

Remarks for the 69th Standing Committee meeting
Executive Committee of the High Commissioner's Programme
Kelly T. Clements, Deputy High Commissioner
Room XVII, Palais des Nations
27-29 June 2017

Madam Chairperson,
Excellencies,

In the interest of time, I will limit these remarks to points on the broader management of the organization as opposed to addressing individual topics on the agenda.

In May 2016, High Commissioner Grandi met with Representatives in Geneva in the first of a series of consultations on UNHCR's Strategic Directions. In the course of those discussions, they underscored the need for headquarters to become more coordinated and responsive to the needs of field operations, and to reduce the volume of initiatives, instructions, and guidance issued to the field.

Later last year, the High Commissioner initiated a review of UNHCR's headquarters' entities to provide a comprehensive picture of their design, structure and underlying processes. The main outcome of this review was a recommended strategic realignment of our headquarters functions and systems to ensure that these function optimally to support our field operations. I must underscore that the headquarters review was not designed as a tool for cost reductions, although the efficiency gains we anticipate through the review will help advance the objective of adopting a financially prudent approach in the uncertain funding environment we are currently facing.

The first phase of the review was undertaken by independent consultants in late 2016 and early 2017 and resulted in a Rapid Organizational Assessment which provided the High Commissioner with a high-level assessment of the organization, a diagnosis of the headquarters' organizational design and functions, and recommendations for the next phase of the review.

The review makes a compelling case for change, concluding that UNHCR needs to reinforce its agility and adapt more quickly to the external environment. It notes that while the organization has numerous strengths and considerable experience to build on, there are some critical areas that UNHCR needs to strengthen to position itself to meet the challenges of the future.

Following extensive consultation with the organization's senior leadership, the High Commissioner has taken a number of decisions to guide the second phase of the headquarters review. This includes a strengthening of our focus on solutions, and increased investments in critical systems such as refugee data management, identity management and statistics and institutional capacity in information management, knowledge management, data warehousing and ICT. Recommendations were also made on issues such as strategic partnerships and human resources alignment.

The High Commissioner also decided on the review of key processes such as UNHCR's accountability framework and the simplification and streamlining of the policy development function as well as reforms to the way in which headquarters identifies and manages operations-strengthening initiatives. The implementation of the recommendations of the Rapid Assessment needs to be seen within a fast-changing operational context.

This internal review process has advanced alongside broader reforms of the United Nations system, particularly following the World Humanitarian Summit with its focus on the Grand Bargain, and the New York Declaration adopted last year, and the annexed Comprehensive Refugee response Framework. UNHCR's vision for the future is set out in the High Commissioner's strategic directions and, its implementation will be further shaped by, among other things, a review on our work with internally displaced persons (IPDs), a significant increase in our engagement with cash-based interventions (CBIs), which follows next on the agenda, and ultimately the roll-out of the Comprehensive Response.

In line with our Grand Bargain commitment to double the use of cash as a proportion of its assistance by 2020, UNHCR's cash-based programming reached a value of USD 688 million in 2016, a 106 per cent increase from USD 325 million in 2015. We are determined to ensure that no opportunity where cash is a better means to protect and assist is missed.

Madam Chairperson,

The changes put in motion will ensure that UNHCR becomes more agile and nimble, and is better equipped to adapt promptly and effectively to new challenges and opportunities. This will help us cope with rapidly increasing or decreasing resources in complex environments, setting up new operations and programmes when and where needed, and closing them if they are no longer a priority.

In order to maintain the strong momentum developed in the first phase of the Headquarters Review, the High Commissioner has appointed Ms. Daisy Dell, previously Director of the Regional Bureau for Asia and the Pacific, to take up a critical new position as Director of Change Management as of June 1. In this capacity, Ms. Dell will steer the second phase of the Headquarters Review and ensure that the vision emerging from the Rapid Organizational Assessment, and encapsulated in its conclusions and recommendations, becomes a reality; and that our ambition to reinforce UNHCR's agility, and ensure a light, flexible Headquarters geared primarily towards supporting the field, is fully realized.

The changes which will be brought about by the headquarters review are a continuation of reforms previously initiated by the High Commissioner, including on a new assignments policy for the organization. We have embarked upon a revision of UNHCR's results-based management (RBM) framework to strengthen our business processes and accountability towards the people we serve as well as donors. The

review phase of the project is well underway, and the recommendations will enable the development of a simpler, more streamlined architecture, software and structure for RBM.

