



# Discussion Papers 1- 4 UNHCR's Engagement in Humanitarian-Development Cooperation

EMERGING FINDINGS FROM A  
LONGITUDINAL EVALUATION  
(PHASE 2, NOVEMBER 2019 – MAY 2020)

DECEMBER 2020

Conducted by:  
Dr. Julia Steets  
Julian Lehmann

## UNHCR Evaluation Service

UNHCR's Evaluation Policy confirms UNHCR's commitment to support accountability, learning, and continual improvement through the systematic examination and analysis of organizational strategies, policies, and programmes. Evaluations are guided by the principles of independence, impartiality, credibility, and utility, and are undertaken to enhance the organization's performance in addressing the protection, assistance, and solution needs of refugees, stateless people and other persons of concern.

Published by UNHCR

Evaluation Service Copyright © 2020 UNHCR

This document is issued by the Office of the United Nations High Commissioner for Refugees for general distribution. All rights are reserved. Reproduction is authorized, except for commercial purposes, provided UNHCR is acknowledged.

Commissioned by and quality assurance provided by UNHCR Evaluation Service. Unless expressly stated otherwise, the findings, interpretations, and conclusions expressed in this think piece are those of the Evaluation Team and do not necessarily represent the views of UNHCR, the United Nations, or its Member States.

## Acknowledgements

This discussion paper was written by Dr. Julia Steets (evaluation team leader) and Julian Lehmann of the Global Public Policy Institute (GPPi). The team would like to thank the Evaluation Service for their guidance, support, and joint reflection. We would also like to thank everyone else who provided support, input, and feedback for this evaluation so far, in particular UNHCR staff who participated in series of workshops on the discussion paper.

Evaluation information at a glance	
<b>Title of the evaluation:</b>	Evaluation of UNHCR's Engagement in Humanitarian-Development Cooperation
<b>Timeframe covered:</b>	2015–2021
<b>Expected duration:</b>	2018–2021
<b>Type of evaluation:</b>	Developmental, longitudinal strategy and impact evaluation (impact component on Ethiopia and Jordan conducted by the International Security and Development Center [ISDC])
<b>Countries covered:</b>	Bangladesh, Ethiopia, Jordan, and Niger as case study countries; 21 additional countries via survey
<b>Evaluation manager / contact in UNHCR:</b>	Nabila Hameed, <a href="mailto:hameedn@unhcr.org">hameedn@unhcr.org</a> ; Joel Kinahan, <a href="mailto:kinahan@unhcr.org">kinahan@unhcr.org</a>

# Contents

Discussion Paper Approach .....	4
Discussion Paper 1: Further Opportunities .....	5
Discussion Paper 2: Closing Gaps in Operational Practice .....	12
Discussion Paper 3: Protection.....	21
Discussion Paper 4: Planning and Budgeting Processes .....	28

# Discussion Paper Approach

This series of four discussion papers is written by Julia Steets and Julian Lehmann (GPPi) to present the findings emerging from an ongoing longitudinal evaluation of UNHCR's engagement in humanitarian–development cooperation. The papers focus on selected issues requiring further discussion:

- Paper 1-What other opportunities to engage in humanitarian–development cooperation exist?
- Paper 2-How can UNHCR close the remaining gaps between commitments made in the context of the Global Compact on Refugees and operational practice?
- Paper 3-What are the implications of humanitarian–development cooperation for protection?
- Paper 4- What does this entail for UNHCR's planning and budgeting processes?

These papers follow a “[Think Piece](#)” on the first phase of the evaluation and build on country visits to Jordan, Niger, Ethiopia, and Bangladesh; interviews with UNHCR staff, partner organizations, donors, and governments at the country and global levels; document reviews; focus group discussions with refugees and host communities in Jordan and Ethiopia; a survey among UNHCR staff members; and workshops discussing emerging observations. Most of the data was gathered before the start of the COVID-19 crisis. The effects of this crisis on UNHCR's engagement in humanitarian–development cooperation will be reflected in the final evaluation report (planned for 2021). For more information about the evaluation, click [here](#), or contact [Julia Steets](#) or [Nabila Hameed](#).

# Discussion Paper 1: Further Opportunities

## Progress Made: UNHCR Has Systematically Increased Its Outreach to Development Actors

Seeking refugee integration and other solutions to displacement in cooperation with other stakeholders has long been a mandatory function of UNHCR. In the 2016 [New York Declaration on Refugees and Migrants](#), and subsequently in the 2018 [Global Compact on Refugees](#), the international community committed to more strongly apply the Sustainable Development Goal of “leaving no-one behind” to displaced populations – by sharing this responsibility more broadly and delivering comprehensive responses that foster inclusion and reduce need. Since then, UNHCR has systematically enhanced its outreach to and cooperation with development actors, as recently evidenced by the engagement of a broad range of stakeholders in the 2019 [Global Refugee Forum](#).

