



General Assembly

Distr.: General
3 October 2016
English
Original: English and French

Executive Committee of the High Commissioner's Programme

Sixty-seventh session

Geneva, 3-7 October 2016

Item 4 (b) of the provisional agenda

Consideration of reports on the work of the Standing Committee

Report of the sixty-seventh meeting of the Standing Committee (21-22 September 2016)

GE.16-17023(E)



* 1 6 1 7 0 2 3 *

Please recycle



Contents

<i>Chapter</i>	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1	3
II. Adoption of the agenda	2	3
III. Management, financial control, administrative oversight and human resources	3-24	3
A. Finance and oversight	4-15	3
(i) Report of the Board of Auditors	4-6	3
(ii) Internal audit	7-10	4
(iii) Independent Audit and Oversight Committee	11-15	5
B. Management	16-18	6
C. Human resources	19-24	7
IV. Regional activities and global programmes	25-27	8
V. International protection	28-34	9
(i) Oral update on the campaign to end statelessness	28-31	9
(ii) Oral update on ExCom conclusion(s).....	32-34	9
VI. Programme budgets and funding.....	35-45	10
(i) Update on budgets and funding.....	36-40	10
(ii) Biennial programme budget for 2016-2017 (<i>revised</i>) of the Office of the United Nations High Commissioner for Refugees	41-45	11
VII. Any other business	46-47	12
Annex		
Decision on budgets and funding for 2016.....		13

I. Introduction

1. The Chairperson of the Executive Committee, His Excellency Ambassador Carsten Staur (Denmark), chaired the meeting.

II. Adoption of the agenda

2. The agenda for the meeting (EC/67/SC/CRP.21) was adopted.

III. Management, financial control, administrative oversight and human resources

3. The Assistant High Commissioner (Operations) introduced the agenda item on management, financial control, administrative oversight and human resources, noting that the underlining themes of the recent General Assembly summit on refugees and migrants, which took place in New York on 19 September, were also relevant to the tasks entrusted to the Executive Committee. The Deputy High Commissioner, who was on her way back from the summit, would say more about it later in the agenda. The Assistant High Commissioner emphasized that UNHCR remained resolute in its commitment to institutional oversight, accountability and due diligence across its programming, from budget formulation to the implementation of programmes in the field, and to implementing the recommendations of its various oversight bodies. He also underlined the priorities of supporting UNHCR's staff working in the field, including providing for their safety. The Assistant High Commissioner expressed appreciation to those countries that continued to provide financial support to the Office, which was vital in allowing UNHCR to deliver on its protection and solutions mandates.

A. Finance and oversight

(i) Report of the Board of Auditors

4. The Controller and Director of the Division of Financial and Administrative Management (DFAM) introduced the financial statements for the year 2015 (A/AC.96/1157), as well as the key issues and measures taken in response to the report of the Board of Auditors for the same year (A/AC.96/1157/Add.1). She noted that the Board had issued an unqualified audit opinion and had concluded that UNHCR's financial statements presented fairly the financial position of the voluntary funds administered by UNHCR and the financial performance and cash flows for 2015, in accordance with the International Public Sector Accounting Standards (IPSAS). Twenty-two new recommendations were issued by the Board, covering the areas of financial management in country offices, asset management, upgrade of UNHCR's MSRP system, enterprise risk management, accuracy of population data, prioritization of resources, driving efficiencies and durable solutions. The Controller stressed that implementing the recommendations of the Board, including those issued in previous years, was a management priority and that UNHCR remained committed to improving procedures, systems and controls in order to mitigate the identified risks.

