more appropriate if senior staff based in Colombo visited the operational areas more regularly to monitor programme activities, to provide supervision and guidance, and to encourage the junior staff.
- The presence of a relatively high number of staff and experts on mission in the Office of the Representation lead to heavy demand on the long-standing experienced national staff. Also, the Office of the Representation had created several organizational units and the local staff had no clear



understanding of their responsibilities. The assessment team was informed that there was little sharing of information, nor transparency in decision-making that lead to a lack of cohesion. This was evident from the Colombo staff's relationship with different field offices. The team were also told that the long working hours, the stressful environment, the lack of sensitivity of some international staff and experts, as well as the use of sometimes offensive language was not well received. The team felt that the expertise and the experience of some of the national staff were not fully harnessed. Substantial team building efforts are required.

- *Following a mission by the Desk in July 2005, it was concluded that there was a need for a larger restructuring in the UNHCR Sri Lanka operation. It was also indicated that, of the ten international staff sent to Sri Lanka on temporary assignments and the seven on mission, there will be only five international staff at P-2/3 and NOA level remaining beyond 31 August 2005, augmenting the structure in some field locations, as well as the functional units in the Representation Office in Colombo.*

August 2005



Table of Contents

Chapter	Paragraph
I. INTRODUCTION	1-5
II: MISSION OBJECTIVES	6
III. SCOPE AND METHODOLOGY	7-9
IV. FINDINGS AND RECOMMENDATIONS	
A. Programme Strategy and Programme Implementation	10-18
B. Coordination with external partners	19-21
C. Protection	22
D. Procurement and Logistics	23-33
E. Shelter Coordination	34-38
F. Gender Equality Issues	39-41
G. General Programme Matters	42-45
H. Staffing Issues	46-51
V. ACKNOWLEDGMENT	52



I. INTRODUCTION

1. In May 2005, the UNHCR Audit Service and the Inspector General's Office conducted jointly a risk assessment of the 2005 tsunami relief project in Sri Lanka. The tsunami operation is funded under project 05/SB/LAK/EM/131 with a budget of US\$ 15.35 million.

2. The tsunami, which hit the coast of Sri Lanka in December 2004, severely damaged 12 of the 25 districts in Sri Lanka including the coastal districts of Jaffna, Mullaitivu, Trincomalee, Batticaloa, Ampara, Hambantota, Matara and Galle. A total of some 35,000 lost their lives while more than 500,000 have been internally displaced. Most of the social infrastructure along the coast such as schools, hospitals, and administrative and security structures were damaged or became dysfunctional immediately after the tsunami.

3. It was obvious that the country was not prepared for a natural disaster of this scale, nor were aid agencies adequately equipped to deal with the situation in coastal areas where access was limited. The presence of UNHCR in the country with its expertise and relief items was, in many ways, fortunate for the victims in the days immediately after the tsunami. UNHCR responded immediately, and opened its local relief stockpiles to assist with urgently needed non-food relief items (NRFI) in affected areas.

4. Following field assessments, discussions with the Government of Sri Lanka (GOSL), the United Nations Country Team (UNTC) and other actors, UNHCR took the lead on coordinating the relief operation, distribution of non-food, household items and other consumable materials. UNHCR also took the lead in coordinating emergency and transitional shelter assistance, targeting 16,550 families in the north, east and south of the island. This was expected to meet the shelter needs of some 66,200 beneficiaries. As part of the agreed integrated UN response, UNHCR was to strengthen and support the logistical capacity of the aid community. In addition, UNHCR was to strengthen the protection of victims of the tsunami by focusing on land and property rights and documentation.

5. The findings contained in this report have been discussed with the officials responsible for the activities during the debriefing held on 21 May 2005. A draft of the report was shared with the Director, Bureau for Asia and the Pacific, and with the Office of the Representation in Sri Lanka in June 2005. The comments, which were received in August 2005, are reflected as appropriate.

II. MISSION OBJECTIVES

6. The main objectives of the risk assessment were to:

- Identify events/actions representing risks that could prevent UNHCR's achievement of the project objectives including its timely and effective completion;
- Evaluate the adequacy and effectiveness of the systems and controls established for the tsunami relief operation;
- Assess the efforts made to incorporate and implement measures to address the increased risks and vulnerabilities for women created by the tsunami disaster.



III. SCOPE AND METHODOLOGY

7. The risk assessment review focused on the 2005 tsunami project strategy, funded under project 05/SB/LAK/EM/131, with a budget of US\$ 15.35 million, and expenditure (including commitments) of US\$ 6.7 million, as follow:

Sector	Amount budgeted US\$	Expenditure as of 30 April 2005 US\$
Shelter	7,182,681	4,057,177
Domestic needs	1,637,252	920,968
Transport	2,319,281	1,083,958
Protection/Legal Assistance	1,572,216	41,885
Public Information	6,000	4,215
Administration and programme delivery	2,634,070	583,660
Total	US\$ 15,351,500	US\$ 6,691,863

8. The main areas covered included (a) a review of UNHCR's programme strategy and whether the objectives, benchmarks and level of impact expected were achievable within the timeframe and budget set; (b) an assessment of the level of coordination and cooperation with UNHCR's external partners, donors and the major players in the tsunami relief operation; (c) an assessment of the effectiveness of UNHCR's role as lead agency for coordinating the transitional shelter programme; (d) a review and assessment of the systems and procedures established by UNHCR for supply management, focusing on procurement and logistics; (e) an evaluation and assessment of the deployment of staff to the operation; and, (f) an assessment of the action taken by the Representation to incorporate and implement measures to address increased risks and vulnerabilities for women.