UNHCR engages with development actors to facilitate their responses, to leverage them for advocacy, to support the integration of UNHCR's persons of concern into national systems and strengthen the delivery of basic services, and to create economic opportunities.<sup>1</sup> Over the past two years, key examples of progress include:

- **A deepened relationship with the World Bank Group.** UNHCR and the World Bank have further deepened their partnership, and UNHCR is currently conducting a detailed analysis of the relationship. This partnership includes – among others – contributions from UNHCR to the process for establishing eligibility for funding under the 18<sup>th</sup> replenishment of the International Development Association's (IDA) sub-window for refugees and host communities by conducting joint missions with the World Bank and providing relevant data analysis, as well as supporting the design of World Bank programs under the refugee sub-window, analytical work, and policy dialogues. UNHCR also plays a formal role in assessing the protection frameworks for refugees in eligible countries. UNHCR and the World Bank have jointly refined these assessments to ensure that they identify protection risks over the lifespan of IDA projects (for more information, see Discussion Paper 3 on protection). UNHCR is also involved as an observer in the Steering Committee of the Global Concessional Financing Facility. In addition, the partnership involves joint policy advocacy vis-à-vis host governments. A recent example of this is the effort to develop directives to translate the Ethiopian Refugee Proclamation into practice. Another key component of the partnership is joint efforts to strengthen data availability and analysis

<sup>1</sup> For a more detailed analysis of the different types of partnerships and cooperation, please see the first “Think Piece” published as part of the ongoing evaluation, <https://www.gppi.net/media/5dd3b7bd4.pdf> [accessed 26 October 2020].

on displacement and the displaced, both through joint analytical work in the Horn of Africa, the Lake Chad Basin, and the Middle East, and via a [Joint Data Center](#), which was established in 2019.

- **Expanded collaboration with other multilateral development banks.** Considerable efforts to work with other multilateral development banks have seen less high-level involvement on UNHCR's part, and the resulting cooperation is less advanced. A primary factor here is that other development banks do not have funding instruments dedicated to displacement or a focus on the implications of forced displacement for development, which would naturally call for cooperation with UNHCR. However, their focus on fragile contexts and/or inclusion offer entry points for cooperation. For example, multilateral development banks made a [joint commitment](#) at the 2019 Global Refugee Forum, and UNHCR acts as an implementing partner for the African Development Bank in certain fragile contexts, for example as part of a USD 20 million grant to several governments and UNHCR to help address the COVID-19 crisis in displacement-affected areas of the Sahel.
- **More formalized and operational partnerships with UN agencies.** UNHCR and several other UN agencies with a development or dual mandate have recently formalized their cooperation through global agreements, or followed up on implementing existing action plans. Recent global agreements include,<sup>2</sup> for example, a Blueprint for Joint Action with UNICEF, covering cooperation in 2020–2021 in the areas of education, WASH, and child protection; an updated memorandum of understanding with UN HABITAT; a five-year memorandum of understanding with FAO; and a [memorandum of understanding](#) and joint action plan with ILO. As part of this, UNHCR and ILO have been collaborating on global policy frameworks, such as the ILO recommendation on Employment and Decent Work for Peace and Resilience. The partnership also includes joint country- and regional-level programs, as well as support for legal and policy frameworks on access to labour markets and decent work. Furthermore, UNHCR and UNDP worked to implement their 2018 Global Joint Action Plan. This involves joint programs in various countries, as well as the development of joint analysis and programming tools – such as a joint theory of change – and further staff exchange and secondments.
- **More systematic engagement with bilateral development institutions.** Cooperating with bilateral donors at global and country levels provides opportunities for joint or coordinated advocacy and for influencing the design of programs targeting host communities and refugees. Most donors have internally allocated the main responsibility for their cooperation with UNHCR to their humanitarian departments or institutions. However, there is an ongoing effort to make the cooperation with bilateral development ministries and agencies more systematic. Thus UNHCR has increased its staff capacity within the Division for Resilience and Solutions at headquarters, creating dedicated focal points for different development actors, with the aim of deepening strategic partnerships at corporate level, and fostering operational collaboration at regional and country levels on common programme and policy priorities. In doing so, it prioritized the French Development Agency (AFD), the German Development Cooperation (BMZ) and its implementing entities (KfW and GIZ), the EU Directorate-General for International Cooperation and Development (DEVCO), and the Japan International Cooperation Agency (JICA).