5. The unqualified audit opinion of the Board of Auditors was welcomed by several delegations, as was the progress made by UNHCR in addressing the Board's recommendations from previous years. The Office was urged to address the recommendations in a timely manner and, as in the past, include timelines for

implementation in future reports. While welcoming the Board's overall positive evaluation, the Committee emphasized the need to maximize resources and ensure effective prioritization and resource allocation. Linked to this, one delegation highlighted the need to give earlier warning to implementing partners of potential programme changes. With respect to implementing partner management, UNHCR was commended for its work in this area but also urged to continue ensuring that strong monitoring was in place. Regarding UNHCR's financial position, concern was expressed that UNHCR was still facing constraints in the use of resources due to the earmarking of contributions as well as the unpredictable timeliness of the contributions received. The Committee urged UNHCR to evaluate the effectiveness of all of its programmes, not only the use of biometric registration and cash-based assistance. Regarding the latter, the importance of having a cost-benefit analysis to assess the cost-effectiveness of cash-based assistance was emphasized.

6. In response to concerns raised regarding the limited progress towards solutions, which was highlighted in the Board's report, the Controller reassured the Committee that this was, indeed, a priority area for UNHCR as conveyed earlier this year by the High Commissioner. She noted that there were a number of ongoing initiatives in the organization dedicated to solutions work. At the same time, she noted the difficult decisions that sometimes had to be taken when there were limited resources available in terms of prioritizing life-saving assistance. She described the complex prioritization process, which took into consideration new emergencies and evolving needs, and noted the involvement of senior management in decision-making. The Controller indicated that UNHCR was committed to increasing the use of cash-based assistance, as part of the World Humanitarian Summit's "grand bargain" outcome, and that the Office had sought external expertise to look at ways to deliver cash in a more efficient way and, at the same time, minimize risk of fraud. UNHCR stood ready to provide further updates on this in the future. In response to a question about end-of-service and post-retirement liabilities, the Controller recalled that a decision had been taken in 2011 to establish a funding reserve for this purpose. Since then, system-wide discussions had taken place on how to best manage this issue and UNHCR was now in a position to update the Committee on the findings, which it would do through a report to the sixty-eighth meeting of the Standing Committee in March 2017.

(ii) Internal audit

7. The Chief of the UNHCR Audit Service of the United Nations Office of Internal Oversight Services (OIOS) presented the report on internal audit activities in UNHCR (A/AC.96/1159). He noted that 35 audits had been undertaken during the reporting period, in accordance with, inter alia, relevant General Assembly resolutions, United Nations financial regulations, UNHCR's financial rules (A/AC.96/503/Rev.10) and the 2014 memorandum of understanding between UNHCR and OIOS. In consultation with UNHCR's Independent Audit and Oversight Committee (IAOC) and Internal Compliance and Accountability Committee (ICAC), the OIOS had monitored the implementation of its recommendations, especially those that were critical and those that had been outstanding for more than two years. OIOS issued 198 critical recommendations in the 35 audits completed, 23 (or 12 per cent) of which were considered critical.

8. Concern was expressed about UNHCR's performance, considering that the majority of the audits completed were rated as partially satisfactory or unsatisfactory. UNHCR was urged to do more to address the recommendations, particularly the critical ones and those that were global in nature, beyond individual operations. It was also noted that many of the recommendations were linked to crisis areas in Africa and the Middle East and North Africa, where scrutiny was particularly needed given the high level of resources involved.

9. The Chief of the Audit Service emphasized that while UNHCR had in place a fairly robust policy framework, implementation in the field was often problematic. OIOS would be discussing with UNHCR management ways to improve this. Regarding UNHCR's overall performance in the audits, he cautioned that OIOS had decided to discontinue the ratings as there was a question as to the fairness of the methodology used. Nevertheless, OIOS would work to ensure that critical recommendations received the adequate attention of senior management and that trend analysis on systemic issues was provided.

10. The Assistant High Commissioner (Operations) indicated that, for UNHCR, the seriousness of the recommendations would not be diminished no matter how they were classified. The audits carried out by OIOS were crucial to management and accountability, as well as to the realization of results. He acknowledged that there was a gap in how quickly UNHCR was able to accelerate implementation of a policy but that this was recognized and the Office was committed to addressing it.

