

Statement to the 69th session of the
Executive Committee of the High Commissioner's Programme

Introductory remarks for item 4b:
Programme budgets, management, financial control and administrative oversight

Kelly T. Clements, Deputy High Commissioner
Assembly Hall, Palais des Nations
4 October 2018

Madam Chairperson,
Mister High Commissioner
Excellencies,
Distinguished delegates,

The High Commissioner outlined on Monday the contours of a world in which crises have intensified, internal conflicts have been fuelled by regional and global rivalries, the language of politics has become aggressive and polarising and, the number of refugees has risen.

Yet, despite the many challenges faced, we have collectively developed the Global Compact on Refugees. Once adopted, the Compact will provide an opportunity to chart a different course.

The High Commissioner outlined some of the reforms which we have initiated to ensure that UNHCR is adequately structured and equipped to make the most of the opportunities, and face down the risks which today's world presents. I will provide additional details on these reforms and other changes we are pursuing to ensure the organisation is optimally designed.

The change process brings broad, multifaceted and deep changes to UNHCR. To date, it has led to the creation of a Division for Resilience and Solutions, a reconfiguration of our Partnership Service, and the creation of a new Integrated Programme Service within the Division of Programme Support and Management. These changes have helped UNHCR operationalise and mainstream the Comprehensive Refugee Response Framework, create a single point of entry for our partners, and strengthen our programme management functions.

We have worked to shape and refine a design prototype for regionalisation and decentralisation, leading to the High Commissioner's decision to position our regional Bureaux in their respective regions and ensure these are redesigned and equipped to provide effective support and oversight to strengthen and empower country operations. But this is not just a physical move, it encompasses a transformation in planning and operations management with a sharp focus on impact and results for the people we serve. It also firmly identifies and embeds core accountabilities among headquarter and field entities. The change underway connects fundamentally to broader UN reform initiatives and links multiple change strands internally.

We are advancing with the revision of Results-Based Management system, ensuring that this supports other changes in progress. As we seek to create strong country operations, and strong regional entities to support and exercise oversight over these, this work is bringing greater focus on providing field operations with the flexibility to build country-specific results chains and better manage to results at the local level with maximum impact on the people we serve.

And as we review broad elements of the structure and design of the organisation, we are also reviewing the way in which the Human Resources function serves the organisation and its component parts. We have shared with you key findings of an external review of the services, systems and processes of the Division of Human Resources completed this year. Reforms to be

brought about through 2019 and beyond will transform the Division of Human Resources into a strategic partner to operations, one which provides the organisation with effective workforce management; an enabling work environment and culture; and, leaders equipped to meet the challenges we face.

As noted by the High Commissioner, our reform process is fully in line with system-wide reforms within the United Nations and its development system. Beyond aligning ourselves with these reforms, we are actively engaged in shaping these, including through our co-leadership of the Business Innovations Group.

And as we steer change within the organisation, and the UN system, we also aim to be a positive force for change within the humanitarian system as a whole. We consequently took on the role of member of the Grand Bargain Facilitation Group in the last year, helping shape the follow-up to the 'Grand Bargain' reached during the World Humanitarian Summit. We have simultaneously worked to fulfil these commitments internally, on which we are making steady progress, including through the recent start of publication of our data to the International Aid Transparency Initiative.

Distinguished delegates,

As noted by the High Commissioner, we have intensified our emphasis on ethical conduct in UNHCR - working to translate values such as tolerance, respect, diversity and gender equality into our institutional culture, and personal attitudes.

Tackling sexual exploitation and abuse, and sexual harassment, has been a key pillar of this work, and Ms. Diane Goodman, our senior coordinator, is now ably steering these efforts across the organisation. Key achievements include the publication of a short guide for managers on the prevention of, and response to, sexual harassment in the workplace; the opening of a confidential independent helpline to report misconduct or obtain advice; the establishment of a psychosocial case management system to support both victims and witnesses of sexual harassment, and; the issuance of new administrative instructions on protection against retaliation.

We have also launched an independent evaluative review of UNHCR's existing procedures and policies on sexual exploitation and abuse. All the while, we have worked to put in place senior intervention teams to engage proactively with colleagues in the field on these issues, open space for dialogue and address emerging issues and concerns. Critically important, we have made substantial efforts to increase our communication with our team on these issues.

Much of this work strengthens efforts previously initiated to reinforce the diversity of our organisation's workforce and ensure that our personnel share a strong set of values.