<sup>2</sup> See, for example, UNHCR (2020), *Oral Update on the Global Programmes, Seventy-Seventh Meeting of the Standing Committee, March 10–12, 2020*, <https://www.unhcr.org/5e6a38767.pdf> [accessed 26 October 2020].

- **Enhanced cooperation through the OECD DAC.** UNHCR has further deepened its relationship with the OECD Development Assistance Committee (DAC) as a standard-setting body for donors. This involved preparing the DAC for contributions to the Global Refugee Forum, gathering evidence on financing for refugee situations, and supporting the development of a [common position](#) on supporting comprehensive responses in refugee situations by the DAC's International Network on Conflict and Fragility (INCAF).

## Further Opportunities to Engage with the UN Development System, Protection-Related Aspects of Good Governance, and Development-Oriented NGOs

This evaluation identified a few areas in which UNHCR's engagement is not yet systematic, and in which further opportunities are available. While concrete engagement strategies need to be adapted to context, three general opportunities for doing joint advocacy vis-à-vis host government, for ensuring that refugees and other persons of concern are adequately reflected in capacity building and service provision, and for addressing key issues for self-reliance stand out: (1) stronger collaboration with the reformed UN development system; (2) stronger cooperation with dual-mandate and development-oriented NGOs; and (3) more systematic cooperation with development and peace actors on rule of law and governance.

### ENGAGEMENT WITH THE REFORMED UN DEVELOPMENT SYSTEM

In recent years, UNHCR has invested heavily in expanding and formalizing its partnerships with individual UN agencies. In the meantime, the UN development system has undergone an important [reform process](#). In January 2019, UN Resident Coordinators became more independent and started reporting directly to the UN Secretary General. The UN's development planning system has also been overhauled, making the Common Country Analysis the principal UN document with which to analyse opportunities for countries to advance the Sustainable Development Goals, establishing the [United Nations Sustainable Development Cooperation Framework](#) (UNSDCF) as the main instrument for planning and implementing related UN development activities,<sup>3</sup> and repositioning the UN development system's [regional assets](#).

At the policy level, UNHCR's long-standing commitment to engaging with the UN development system is clear. In a [handbook](#) issued in 2005, UNHCR had already identified participating in UN development planning processes as important for strengthening development programs that benefit refugees. Recently, UNHCR issued an updated guidance note<sup>4</sup> on how it engages with the Sustainable Development Goals and defined one of the strategic goals in this area as ensuring that UN development plans focus on marginalized populations, including refugees,

<sup>3</sup> UNSDCF explicitly recognizes that this goal applies to all population groups in a country, including refugees and stateless people. See UN (2019), "United Nations Sustainable Development Cooperation Framework Internal Guidance," p. 10, [https://unsdg.un.org/sites/default/files/2019-10/UN-Cooperation-Framework-Internal-Guidance-Final-June-2019\\_1.pdf](https://unsdg.un.org/sites/default/files/2019-10/UN-Cooperation-Framework-Internal-Guidance-Final-June-2019_1.pdf) [accessed 26 October 2020].

<sup>4</sup> UNHCR (2019), "Engagement with the Sustainable Development Goals – Updated Guidance Note." (internal document).

returnees, stateless people, internally displaced persons, and asylum seekers. An operational how-to guide on engaging with the Sustainable Development Goals and the UNSDCF is forthcoming. It also aligned its future Results-Based Management System with the Sustainable Development Goals, integrating Sustainable Development Goal indicators into this framework.

However, contributing to and working with the UN development planning process was regarded as less of a priority for UNHCR or faced policy restrictions from the host government in the four country-level operations analysed for this evaluation. Outside UNHCR, there is also a perception that its engagement in this area is limited – a perception which is also reflected in other studies.<sup>5</sup> Moreover, interviewees reported tensions with regard to who in the UN system should speak on refugee issues – for example in Turkey, Jordan, and Uganda.

Consulted staff members pointed to several reasons why UNHCR's engagement with the UN development system has been limited. They include (1) political context conditions in countries like Bangladesh that limit possibilities for formally including refugees in development planning processes; (2) tensions with other UN agencies over funding; (3) a perception that UN development processes remain cumbersome, while their subsequent implementation is often limited by a lack of funding; and (4) a perception that the UN development system is at times less transformational than other development approaches, particularly where it focuses on providing services, rather than working with and through governments and strengthening local capacities.