(iii) Independent Audit and Oversight Committee

11. The Chairperson of the Independent Audit and Oversight Committee (IAOC) presented the fourth annual report of the Committee (EC/67/SC/CRP.25). She highlighted major areas reviewed by the IAOC during its three sessions between July 2015 and June 2016, including: financial oversight in UNHCR; internal audit, inspection and investigation; external audit; evaluation; enterprise risk management; internal control framework; and the preparation of financial statements and reporting under IPSAS. The Chairperson expressed appreciation for the sense of urgency with which the reports of the IAOC were received by both the Deputy High Commissioner and the High Commissioner.

12. With respect to the evaluation function, the Chairperson of the IAOC recommended that its independence be maintained and that its work plan contain key performance indicators and be based on clear criteria. In relation to internal audits, there was a need for UNHCR to comply with response deadlines and strengthen accountability. Progress had been made in implementing enterprise risk management within the timeframes and costs foreseen, but this needed to be integrated in the organizational culture. Regarding reporting requirements and the burden on the field which this represented, continued simplification was still needed. In relation to financial statements and reporting, the Chairperson of the IAOC recommended strengthening of the field finance function in order to ensure robust capacity, including staff with the ability to challenge costs and explore alternatives.

13. The Committee expressed appreciation for the presentation and the valuable recommendations made. UNHCR was encouraged to undertake a comprehensive and timely review of the internal control systems and enhance the clarity of desk functions. Strengthening the oversight, audit and evaluation functions was also considered crucial to a trust-based partnership, and would contribute to enhanced transparency. Delegations were pleased to note that an external consultant undertook a review of the different oversight functions and queried whether the report would be shared with the Committee. UNHCR was encouraged to meet the deadlines in responding to audits and to ensure accountability in this regard. The recommendation that the evaluation function retain its independence was welcomed. The joint planning of activities between the Inspector General's Office and the Policy Development and Evaluation Service was also a welcome development. Support was expressed for the simplification of policies applicable to field offices, and one delegation questioned how UNHCR would address this. The Committee asked about UNHCR's plans for implementing the recommendations of the IAOC report and requested to be briefed in the coming months on action taken.

14. In relation to a question about the delays in responding to internal audit reports, the Chairperson of the IAOC stated that the timelines given were entirely reasonable and that UNHCR should be capable of meeting them, with greater support from the Regional

Bureaux in follow up to audits of field operations. In response to a question on complaints about harassment, she noted that UNHCR had worked to ensure that staff members could voice

complaints. She suggested that such complaints, whatever the nature, be directed to the Ethics Office, allowing the Investigation Service to concentrate on questions of a material and financial nature, and only stepping in when required.

15. Regarding the review of the oversight functions, the Deputy High Commissioner noted that UNHCR was willing to make a summary of the findings available, but noted that the review was largely based on the recommendations contained in various documents already provided to the Committee. Going forward, UNHCR would be working on putting in place an oversight structure that was better knitted together, that eliminated duplication and that ensured that there were no gaps in the current structure. The policy development function would be separated out and would be more streamlined and less duplicative, in line with internal priorities and in accordance with the IAOC report. A new light structure would be developed to ensure that policy development was routinely built into the senior management structure and that policies shared with the field were not onerous and inconsistent. There would also be a stronger interface between oversight and management and that this would be linked to a comprehensive mapping of risk management. UNHCR would be working on the development of a common data platform, giving the Office a comprehensive overview of oversight recommendations, which would help enhance implementation. The Deputy High Commissioner outlined some of the other changes expected including with respect to internal audit, evaluation and inspection, and suggested providing a more detailed briefing, to give the Committee more information on where things stood. She also indicated that a briefing on the implementation of results-based management could be useful. Lastly, while the “grand bargain” was still in the early stages, the Deputy High Commissioner assured the Committee that UNHCR was committed to this in terms of ensuring efficiency and had been diligently following each work stream since May.

B. Management

16. The Chief Risk Officer from UNHCR’s Enterprise Risk Management Unit presented the conference room paper on risk management in UNHCR (EC/67/SC/CRP.22). After explaining the conceptual framework, he turned to an overview of the risk management process and of the functional accountabilities and responsibilities. He also presented the two risk registers that UNHCR maintained (the strategic risk register and the corporate risk register) and outlined the next steps in the risk management process.