You will recall that, in September 2016, I shared information with this body about oversight reforms which were undertaken in part based on insights provided by our Independent Audit and Oversight Committee and this Standing Committee itself. These reforms are designed to strengthen individual functions as well as improve how they coordinate with each other. They aim to lighten the oversight burden on our field colleagues, lessen the overlap between functions, and ensure a more strategic process for identifying, analysing, and resolving systemic weaknesses and inefficiencies. The Inspector General, Ms. Karen Farkas, provided a comprehensive update on the implementation of these reforms to the Standing Committee in March of this year so my remarks now will focus on developments since then.

Work is ongoing to pave the way for the transfer of relationship management with the internal audit function provided by the Office of Internal Oversight Services (OIOS) from the Division of Financial and Administrative Management (DFAM) to the Inspector General's Office (IGO). This transfer is expected to be effective on August 1, 2017, and, in anticipation of this, the IGO and DFAM have conducted a detailed mapping exercise of our current support to internal audit. In this process, the IGO has examined opportunities to simplify and streamline the existing procedures and processes and considered best practices from other UN agencies as well as views shared by the Independent Audit and Oversight Committee. The IGO is also working with OIOS to ensure that the internal auditor's technical knowledge and capacity in core areas of UNHCR's work is further strengthened. This is done in view of the fact that the OIOS UNHCR Audit Service will be absorbing some of the functions previously carried out through standard inspections.

As part of the oversight reforms, we have also decided to create a new Strategic Oversight Service within the Office of the Inspector General. This new Service is expected to be fully operational in 2018 and is being created at no additional cost to the organization using resources of the discontinued Inspection Service. The functions undertaken by this new Service will include data collection, analysis and reporting or oversight recommendations and management responses as well as gathering information on various oversight activities with a view to advising the Inspector General and the organization's senior management on eventual gaps and making recommendations for strengthening.

Finally, the IGO has led internal consultations to define a model of the three lines of defence applicable to UNHCR and has since initiated a mapping of the same.

Madam Chairperson,

With over 15,000 personnel now working for UNHCR across the globe, many in remote and difficult circumstances, and many thousands more working together with UNHCR to provide aid to displaced populations, UNHCR needs to maintain strong oversight and accountability mechanisms.

In mid-2016, UNHCR's Inspector General received allegations of misconduct against a number of staff serving in Kakuma, Kenya. These allegations claimed that UNHCR personnel were involved in fraud and corruption linked to the provision of aid which refugees should have received free of charge. There was also an indication of potential involvement of staff of other entities, including from other UN organizations, NGOs and other partner agencies. There were no allegations or evidence that UNHCR funds or assets were embezzled or misappropriated.

These allegations were a serious concern and the Inspector General's Office opened investigations against the implicated staff members and the organization requested relevant partner agencies to conduct their own investigations regarding allegations against their respective staff members.

Five UNHCR staff members were immediately placed on administrative leave. To date, one staff member was terminated for misconduct and two staff members have resigned. A disciplinary process has been engaged for the two other staff members and this should be completed in two to three months. Furthermore, UNHCR has, in coordination with UN headquarters, referred three of the staff members to the Kenyan police and is maintaining regular contact with local authorities on the matter.

We are firmly committed to identifying and proactively addressing the strength of our delivery systems. In addition to steps taken to investigate the specific allegations, UNHCR launched a quality and integrity assurance review of its protection delivery in Kakuma, including a focus on resettlement processing, refugee reception, registration and data management. This led to a revision and strengthening of standard operating procedures.

We also commissioned an independent management review of our operation in Kenya to better understand the circumstances which may have contributed to the situation, identify lessons learned and make recommendations not only for the Kenya operation, but also for other countries where we are engaged in complex and protracted situations.

While the consultant's report is currently being finalized, preliminary findings include the need for strengthened cooperation with other agencies on potential misconduct; the further development of a broad zero tolerance strategy on corruption to include, along with existing sanctions for wrongdoers, strengthened protection and support for whistle-blowers and witnesses; the realignment of human resource practices to ensure a faster filling of vacancies; and, a strengthened orientation and more regular training for our workforce in potentially vulnerable situations.

Let me reassure you that UNHCR is diligently following up on investigations into this matter, as well as all other allegations of fraud and misconduct. UNHCR and its implementing partners are committed to the highest standards. UNHCR's reinforced implementing partnership framework means that UNHCR has had a clear basis to investigate robustly and respond to conduct falling short of those standards. We will vigorously pursue disciplinary and contractual action where warranted, and legal proceedings by the relevant authorities, where appropriate.

UNHCR will also continue to respond to such matters holistically, examining all management implications of fraud and misconduct on affected operations and, when necessary, reinforce oversight and accountability mechanisms. We are seeking now to reshape our approach to oversight, strengthen proactive management and continue to earn your trust as a partner committed to protecting millions of people under our care in the best and most accountable way possible.

Thank you.