9. The mission reviewed activities in Colombo, Ampara, Jaffna and Matara. The team had meetings with UNHCR staff, as well as representatives of government bodies, UNHCR donors, NGOs and other international organisations. The team also made an assessment of internal control systems, conducted interviews with staff, analysed applicable data and reviewed available documents and other relevant records.

IV. FINDINGS AND RECOMMENDATIONS

A. PROGRAMME STRATEGY AND PROGRAMME IMPLEMENTATION

10. Time was a limiting factor in the formulation of the UNHCR strategy for Sri Lanka. With hindsight the objectives were too ambitious, and as time passes there were still a number of internal and external factors, which continue to affect UNHCR's ability to fully implement the original project. At the time of the mission, the Representation only had a clear strategy for erecting 3,850 shelters, against the 6,550 planned (while roofing materials for almost 8,000 shelters had already been purchased). It appeared unlikely, therefore, that the objectives and their expected impact could be achieved within the timelines established. This was confirmed by the low rate of implementation of project objectives. At the time of the mission, UNHCR had completed 252 shelters (4 per cent of the 6,550 projected figure), and the implementation of protection activities had not really started. As an example of the latter, the Sub-Project Agreement with Norwegian Refugee Council (NRC) on mainly protection and legal issues was only



signed in May 2005. It was noted that the rate of implementation of UNHCR in comparison with other actors was very low. For instance, in Ampara from the overall need of 17,018 transitional shelters, some 8,016 had already been completed and 956 were in progress. Of these, UNHCR had constructed only 42.

11. In response to the team's concerns and observations with regard to the implementation rate, the Representation stated that it was important to ensure accountability to donors, beneficiaries and the government with regard to the quality of the shelters provided. The processes that were undertaken to provide them and the speed of construction in competition with other actors was less important. The team fully appreciates UNHCR's obligation to produce quality shelters, and that many of the other shelters were sub-standard in comparison. However, Oxfam was able to construct more than 1,200 shelters, and their shelters were of better quality than UNHCR's. It is the team's view that UNHCR had not adequately placed emphasis on the urgency of the transitional shelters, resulting (particularly in the short-term) in dissatisfied beneficiaries and questions from the government as to UNHCR's ability to meet the pledged numbers. It is time for the Representation to look forward and ensure that concerted efforts are made to achieve the new timelines established. *In response to the draft report, the Representation stated that the overall progress of construction of transitional shelters, by UNHCR and other implementing agencies, reflected a steady and realistic progress to reach the set target by end September 2005. The team was later informed that the President held a celebration to mark the accomplishment of the erection of 50,000 shelters. The President acknowledged the key role UNHCR played in assisting the government in steering the international effort towards achieving the target.*

12. The non-achievement of project objectives had financial implications. At the time of the mission, from a budget of US\$ 7.2 million for shelter and US\$ 1.6 million for protection only US\$ 4 million and US\$ 42,000 respectively had been disbursed or committed. No clear strategy had been developed for the funds of US\$ 2.9 million already allocated to the shelter activities for conflict affected internally displaced persons. Overall therefore, there was a risk that the funds available would not be effectively utilised by 31 December 2005.

13. Due to the slow rate of implementation, the team identified the risk that once the transitional shelters were constructed, UNHCR may not find beneficiaries to occupy them. Beneficiaries were losing confidence in UNHCR's ability to complete the shelters expeditiously. From the 2,034 beneficiaries registered (many of them registered in February 2005) for a UNHCR transitional shelter through the partner Rural Development Foundation (RDF), some 500 beneficiaries had already been provided shelters by other NGOs. This was just an indicative figure as a complete re-verification exercise would be required to assess the true situation. On the other hand, considering the good quality of UNHCR's shelters compared with those which the team inspected constructed by some others, as well as the increasing delays in permanent shelter construction (now estimated at 18 months to 4 years), new beneficiaries are coming forward. Despite this, the actual needs should be closely monitored to ensure funds are not invested in shelters that are no longer required. *The UNHCR operation has reduced the targets of the shelter project significantly when it was recognized that the shelter sector was oversubscribed.*

14. Our review of the pilot shelter project in Ampara and Jaffna identified that water and sanitation work had not yet been completed. In Ampara it was the responsibility of UNICEF, in Jaffna that of international NGOs such as World Vision, Movimondo, Leads and Forut. The issue needed to be addressed with the partners to have assurance that the water and sanitation work is implemented 'hand in hand' with the construction of the shelters. The lack of these facilities has particular implications for women, given their responsibilities for home and food management, their increased needs during menstruation and for children, who are very vulnerable to disease and dehydration. *The Representation met UNICEF on various occasions in an attempt to speed up programme implementation, and received a firm commitment for progress to be quicker. A risk remains however given UNHCR's dependency on other agencies for such activities.*



RECOMMENDATION:

The UNHCR Bureau for Asia and the Pacific and the Representation in Sri Lanka should refocus and revise the tsunami Special Project 05/SB/LAK/EM/131 to make the objectives and expected outputs more realistic and achievable. The Representation should take into account the changing environment and the projects being implemented by other actors (follow-up by OIOS - Rec. 01).