17. Delegations expressed their support for UNHCR’s efforts to improve the systematic use of enterprise risk management. Moving from a “band-aid” approach to a comprehensive and consistent assessment and mitigation of risks was vital for the organization, especially in the current context of multiple protracted crises. One delegation asked how the Office planned to avoid adopting a “one-size-fits-all” approach, while still developing a standard procedure with the necessary flexibility. The value of separating the two registers was queried, as were the responsibilities of the risk owners and their relationships with the risk management focal points. One delegation asked how UNHCR planned to prioritize the risks. Following the report of the Internal Audit and Oversight Committee, UNHCR was asked whether risk information in the risk register would be examined on a regular basis.

18. The Chief Risk Officer explained how the framework allowed for local, context-specific identification, assessment and treatment of risks, following a standard and

widely-used structure. The operation focal points were usually senior staff, usually Deputy Representatives or Senior Programmes Officers, who had a detailed overview of the entire operation. While the two registers were independent, risk areas that became prominent in the corporate risk register were also reflected in the strategic risk register, while other strategic risks were developed based on central analysis. At this early stage, the emphasis had been on compliance, which had reached 100 per cent, while subsequent reviews would focus on the quality of risk information and treatments. The Chief Risk Officer stressed that the introduction of risk management entailed a culture shift in the management of the organization towards more structured, systematic, risk-informed decision-making. The risk register would not replace the in-depth role of the formal oversight functions, but would complement them. The Chief Risk Officer noted that ERM implementation was fully funded from unearmarked sources.

C. Human resources

19. The reports on (i) human resources (EC/67/SC/CRP.23) and (ii) staff safety and security (EC/67/SC/CRP.24) were presented and considered jointly. The Director of the Division of Human Resources Management (DHRM) informed the Committee that the Office had a global workforce of some 15,300 staff and non-staff personnel, including some 5,000 under flexible arrangements with partners, present in 464 locations in 129 countries. Eighty-seven per cent of them were in the field. In order to be prepared for the organization's current and future workforce needs and to support those working for the organization, UNHCR launched the "People strategy 2016-2021" in December 2015. The strategy was articulated around four goals: (i) preparedness and diversity; (ii) performance and competence; (iii) flexibility and timeliness; and (iv) care and support and applies to the entire workforce. The Director described the different actions taken under each goal since the launch of the report. She also noted that, following recent decisions of the United Nations Dispute Tribunal, the High Commissioner decided to suspend the 2016 promotions session pending the review of the policy by a consultant.

20. The Director of the Division of Emergency, Security and Supply (DESS) described how the safety and security of humanitarian workers and people of concern had continued to deteriorate since she last briefed the Committee in 2014. She reiterated the organization's commitment to "stay and deliver" and underlined the need for continuous investment in "hardware" (such as blast walls) and "software" (such as training and information gathering and analysis). She called on the international community to speak out against security incidents and to call for perpetrators to be held accountable. She also stressed the need for States to support emergency evacuations of international and national personnel, as well as to facilitate customs processes to enable effective operational delivery.

21. With respect to human resources, the Committee acknowledged UNHCR's efforts to reach gender and geographical diversity, but stated that more needed to be done. It was furthermore important to increase diversity and ensure the inclusion of people with disabilities in the workforce. There were also questions about how the organization handled sexual exploitation and abuse involving staff and about trends in the external recruitment of staff.

22. Regarding staff safety and security, the Committee noted that UNHCR staff faced particular challenges, given that they worked closely with beneficiaries and in some of the most dangerous parts of the world. The Office was encouraged to continue its systematic approach to security management, taking into account the specifics of each country and region. Delegations noted UNHCR's acceptance of risk and wanted to know more about working with partners in such a context. One delegation said that it expected UNHCR to have the highest standards of mental health and care for its staff and their families. Another delegation wanted to know whether the support mechanisms for international staff in high-risk duty stations were also available for national and associated staff.