Distinguished delegates,

We have made substantial progress, in the year since the Risk Management 2.0 initiative was announced, to reinforce risk management throughout the organisation, and strengthen the risk culture of UNHCR.

We have fielded senior level temporary support to our operation in Uganda and Iraq and appointed Senior Risk Management and Compliance Advisors to key target operations. We are also deploying additional temporary capacity in a number of operations, and have appointed two roving Senior Risk Management and Compliance Advisors to support small and medium-size operations.

We are strengthening capacity in the Regional Bureaux to address risk management and compliance issues and increasing our investment in training personnel on risk management, strengthening our enterprise risk management tools and reporting, and ensuring that best practices are shared across the organisation.

This additional risk management capacity will help Representatives and management teams in the field to anticipate emerging risks and opportunities and be agile in detecting, acknowledging, and responding to changes in the operating environment. This will help ensure strategic planning and decision making is consistently informed by operational and management risks.

While we improve our ability to identify and mitigate risks, we continue to work to reinforce oversight bodies. We have spoken at length about these reforms in recent Standing Committee meetings and are now seeing better integration of the internal audit function within UNHCR and an improved interface between UNHCR's management and oversight functions through strategic oversight meetings engaging the entire Senior Management Committee.

We continue to collaborate closely with the UN Board of Auditors and welcome their recommendations and guidance. In addition to concluding that our financial statements fairly presented, in all material aspects, our financial position and financial performance and cash flows for the year, the Board of Auditors also articulated recommendations in important areas of our work; including activities in support of Agenda 2030 and efforts to prevent fraud and corruption.

Insights provided by the BOA are, together with those provided by our Internal Audit Service provided by OIOS, critical to ensuring we improve the organisation's control framework and effectiveness.

This year, in addition to the normal presentation by Mr. Mika Tapio, and in a first for UNHCR and the UN Board of Auditors, Mr. Christian Edelmann, Deputy Director of External Audit, Germany, presented the BOA's key findings at the Standing Committee meeting. The representation of both our internal and external audit bodies is a welcome development which allows for increased dialogue between UNHCR, our audit bodies, and yourselves and further contributes to the transparent approach we aim to maintain.

Distinguished delegates,

The actions I have just outlined are but some of the measures put in place as part of our prioritisation of investments in integrity across the institution. We have progressively adopted additional measures with regards to prevention, training, awareness-raising, effective investigation, survivor and whistle-blower protection, and robust action against perpetrators.

These initiatives come at a cost, albeit one which we expect will lead to reduced costs in the longer term as our preventative efforts reduce the number of incidences of fraud, corruption, sexual abuse and exploitation, sexual harassment, and other forms of misconduct.

We are bringing much change to the manner in which UNHCR is structured and operates. This is both a response to a changing world and an unprecedented displacement crisis and aims to bring greater efficiency and effectiveness to the organisation and our response to the needs of displaced populations across the globe.

I want to touch briefly on our budget in anticipation of item 6 on the agenda. You have now received and reviewed our revised budget for the ongoing biennium which was positively received

by the Advisory Committee on Administrative and Budgetary Questions (ACABQ). This budget reflects comprehensive needs as assessed based on planning assumptions and the most likely scenarios regarding refugees and forced displacement worldwide.

Those needs remain significant and are reflected in our 2018 budget which now stands at US\$ 8.2 billion since the inclusion of 6 supplementary budgets to meet needs arising from the Central Mediterranean, DRC, Venezuela, Myanmar, Syria, and South Sudan situations.

Unfortunately, we continue to face a significant funding gap which currently stands at close to half of our total budget. These factors jeopardise our ability to meet displaced populations' critical needs and continue to force us to make difficult choices. This affects not only the people we serve but also the countries and communities hosting them. We will continue to be transparent about the decision-making taken internally amongst competing high priority needs when funds fall short as well as impact achieved from funds received.

With needs remaining high, we continue to diversify our funding sources. You are familiar with the investment which the organisation has made in fundraising from the private sector in previous years. We remain committed to this approach and, as the High Commissioner noted, are on track to raising US\$ 445 million this year and, ultimately, to reaching our target of USD 1 billion from private sector sources by 2025.

The high levels of funding your governments and the private sector have provided us this year reflect the considerable confidence you have in UNHCR. We are most grateful for this and committed to ensure that UNHCR is best suited to meet the needs of refugees and displaced populations, and in partnership with others, host communities, both today and in the future.

Thank you for your steadfast support.