RESPONSE:

UNHCR's targets have been reduced significantly. The current projection is to construct 4,000 transitional shelters and replace 400 emergency shelters. The protection sector is currently under revision. There will be a significant shift in focus as agencies participating in the UN Country Team have realized that there is a need for equity in the distribution of aid in the districts affected by the tsunami. Moreover, the Asia Bureau received indications during the mission of its Director to Sri Lanka and her discussions with the UN HC/RC that the tsunami appeal that provided the inter-agency response framework will be extended, and that a formal consent of the donors will be sought in due course. Based on this, project 05/SB/LAK/EM/131 will accordingly be extended to 2006.

The overall progress of construction of transitional shelters, by UNHCR and other implementing agencies reflects a steady and realistic progress to reach the target date of end September 2005.

15. For recommendation 01, the team is pleased to note the action taken to revise and refocus the tsunami special project, with the risk areas noted by the team being addressed. Nonetheless, at the end of the project it would be useful for the Bureau for Asia and the Pacific to conduct an end-of-project assessment and lessons learned exercise. This could be of assistance in future emergency activities to more easily manage risk and to provide assurance of a greater likelihood of achieving project objectives.

16. Some donors expressed their concern over UNHCR's extended involvement in the tsunami project, and that it may overshadow its basic responsibility vis-à-vis the conflict affected internally displaced persons. The government partners in the north expressed concerns about the amount of resources being spent on tsunami victims in comparison to conflict victims. The team observed that these concerns were not totally unfounded given the very desperate conditions under which conflict affected internally displaced persons have lived in for more than ten years.

RECOMMENDATION:

The UNHCR Bureau for Asia and the Pacific and the Representation in Sri Lanka, in case of a greater shift towards using the funds for conflict affected internally displaced persons, should seek the agreement of donors for any revision involving a re-allocation of funds between tsunami and conflict affected internally displaced persons (follow-up by OIOS - Rec. 02).

RESPONSE:

Initial discussions between UNHCR and ECHO Colombo, one of the largest contributors towards the special project have already been initiated. ECHO has informed UNHCR that in the 11 districts affected by the tsunami UNHCR can proceed with projects adding conflict affected internal displaced persons. While no projects have as of yet been identified, the Representation in Colombo and the Asia Bureau are developing a concrete programme of activities for the conflict internally displaced persons that should augment existing conflict related programmes. Once this is done, the reallocation of resources will only take place once consent of the donors and the UNCT is obtained.

17. For recommendation 02, the team is pleased to note that donors are being consulted on the possibility of channelling more of the tsunami funds to conflict affected internally displaced persons. The assessment team is satisfied that this risk is being addressed.



18. The tsunami affected the female population disproportionately: women and girls died in much greater numbers, reflecting in some measure the vulnerabilities created by gender inequalities, including power disparities and unequal access to national resources in the society. Despite this the Representation has not given sufficient attention to the implications of this phenomenon. The revision of the programme strategy therefore offers an opportunity to strengthen the focus on addressing inequalities, which were exacerbated by the impact of the tsunami. A strengthened focus, underpinned by gender analysis and gender-equitably targeted resources, would increase greatly the possibility of making progress with some of the objectives. This should include providing legal protection and advice, equitable physical and social security to address the vulnerabilities created or exacerbated by the tsunami, as well as monitoring overall protection and security of internally displaced persons, particularly for women and children.

RECOMMENDATION

The UNHCR Representation in Sri Lanka, in consultation with the various women's groups and partners should ensure an adequate level of resources are assigned to address the disproportionality of women and girls needs as a result of the tsunami. The Representation should ensure the promotion and integration of women, as well as increasing their capacities through the use of the gender-budgeting approach.¹ (follow-up by IGO -Rec. 03).

RESPONSE

A new Sub-project Agreement with the agency Women In Need (WIN) has been signed to look into the concerns raised in the above recommendation. The agency concerned is working closely with persons affected by the tsunami, the most vulnerable of whom are the women. The partner also focuses on empowerment and the importance of identifying solutions from within and/or amongst the community to ensure that solutions are durable. Programmes to provide counselling services and legal assistance to those affected by the tsunami in various locations and a 24-hour hotline have been put in place.

The Representation is an active participant at the UN Gender working group as part of the UNCT, the Gender theme group, as well as the UNAIDS working group. These meetings provide a forum to share information such as the recommendations contained herein to the notice of the wider UN group to ensure consistency in approach in addressing these concerns.

B. COORDINATION WITH EXTERNAL PARTNERS

19. UNHCR's initial contribution of NRFI to the tsunami affected communities in the early days of the emergency had high visibility and was welcomed and acknowledged by the authorities, donors and other UN agencies. The team through its interviews with external partners found that many of the subsequent contributions and the participation of UNHCR and the UN were neither visible nor recognised by the donors or the host country. The situation is largely a reflection of the status that prevailed, as within days after tsunami, hundreds of humanitarian actors arrived crowding the humanitarian operation. It is appreciated that due to the magnitude and suddenness of the disaster no mechanism for coordination could easily have been put in place either by the government or UN agencies. Nonetheless, the lack of strong coordination resulted in hundreds of actors operating almost independently. Overall however, as the emergency situation disappeared within the first couple of weeks and no post emergency deaths were reported as initially predicted, this phase of the operations must be deemed as being successful.