23. The Director of DHRM responded that external recruitment had become essential as operations had grown and to meet the organization's need for specialist and new skills, but that the Office also facilitated the entry of national and affiliated workers into the professional category. She emphasized UNHCR's zero tolerance policy on sexual violence and abuse, and outlined the measures taken to prevent and redress any cases. She also acknowledged that more needed to be done to operationalize UNHCR's policy on the inclusion of people with disabilities in the workforce. In response to a question about beliefs and bias, the Senior Advisor on Inclusion, Diversity and Gender said that tackling this problem was a priority for leaders and managers. In 2017, UNHCR would be launching a campaign targeting all staff to raise awareness and understanding around unconscious bias in the organization, which could adversely reflect the decisions made around recruitment, assignments and promotions. Work was also underway to look at more effectively operationalizing UNHCR's policy on disabilities to ensure that bias did not get in the way of hiring individuals who have a lot of potential and who, with some adjustment, could make a positive contribution to UNHCR.

24. With regard to the acceptance of risk, the Director of DESS explained that humanitarian space had to be "earned", by working with and alongside displaced people, host communities and local partners. That was how international actors gained acceptance, which was key to security. Internally, it was also important to improve administrative measures for high-risk areas so that staff could withdraw their application or relocate when necessary. She confirmed that support measures were available to all staff.

IV. Regional activities and global programmes

25. The Director of the Division of External Relations opened the discussion on private sector fundraising and partnerships, noting that UNHCR had recently changed the name of the Private Sector Fundraising Service to the Private Sector Partnerships Service, in recognition of the value of private sector partnerships, beyond financial support. The Head of the Private Sector Partnership Service presented the paper on private sector fundraising (EC/67/SC/CRP.26), noting the growth in income from this source of revenue from \$22 million in 2006 to an expected \$310 million by the end of 2016 and the expansion in fundraising operations from 7 to 30 countries during the same time period. He emphasized the importance of broadening global partnerships and strengthening public engagement to bring about critical financial support, advocacy and technical expertise to positively impact the lives of refugees.

26. The Committee commended UNHCR for its private sector fundraising activities, particularly in helping to reduce the financial gaps. At the same time, several delegations cautioned that funds raised from the private sector should neither replace government support, nor serve as a disincentive to States to fund UNHCR's operations. One delegation also stressed the importance of shrinking the needs by empowering refugees and strengthening the humanitarian-development nexus. Others highlighted the valuable role of UNHCR's private sector engagement in influencing public sentiment against xenophobia, addressing critical resource gaps, supporting priority interventions in areas such as shelter, education and cash assistance, and bringing about innovation in humanitarian interventions. A number of delegations commented on the important contributions of UNHCR's national partners, not only in terms of raising revenue but also in terms of raising awareness in their communities. UNHCR's effort to grow support in new markets was also welcomed.

27. The Director of the Division of External Relations expressed appreciation for the strong support received from the Committee for UNHCR's private sector engagement activities. Responding to a question about the cost of fundraising, the Head of the Private Sector Partnerships Service noted that although UNHCR had recently made significant investments in building up its global support team at the UN City in Copenhagen, the focus

was now on strengthening capacity in the regions, including by employing local staff with greater knowledge of the fundraising markets. UNHCR had also invested heavily in individual giving and the building up of a large donor base. While this strategy entailed significant acquisition costs in the first year, loyal individual donors provided critical unearmarked funding for many years thereafter. Similarly, multiyear private sector partnerships, which were increasingly the focus of UNHCR's strategic engagement, were cost-effective. Finally, digital engagement offered increasingly dynamic and cost-effective ways for UNHCR to attract donors and engage with them. In order to achieve its ambitious growth targets, the Office would continue to invest strategically in fundraising opportunities and diversity its sources of income, while working to reduce the cost of fundraising.

V. International protection

(i) Oral update on the campaign to end statelessness

28. The Senior Legal Coordinator and Chief of UNHCR's Statelessness Section presented the oral update on UNHCR's campaign to end statelessness. She provided an overview of progress made in the two years since the launch of the campaign, including achievements at the national, regional and global levels. This included regional declarations and national action plans on statelessness, as well as decisions taken by many governments to grant or confirm nationality. She noted the strengthened engagement of governments, civil society and international organizations on this issue, with particular mention of the "Friends of the campaign" group. UNHCR has bolstered its cooperation with a range of actors, including the World Bank, in an effort to engender shared ownership of the statelessness issue. In this regard, the Sustainable Development Goals had been instrumental in encouraging linkages with development actors to address the causes of statelessness. Despite these accomplishments, much remained to be done and many targets set for 2017 were unlikely to be met. Further support from the international community was needed to accelerate progress.

29. UNHCR was commended for the impact that had been achieved thus far, despite a relatively low budget. The Office was encouraged to further prioritize the issue of statelessness in its operational activities and to make adequate budgetary and programming arrangements. UNHCR was encouraged to consider hosting a global conference halfway through the 10-year campaign to take stock of and seek commitments to support the full implementation of the campaign's plan of action. Support was expressed for UNHCR's work on civil registration and information campaigns on statelessness, as well as for efforts in the area of birth registration, which had been highlighted in the Executive Committee conclusion on civil registration. The links between forced displacement and statelessness were acknowledged and identified as an area where further advocacy was needed.

30. Many delegations expressed support for the "Friends of the campaign" and encouraged States which were not yet members to join. Good practices were highlighted, including: the establishment of statelessness determination procedures, the withdrawal of reservations to the conventions and the reform of immigration laws. However, concern was raised that gender discrimination still existed in nationality laws in many countries.

31. The Chief of the Statelessness Section thanked delegations for their constructive and positive interventions, and commended the continued efforts of States to address statelessness. In relation to questions about the budget, she explained that efforts had been made within UNHCR to more closely examine statelessness budgets as part of the 2017 annual programme review, with an additional amount allocated to support greater

operational investment in activities to address statelessness. In response to a question about why some of the 2017 milestones were not expected to be met, she explained that the objectives of the action plan were very ambitious and that greater political will and stronger partnerships were needed to make further progress.

(ii) Oral update on ExCom conclusion(s)

32. The Rapporteur of the Executive Committee provided an oral update on the progress made in the negotiations of the two Executive Committee conclusions on international protection: youth and international cooperation. She referred to the recent high-level General Assembly summit in New York to address large movements of refugees and migrants, including the negotiated outcome which, inter alia, called for the development of a comprehensive refugee response framework. The Rapporteur expressed the hope that the release of the report on the global youth consultations would bring States closer to agreement on that conclusion. She also recalled that the conclusions offered Member States the opportunity to elaborate standards which complemented the 1951 Convention relations to the Status of Refugees, as well as to provide guidance to UNHCR. Their benefit to people of concern should not be taken lightly. The Chairperson of the Executive Committee echoed the Rapporteur's statement, urging States to show the flexibility needed to reach an agreement.

33. Delegations thanked the Rapporteur for her guidance throughout the process and agreed that the Committee should build on the success in New York to reach consensus on the conclusions. Concurrence was expressed regarding the statement about the impact of the Executive Committee conclusions, including as a useful tool for international protection. It was also noted that the conclusions should be humanitarian and practical, so that those working in the field could be able to easily implement them.

34. The Chief of UNHCR's Protection Policy and Legal Advice section expressed appreciation for the work of the Rapporteur and the commitment of States. She also stressed the importance of reaching an agreement to ensure the continuing guiding role of the Executive Committee.

VI. Programme budgets and funding

35. The Deputy High Commissioner introduced the agenda item, commenting on the New York Declaration, which had just been adopted at the General Assembly summit on refugees and migrants. The Declaration represented a meaningful step forward in terms of fulfilling gaps in refugee protection and international responsibility sharing. The comprehensive refugee response framework, a key element of the Declaration, was the blueprint for making this happen. She added that UNHCR had to take advantage of this historic opportunity and, in the current challenging context, had to operate as efficiently and effectively as possible. With respect to the budget, she described the process by which it was established, based on estimated needs in situations that were often volatile and unpredictable. Despite downward adjustments in Africa and the Middle East and North Africa, the budget for 2016 continued to grow. She drew the Committee's attention to the funding gap as a result of increasing comprehensive needs, emphasizing the impact it had had on operations, notably on the provision of life-saving assistance and essential services. Against this backdrop, the Office had had to make difficult decisions with respect to the allocation of limited resources.