¹ A gender budgeting approach would be linked to RBM efforts. It calls for an increased use of gender equality mainstreaming in the programme budgeting process, with the objective of ensuring that resources are allocated in a gender-equitable way.



20. In the confusion following the tsunami, the term “co-ordination” became the buzz-word within the government and UN/donor circles without a clear understanding of the substance or the actions that were being co-ordinated. The team found that there was a similar situation some five months later and, although many agencies and groups of agencies, both UN and non-governmental, are trying to “co-ordinate”, the coordination efforts were not fully effective. The purpose, content and the depth of the various coordination meetings seemed to be varied, so were the attendees and their respective Terms of References, as well as their competencies to represent their offices. The situation is further complicated as there is, among the major partners and the government, no coherent approach to or understanding of the relief operation.

21. One statement though, from a development expert, is noteworthy – UNHCR was described as a “thinking” organization with some real sensitivity and understanding of issues such as property and land rights. UNHCR was encouraged to give visibility to some “promising practices” it has engaged in and identified being done by others. Some of the women interviewed welcomed the on-going, if fledgling, efforts by UNHCR to highlight and address issues affecting women.

RECOMMENDATION:

The UNHCR Representation in Sri Lanka should critically assess its operational and coordination arrangements within the Office of the Representation and its coordination mechanism with its Field and Sub-offices (follow-up by IGO - Rec. 04).

RESPONSE:

A mission by the Desk in July 2005 has concluded there is a need for a larger restructuring in the UNHCR Sri Lanka operation. The Bureau Director is pursuing the matter with the Chief Organizational and Developmental Management Section (ODMS) to undertake jointly with senior Bureau participation a mission to Sri Lanka in September 2005. The mission will undertake a review of existing strategies, operational objectives against current political realities and an operational management structure that should help to achieve these results. This would also come as part of the Headquarters increased focus on Results Based Management and its roll out to field locations in the Asia region, beginning with the operation in Sri Lanka.

C. PROTECTION

22. Although UNHCR’s involvement with tsunami-affected internally displaced persons is described as exceptional and short-term, the requirements for its protection work, long-term and cross-cutting, mean that many initiatives must be seen within the context of a protection “continuum”. These include efforts to identify pressing land and property rights issues, to advocate for their resolution, to provide assistance to regain documentation, to relocate people to transitional accommodation (which will not be short-term, given the multitude of problems surrounding reconstruction and rehabilitation) and to support the prevention and response to sexual and gender-based violence (SGBV). While the main protection goal remains the enhancement of access of conflict affected internally displaced persons to national protection mechanisms, it is often very difficult to differentiate neatly between the two populations. Many people have been affected by both and while the tsunami is described as a natural disaster, its impact has been increased by policies which, while not deliberate, contribute to gender inequality and underdevelopment.² A short-term, compartmentalized approach will, therefore, only further undermine UNHCR’s credibility,

² Sri Lanka has very low participation of women in decision-making, e.g. there is only one female cabinet member and women are only 5 per cent of the parliament, the same figure as at independence. Poverty and under-development affect many people, with particular implications for women and girls, e.g. 65 per cent of Ampara’s population is below the poverty line prior to the tsunami and there were already a very high number of female-headed households.



and more importantly, will leave many of those UNHCR are seeking to assist, without enhanced protection.

RECOMMENDATION:

The UNHCR Bureau for Asia and the Pacific and the Representation in Sri Lanka should not attempt, at this point, to differentiate between conflict affected and tsunami affected internally displaced persons in the north and east. The imperative is to facilitate access to enhanced protection for both populations, with the protection rationale varying according to location (follow-up by IGO- Rec. 05).

RESPONSE:

This has been noted and UNHCR has instigated a round of discussions with the UNCT on equality issues in relation to aid for tsunami and conflict internally displaced persons. UNHCR also promotes equity through the internally displaced persons Working Group spearheaded by UNHCR as the lead UN agency working with internally displaced persons in the country. The Working Group is producing a paper on equity that will contain an introduction on the problem and its scope together with statistics and including a policy framework built on international standards. The goals of this document together with the Working Group on equity will be presented at the UN CT meeting in August.

RECOMMENDATION:

The UNHCR Bureau for Asia and the Pacific and the Representation in Sri Lanka should establish a new timeline for protection issues, taking into consideration the need to build the capacity of partners selected for particular aspects of the work (such as Norwegian Refugee Council on documentation and registration and Women in Need and Rural Development Foundation on SGBV)³. This will help to ensure that the funds address specific needs and help to build or rebuild specific capacities (follow-up by IGO- Rec. 06).

RESPONSE:

The suggestions made by the team are noted especially taking into account that consideration is being given by the UN to extending the tsunami related programmes into 2006, as defined and elaborated in the UN Transitional Strategy (UNTS). In addition, discussions with protection partners are underway and new agreements have already been entered into both with national and international organizations including government departments and ministries. These agreements address concerns relating to PI, issuance of documentation, provision of pro bono legal aid, counselling and legal service on issues such as SGBV. UNHCR is also focusing on strengthening/enhancing the capacity of national organizations, as well as government departments in the process to ensure sustainability.

D. PROCUREMENT AND LOGISTICS

(a) **Procurement**

23. The inordinately long time taken to finalise the shelter design for Ampara resulted in the pilot project of 42 shelters being completed only by April 2005. The bulk of the procurement was initiated only thereafter, delaying the implementation of the UNHCR transitional shelter programme. At the time of the

³ The NRC lawyers and paralegals are all locally recruited, with the first woman on the team recruited after the team's visit. The difficulty of recruiting a woman lawyer or paralegal had been discussed with the team and appears now to have been overcome. Increasing the capacity of local actors is a critical part of protection delivery, including building awareness of rights and supporting mechanisms to access those rights.



review there was still no comprehensive Bill of Quantities. The delays were also compounded by the indecisiveness of UNHCR Sri Lanka as to the quality and quantity of the goods to be procured. This is supported by the fact that procurement documents (such as Invitation to Bid [ITB]) were issued prior to the Requisition Form being completed by Programme and without clearly indicating on the ITB the specifications of the required materials. The delays in implementing the pledged number of shelters tarnished UNHCR's image at the field level with the government and the other agencies involved in the process. *The Representative highlighted that it was difficult to determine the procurement pending the shelter design being drawn up, for example the choice between concrete columns, timber frames and pipe work.*

24. The delays in the receipt of the materials, and the subsequent decisions made to bridge the gap resulting from the delay had a financial impact, and most of the benefits achieved by procuring internationally were lost. For example:

- Zinc-roofing sheets were procured internationally at a cost of US\$ 950,000. (This was for 7,000 shelters, although about 4,000 were planned). If procured locally they would have cost some US\$ 1.1 million, an increase of US\$ 157,400 (16.5 per cent higher), which is only slightly higher than the 15 per cent benchmark established by UNHCR. The urgency of the procurement should have been taken into account, as the initial aim was to complete the transitional shelters by 30 June 2005. As these goods were not received on time, to bridge the gap additional zinc sheets (for over 600 shelters) were procured locally at US\$ 98,000. Therefore most of the envisaged savings by procuring internationally had been lost, and the programme has enough roofing sheets for almost 4,000 extra shelters.
- Galvanized Iron (GI) pipes were ordered locally with delivery duty unpaid at a cost of US\$ 310,000. (To receive them duty unpaid, the supplier needs to import them specifically for UNHCR). Delays were encountered in their receipt. In the interim, additional GI pipes were procured locally ex-stock (duty paid) at a cost of US\$ 49,000. If a decision had been made to procure all the GI pipes ex-stock (duty paid) from the outset, it would have cost US\$ 347,000, a difference of US\$ 37,000, some 12 per cent.

25. The additional procurement could have been avoided (although it may be used later in the programme), and the economies of scale of procuring internationally have almost been lost. With hindsight, an alternative strategy of staged procurement (some local from the start of the operation, and later internationally) would have ensured cost effectiveness by enabling the programme to be up and running in the initial stages. In the case of Jaffna, if the materials had been available, that part of the project would have been completed by the time of the mission.

26. Our review of local procurement found that systems and procedures were generally in place and operating effectively, i.e. competitive bidding, evaluation of offers received, submission and approval by the Chairperson of the Local Committee on Contracts and Headquarters Committee on Contracts. The team suggested some improvements to the system. For instance, on the ITB, instead of giving the criteria (what was actually being requested i.e., type and quality of goods), reference was made that UNHCR had the right to "decide on the selection criteria" after the offers had been received. It was also stated that UNHCR will "identify the supplier at our discretion". In the team's opinion, these notes were not appropriate or compliant with UNHCR's procurement procedures. The team recommended that efforts be made to ensure procurement procedures are objective, open and transparent. *The Representation was of the opinion that the notes were pragmatic at the time by allowing UNHCR to choose the supplier on the basis of issues such as delivery as well as cost.* The team would re-emphasize that the criteria for selection should be established prior to the offers being received. When dealing with funds provided by donors, there is a need for UNHCR to always be transparent and fair.

27. We suggested some improvements to the system. Moreover, the electronic system used by the Representation to monitor and manage procurement included basic information, but it lacked some critical elements such as the requisition reference, quantities required, the date of the request, information



on payments, as well as the status of each order. We recommended that the system be enhanced to consolidate purchasing data and ensure procurement activities are effectively managed. *The Representation argued that this was not considered a priority, as the information was available "somewhere" in the office.* The team cautioned the Representation against this approach. From experience, well-managed emergency operations established proper systems and procedures from the outset. In the long run this is more cost effective and gives senior management assurance that procurement activities are well managed and controlled and mitigates the need for investing resources in a 'back-tracking' exercise.

28. In Jaffna, procurement for the shelter project totalling US\$ 74,000 was initially conducted through the UNHCR Project Implementing Unit based in the Government Agent (GA) Office in Jaffna. There has, however, not been a Sub-Project Agreement with the GA since 2003, and in practice GA staff were UNHCR 'project staff'. They were working under the direct supervision of UNHCR. The procurement procedures adopted were not transparent and did not comply with UNHCR rules and procedures. The team was pleased to note that this practice was stopped from April 2005, with purchases over US\$ 5,000 routed through Colombo.