(i) Update on budgets and funding

36. The Controller and Director of the Division of Financial and Administrative Management, and the Director of the Division of External Relations (DER) jointly presented the update on budgets and funding for 2016 (EC/67/SC/CRP.27). The Controller provided an update on the 2016 annual budget as of 31 July, noting that seven supplementary budgets had been established since the beginning of the year. The Director of DER outlined the trends in voluntary contributions and funding levels for 2016, which had reached levels previously unseen. The funding gap continued to widen, however, and the Director of DER cited a number of examples where underfunding had an impact on people of concern to UNHCR.

37. The Committee conveyed its concern over the funding gap, which affected certain operations in particular, and recognized the challenges of meeting the needs of all people of concern while responding to multiple emergencies and protracted situations. Noting the negative impact that the funding gap had on both displaced populations and host communities alike, several States called on others to strengthen consistent and predictable funding to meet the increasing needs. With respect to prioritization, the Committee urged UNHCR to ensure more transparency surrounding the decision-making process and to provide examples of how resource prioritization was managed, including the ways in which the global strategic priorities were implemented and how the field was involved in the process. The Office was also encouraged to prioritize based on needs and vulnerability, broaden its donor base and enhance the humanitarian-development nexus. The latter was particularly important in order to support refugee-producing and hosting countries in their economic and social development and to create the conditions conducive to return.

38. Regarding prioritization, the Deputy High Commissioner underscored that UNHCR was heavily bound by the way in which funds were contributed, with earmarked contributions decreasing the Office's ability to allocate funds where they were most needed. She noted that UNHCR had received about half of the global needs-based budget in 2016 and further explained how this resulted in regular reprioritization, using a number of internal mechanisms. She reminded delegations that the global needs assessment was undertaken with the concurrence of the Committee and that, while the Office would welcome a dialogue on this approach, any change in the budget structure would represent a significant challenge for the Office.

39. The Controller expressed appreciation for the increase in unearmarked contributions that UNHCR had received. In response to a question on the underfunded operation in Somalia, she noted that a supplementary appeal of \$107.9 million had been established in order to enable UNHCR to undertake a verification exercise, provide enhanced return packages for Somali returnees and support reintegration. Responding to a question about capital investments, the Controller explained that UNHCR invested in operations in the early stages of a response to construct infrastructure, including shelter and water systems. The Director of DER thanked the Committee for the support they had expressed for increasing unearmarked funding and providing new contributions.

40. Concluding its discussion, the Committee adopted a decision on budgets and funding for 2016 (see the annex to this document).

(ii) Biennial programme budget for 2016-2017 (revised)

41. The Controller presented the biennial programme budget for 2016-2017 (revised) (A/AC.96/1158) and commented on the Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)¹, which was an addendum to the budget document. She noted that the revised programme budget for 2016-2017 would be submitted to the Executive Committee for approval at its upcoming sixty-seventh session in October 2016 and that it incorporated suggestions made by the Committee. She highlighted the main features of the budget, noting that planning figures for people of concern were key in establishing the budgetary requirements.

42. The Committee recognized the challenges of planning and implementing a budget when the needs were constantly evolving. Registration and verification exercises were key to ensuring the integrity of the population data used to determine the budgets and the needs of people of concern, as well as to safeguarding their protection and preventing diversion of aid. Delegations echoed the recommendations of the various audit and oversight bodies, including the ACABQ, which called on UNHCR to conduct such exercises on a regular basis in order to effectively calculate the budgetary requirements. UNHCR was encouraged to clarify the relationship between the budgets and the number of people of concern, to enable the Committee to better understand how needs were forecasted, and to take bolder cost-cutting measures. The need to address the suffering of refugees in protracted situations, due to the diminution of international aid, and the impact of the absence of durable solutions were also highlighted as concerns. One delegation underscored the importance of the registration of refugee populations in accordance with the general mandate of UNHCR and relevant Security Council resolutions.