(b) Logistics

29. A logistics network was established countrywide, and for NFRI it appears to be operating effectively. Considering the level of activities, we found that warehouse systems and procedures were generally in place and working satisfactory, but suggested internal controls be enhanced to more effectively manage and monitor logistical activities.

30. Colombo is the logistical hub, where consolidated logistical information should be available. We noted however that the tracking system only maintained and monitored information on receipts and transfers to and from Colombo. Goods received and/or transferred between field offices were not included. *The Representation indicated that the tracking system should have included all movements to, from and within the field.* The team is pleased to note this, but would highlight that work was still required to ensure this is effectively put into practice.

31. The team questioned the necessity to allocate almost full-time resources to the installation and implementation of the UNHCR Commodity Tracking System at the Office of the Representation, while at the same time operating a parallel tracking systems in Excel. It was the team's opinion that these resources could have been better employed at the field level. *The Representation explained that these staff members were engaged for their experience and expertise in tracking stock. The staffing resources requested for the field were not filled.* The team is still of the opinion, considering the time limitation of the project that logistics resources at the Colombo level could have been more effectively employed at the field level.

32. The clearance of goods through the port was a real concern as there was a serious blockage with items stuck and delayed for months. At the time of the mission, UNHCR goods valued at over US\$ 825,000 were held in port awaiting clearance. Moreover, the procedures for the clearance of goods were cumbersome and lengthy. The team has been informed that four different procedures for clearing goods and obtaining exemption to duties had been introduced since January 2005.

RECOMMENDATION:

The UNHCR Representation in Sri Lanka should enhance its procurement systems and procedures to more effectively manage and monitor purchasing activities and to provide assurance to management that transactions are complete (follow-up by OIOS - Rec. 07).



RESPONSE:

A full evaluation of the current procurement procedures will be undertaken in September 2005 to align itself with the UNHCR procedural rules and guidelines. Also, with the engagement in the tsunami shelter programme beginning to wind down, it has been recognized that there is not sufficient enough reasons to warrant maintaining the current logistics capacities. Steps have already been taken to rationalize the level and number of staff within that unit.

33. The team is pleased to note the action taken, and will close the recommendation on confirmation that the evaluation has been completed and procurement procedures have been enhanced.

E. SHELTER COORDINATION

34. UNHCR accepted to be the lead agency for coordinating the transitional shelter programme, but appropriate staffing resources were not put in place to ensure this was carried out effectively from the outset. It was only at the time of the review (mid-May) that a sufficient complement of staff was assigned. This was too late, and has affected UNHCR's ability to effectively coordinate activities.

35. At the time of the review, many of the decisions and actions by those involved in shelter had already been made or taken. While UNHCR had drafted a shelter strategy and guidelines, due to the lack of staff and staffing structure, it was unable to effectively influence the process. As a result, there was a lack of cohesion in the type of transitional shelters being erected. The quality of the shelters and the sub-standard materials used by some partners were a cause for concern. In some cases the living conditions were deplorable and starting to cause medical problems due to heat accumulation and the lack of proper ventilation. Some agencies are already in the process of up-grading the transitional shelters. Although the UNHCR shelter staff are now on-board, which should ensure an improvement in UNHCR's role in coordinating shelter activities, there is a risk, particularly with prominent and well-funded NGOs that UNHCR does not have the necessary authority to move forward and properly coordinate their activities. *The Representation felt that they had developed a high degree of credibility with the government, donors and international NGOs in coordinating shelter activities. The Representation also believed that they had adopted a fully consultative approach and the shelter strategy has been revised to reflect this.*

36. Reconstruction of permanent houses is a major development programme, with one important concern being the 100m buffer zone. Although UNHCR is not involved in permanent housing, it has played an important role, especially in the north, to identify land that can be used for permanent constructions. Some of the transitional houses are built on these lands. Given UNHCR's responsibilities for conflict related internally displaced persons, some of whom are also victims of the tsunami, the team suggests that UNHCR play an advocate role vis-à-vis the parties to the conflict to identify land in the north and the east for reconstruction efforts.

37. At the emergency shelter stage, the lack of coordination and decision making processes were very evident. The Director of the Centre for National Operations requested the Humanitarian Community to supply 50,000 tents, and UNHCR pledged 10,000. Some 2,000 tents were airlifted from Jordan and the remainder, based on a Headquarter's decision, arrived by sea. By the time they arrived, there was no longer a need for them, and at the time of the review some 5,500 tents were stored in their original sea containers pending a decision on what to do with them. The value and transport cost of these tents was over US\$ 1 million, but there was little impact to show for it. A decision needs to be taken to re-deploy these tents. This has to be done fairly soon, considering the climate and conditions in which tents are stored.



RECOMMENDATION:

The UNHCR Representation in Sri Lanka should in consultation with the Supply Management Service redeploy some 5,500 tents valued at about US\$ 390,000 no longer required for the tsunami emergency operation in order to prevent deterioration in storage (follow-up by OIOS - Rec. 08).

RESPONSE:

Offers have been made to all current emergencies and other operation through SMS and by bilateral contact. Currently there is an interest in tents in Indonesia, Zimbabwe and Ghana. It is the intention of the operation to re-export these tents as soon as a request has been confirmed. It should be noted that the Representation Office has already obtained from the government an official communication stating that the tents are no longer needed in Sri Lanka.

38. The team is pleased to note the action taken and will close the recommendation once notified of the effective deployment/use of the tents.

F. GENDER EQUALITY ISSUES

39. Overall, many staff have made important efforts to understand and address the gender-differentiated impact of the tsunami. There now needs to be a consistent and deliberate effort by the Representation to increase advocacy with both sister agencies and the government, as well as to increase the capacity of UNHCR and implementing partner staff on gender equality issues. The on-going difficulties in forging a social consensus for passage of two bills on violence and women's rights underscores the continuing resistance to the notion of gender equality and the lack of political will in promoting it. The national mechanisms for the advancement of women – the ministry and the national committee – wield little authority and are under resourced. Women are looking for allies in their struggle for equality and the UN's mandate requires that this be a central theme.

40. The UN system has made some commendable efforts. It should however be more assertive in promoting the need to understand women's, men's and children's experiences. The disproportionate number of female deaths has already been stated – the implications now need to be better understood. There is some evidence that widowed men are neglecting or in some cases abusing their children. Some of these men remarried within weeks of the deaths of their wives, and have remarried very young girls, who have little choice.

41. The team highlighted that identifying and expanding the use of "promising" practices are critical for the struggle to end SGBV. A recent community services workshop resulted in an assessment of achievements and constraints in SGBV prevention and Standard Operating Procedures (SOPs) were introduced for adaptation and contextualization. The team suggests that the SOPs be shared by the Representation more widely, with a view to providing a contribution to an integrated and coherent UN system-wide approach in Sri Lanka to the problem.

RECOMMENDATION:

The UNHCR Representation in Sri Lanka, as a member of the UN Country Team, should advocate a more deliberate focus on gender equality to ensure that the response to the tsunami (and conflict affected) populations, whether it is for loss of livelihoods, domestic and other forms of violence, documentation, land and property rights or neglect and abuse of children, uses disaggregated data and gender analysis more fully (follow-up by IGO – Rec. 09).



RESPONSE:

UNHCR works closely with the members of the UN Gender working group, UNAIDS, UNFPA and UNICEF, as well as other agencies and relevant government bodies to maintain a coordinated approach to address areas of concern that has arisen. The second stage of UNHCR's SGBV campaign has started in order to create awareness at a more grass roots level to ensure that the message is clearly conveyed country-wide. The campaign is expected to begin in the last quarter of 2005. UNHCR also worked with UNFPA in creating awareness on issues of gender equality, as well as the equality between conflict and tsunami affected internally displaced persons.

UNHCR has been working with DRC and NRC and other relevant parties on documentation issues to expedite the process of providing/replacing relevant documents and to make effort to address property rights and restitution for conflict and tsunami affected internally displaced persons.

RECOMMENDATION:

The UNHCR Representation in Sri Lanka should use documentation and advocacy to encourage the use, by the government and other authorities, of "promising or good practices", which will facilitate women's access to decision-making processes. This should include trend-setting cases being established with the Norwegian Refugee Council partnership on acceptance of alternative forms of evidence of ownership of property and land (follow-up by IGO – Rec. 10).

RESPONSE:

The Representation has entered into an agreement with NRC to provide protection to the victims of the tsunami and conflict affected internally displaced persons through the provision of legal counselling and court representation. The Representation has also entered into a partnership with the Council of Housing and Evictions (COHRE) to increase access of internally displaced persons to judicial or other remedies for their land or property rights protection. Under this agreement it is envisaged that test cases will be identified in the NRC legal aid clinics and COHRE's experienced legal team will bring these cases to court. This should assist in establishing a body of jurisprudence in Sri Lanka that will recognize alternative means of demonstrating ownership of property and land, as well as recognizing the importance of economic, social and cultural rights.

RECOMMENDATION:

The UNHCR Representation in Sri Lanka should ensure improved access for women to the structures and mechanisms for rehabilitation and reconstruction. UNHCR should partner with UNIFEM and other agencies to facilitate government-led countrywide consultations, which would highlight the particular barriers and constraints for women and "open the doors" of decision-making to them (follow-up by IGO - Rec. 11).

RESPONSE:

Together with the actions mentioned above, the Representation has established contacts with UNFPA and UNICEF, and is working closely with UNIFEM to ensure work on gender issues and/or SGBV is carried out in a coordinated manner. Effort is presently underway to recruit an external consultant with experience in SGBV programming and familiarity with working with internally displaced persons to enhance UNHCR's SGBV programming. Once on-board, this should ensure all offices have a clear strategy on how to move toward a multi-sectoral response to SGBV prevention and response.