43. The importance of increasing the efficiency and effectiveness of UNHCR's operations, including through multi-year planning and funding, as well as the reduction of earmarking, was highlighted. An equal share of reforms was needed by both donors and implementers in order to ensure trust, transparency and efficiency in humanitarian operations. With this in mind, delegations underscored their own commitments towards simplified reporting, flexible funding and multi-year funding. States urged UNHCR to do its part to fulfil its commitments made at the World Humanitarian Summit and to share its work plan in this regard and to provide updates on the implementation of the "grand bargain". Delegations expressed support for the Office's efforts to engage in multi-year planning and requested updates on lessons learned from the multi-year pilot projects in six operations.

44. Regarding the "grand bargain", the Deputy High Commissioner outlined the work carried out by UNHCR on all 10 work streams, namely: transparency, the localization of response, cash-based interventions, the reduction of duplication and management costs, joint and impartial needs assessments, the "participation revolution", multi-year planning and funding, the reduction of earmarking, harmonized and simplified reporting, and the humanitarian-development nexus. She also highlighted UNHCR's engagement with the World Bank, the Solutions Alliance and others partners, in recognition of forced displacement as a development challenge.

45. In response to concern expressed over the reductions in the budget at a time when the number of people displaced by conflict was increasing, the Controller clarified that if the budgetary requirements increased, supplementary budgets would be established to meet

¹ The report of the ACABQ was provided to the Committee as an advance version and would be issued in due course as A/AC.96/1158/Add.1.

the increasing needs. She also described the process by which UNHCR reassessed budgetary requirements as population figures were revised throughout the planning period.

VII. Any other business

46. The Secretary of the Executive Committee briefed the Standing Committee on preparations for the upcoming sixty-seventh session of the Executive Committee, including the new speaking arrangements for the general debate. He briefed the Committee on the five draft decisions to be adopted at the session, including one on the simultaneous distribution of documents, which would be discussed at in informal preparatory consultations on 23 September.

47. The Committee agreed to continue following the practice of circulating the report electronically for review and adoption. The draft report of the sixty-seventh meeting of the Standing Committee would be circulated by 27 September. Member States were invited to submit their comments or corrections to language relating to their interventions, by 30 September. Any amendments would be incorporated, as appropriate, and the report would be subsequently recirculated and considered adopted.

Annex

Decision on budgets and funding for 2016

The Standing Committee,

Recalling the Executive Committee's decision on administrative, financial and programme matters at its sixty-sixth session (A/AC.96/1154, para.13) as well as its discussions under the programme budgets and funding item at the sixty-sixth meeting of the Standing Committee in June 2016,

Reaffirming the importance of international burden and responsibility sharing in reducing the burden on countries hosting refugees, especially developing ones,

1. *Recalls* that the Executive Committee, at its sixty-sixth session, approved programmes and budgets for regional programmes, global programmes and headquarters under UNHCR's 2016-2017 biennial programme budget amounting to \$6,546.3 million for 2016;
2. *Notes* that the 2016 supplementary budgets currently amount to \$826.3 million for programmes benefiting refugees, internally displaced persons and reintegration projects;
3. *Notes* the total reduction of the 2016 budget of \$43.4 million for downward adjustments in the Africa and Middle East and North Africa regions;
4. *Takes note* of the net increase in UNHCR's 2016 budget to a current total of \$7,329.2 million;
5. *Recognizes* that emergencies and unforeseen activities unfolding in 2016 may result in the need for additional or revised supplementary budgets, and that additional resources, over and above those for existing budgets, would be needed to meet such needs; and
6. *Urges* Member States to continue to respond generously, in a spirit of solidarity and in a timely manner, to the High Commissioner's appeal for resources to meet in full the 2016 annual budget.