G. GENERAL PROGRAMME MATTERS

(a) Project Management and Monitoring

42. The team briefly reviewed the Sub-Project Agreements entered into with partners, and made some suggestions to improve project management and monitoring and suggested that to ensure a better understanding of the programme and improved coordination with other actors, the related inputs to the project be clearly outlined and quantified. Overall, for the programme, there was a need to develop SMART (specific, measurable, achievable, relevant, time bound) performance objectives and related indicators to allow comparison and benchmarking and to measure progress over a period of time. The current performance indicators in some cases were unrealistic and not measurable. *The Representation took note of our suggestions.*

43. The team was pleased to note that UNHCR in Sri Lanka had implemented strong project monitoring procedures. This needs to be continued to ensure any problems with partners' management of UNHCR funds are identified early, so that remedial action can be initiated.

(b) Rural Development Fund (RDF)

44. RDF has been working with UNHCR for a number of years, but has limited experience in shelter activities. *The Representation stated that RDF was considered as the most viable option with a past track record of 12 years trusted and effective cooperation with UNHCR.* The partner made a good impression on us and we found them to be enthusiastic, keen to get started on the programme and considering their limited experience in shelter had done a good job in the construction of the 42 pilot shelters. However, they need to be closely monitored to ensure that the promised level of production is achieved. *A Shelter Coordinator and Senior Programme Assistant have been assigned to the Ampara Office to monitor and strengthen the capacity of RDF to ensure the programme is successfully delivered.* In our opinion this is a critical role to ensure the Ampara part of the shelter programme is effectively implemented.

45. RDF maintained manual accounting records, which although slightly cumbersome, were found to be adequate to manage and monitor UNHCR funds. We provided some advice to tighten internal controls, particularly over banking procedures, but overall we found them to be satisfactory.

H. STAFFING ISSUES

46. For the operation to be effective from the outset, it was essential that UNHCR identified appropriate staffing levels and expertise, and deployed them on a timely basis. Similarly, continuity of staff is normally one of the key elements, which leads to a successful operation.

47. Due to the rotation of management, leadership and direction was found not to be always effective. This had a negative impact on UNHCR's relations with external partners and donors, as they commented on the lack of leadership and indicated that a 'new face' was constantly representing/heading UNHCR. *The Representation informed the team that once senior management endorsed the plan of action they underlined the need for UNHCR to keep a very low profile especially in the south where civil society and government administration were fully operational.*

48. The team noted the shelter expert had been contracted under a questionable Service Agreement that was not in line with UNHCR's standards and did not contain many of the mandatory clauses. A review by UNHCR Legal Affairs Section confirmed this. Moreover, the contractor (or individual in this case) was expected to provide a large range of "services" to the office, which could not be achieved. It was recommended that the responsibilities be revised to be more realistic, the reporting line clearly



defined, and activities more closely managed by UNHCR staff. *The questionable service contract relating to the shelter consultant was made null and void as soon as it was brought to the attention of the Asia Bureau, and was subsequently replaced by a UNHCR individual consultancy contract. In addition, adjustments to reporting lines within the Representation Office has also taken place to address the observation made in the report, especially the shelter unit.*

49. At the field level, junior and inexperienced staff members both national and international were delegated significant responsibilities, sometimes without adequate briefing or guidance. For example, a P-2, although competently carrying out his functions, was in charge of the operations in Ampara where the bulk of the activities were being implemented. *The Representation indicated that junior international staff members were recruited from a pool of UNVs already working in Sri Lanka having requested Headquarters to identify 12 international staff members for the emergency operation.* The team was also of the opinion that senior staff based in Colombo did not visit the operational areas enough. This should have been done regularly to monitor programme activities, to provide supervision and guidance and to encourage junior staff. More field missions and/or deployment of staff from Colombo (in the short-term at least until 31 December 2005) may be necessary.

50. As a result of the UNHCR emergency programme, a number of personnel were assigned to the Office of the Representation. They were all located in the UNHCR Colombo office, which was already crowded. A number of additional organisational units within the office were created. As a result, there was a situation where experienced national staff were required to provide services to the incoming 'experts' with little regard for their expertise and long experience. The team observed and was informed that the unit heads convened many meetings resulted in a lack of coordinated decision making. The 'pushing and pulling' of some national staff in different directions led to a lack of cohesion.

51. The team was also told that one or more of the staff/experts on mission used inappropriate or abusive language which national staff found to be offensive and demoralizing. This led to poor morale among some of the national staff members who could have played a more decisive role in assisting programme and protection staff to make the right decisions. Overall there was a perception that the expertise and the experience of some of the national staff members were not being fully harnessed. National staff appeared unwilling to come forward to help international staff and consultants, but reacted only to instructions given whether they were relevant, practical or cost effective. This scenario was not the best for an effective and efficient UNHCR operation.

RECOMMENDATION:

The UNHCR Bureau for Asia and the Pacific jointly with the Division of Human Resources Management should assist the Office of the Representation in Sri Lanka to streamline and consolidate the staffing levels and operational structure, as well as assess the need for the number of international staff and experts on mission (follow-up by IGO – Rec. 12).

RESPONSE:

Of the ten international staff sent to Sri Lanka on temporary assignments and the seven on mission, there will be only five international staff at P2-3 and NOA level remaining beyond 31 August 2005, augmenting the structure in some field locations, as well as the functional units in the Representation Office in Colombo, until 31 December 2005.



V. ACKNOWLEDGEMENT

52. We wish to express our appreciation for the assistance and cooperation extended to the team by the staff of UNHCR in Sri Lanka.

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