These considerations notwithstanding, there seem to be opportunities to further strengthen UNHCR's engagement with the enhanced UN Resident Coordinator function and the development planning process. Stronger engagement can yield the following benefits for refugees and other persons of concern:

- Even a relatively light engagement of UNHCR in the UN's Common Country Analysis and the UNSDCF process can help to ensure that forced displacement is considered as a development issue and that refugees and other persons of concern are appropriately reflected among marginalized groups. On the one hand, this is crucial to ensure that any subsequent programs – both programs delivering services directly and programs strengthening government and local capacities – include these considerations. On the other hand, UN development – while they are distinct from government development plans – can offer an entry-point to the latter and thus serve as a stepping stone on the path to integrating refugees into government development plans.
- A stronger engagement of UNHCR with the UN Resident Coordinator function and the UN Country Team can enable stronger joint advocacy for displacement-related issues with the host government. The UN obviously has more leverage when it speaks with one voice. In addition, different UN agencies typically have established relationships with different parts of the host government (including line ministries and local administrations) that can complement UNHCR's own government relationships. Finally, the UN's more norms-based advocacy can be an important complement to what is often more heavily resource-

---

<sup>5</sup> This is consistent with the findings of a 2015 review of UNHCR's engagement with the Delivering as One Initiative. <https://www.unhcr.org/55e068589.pdf> [accessed 26 October 2020]

based advocacy with multilateral development banks. This is particularly important in contexts where governments are sceptical about extending national service systems to refugees, where they are sensitive about agreements in which the disbursement of funds is linked to policy changes, where bank investments in refugee-hosting areas include an important loan component (rather than being full grants), and where refugee-related funding constitutes only a small share of the banks' overall investment.

In the past, different planning cycles have been a hurdle for UNHCR's engagement with the UN development system (and for its engagement in national development planning processes). UNHCR's planned shift to multi-year planning therefore offers a crucial opportunity to align the different processes (for more information, see Discussion Paper 4 on planning and budgeting). In addition, effective engagement in the UN development system will require stronger data and analysis from UNHCR – an area that has started to receive significant investment from UNHCR and some of its partners. Finally, ensuring the necessary staff capacity for this engagement will require involving and defining clear roles for UNHCR's management and sector experts at national and sub-national levels. How much UNHCR should invest in its engagement with the UN development system depends on the country context, in particular on the strength of the UN Resident Coordinator function, the leverage of UN agencies, and the level of funding of the UN development system.

## COOPERATION WITH DEVELOPMENT-ORIENTED NGOS

Both national and international NGOs make significant contributions to the design and implementation of both humanitarian and development programs in many contexts. This includes so-called dual-mandate NGOs, which provide both humanitarian assistance and development support. UNHCR works closely with a number of dual-mandate NGOs to deliver humanitarian programs. NGOs have also actively participated in key global fora relevant to humanitarian–development cooperation, such as the [Solutions Alliance](#) – a network supporting comprehensive approaches and expanding cooperation between humanitarian and development actors, which was active between 2014 and 2017 – and the 2019 Global Refugee Forum.

However, so far this evaluation has found few country-level examples in which dual-mandate and development-oriented NGOs were included in UNHCR's humanitarian–development cooperation. NGOs have been [advocating](#) for more meaningful consultation on and coordination of the Global Compact on Refugees, including its implementation. They have also created regional platforms such as the Regional Durable Solutions Secretariat ([ReDSS](#)), which brings together a range of NGOs working on durable solutions for protracted displacement situations. Increasing the involvement of dual-mandate and development-oriented NGOs in UNHCR's humanitarian-development cooperation could therefore present an interesting opportunity. It could benefit refugees and other persons of concern by helping to build the capacity of local NGOs and civil society organizations; and by building on the experiences of NGOs with promoting longer-term solutions for refugees and other displaced people, for example in designing and implementing transition strategies and supporting self-reliance.

## COOPERATION ON RULE OF LAW AND GOVERNANCE

The final opportunity the evaluation has identified so far does not concern a specific type of development actor, but a thematic field. As discussed above, cooperation between UNHCR and development actors in country operations currently takes various forms. Most of the examples of cooperation observed for this evaluation focus on improving policy frameworks, creating jobs and economic opportunities, and upgrading and integrating basic services for refugees and host communities, such as education, WASH, and health. However, the evaluation team has also observed some cooperation on good governance and the rule of law – a portfolio which UNHCR recently reviewed.<sup>6</sup> In the case-study countries for this evaluation, the examples focus on rule of law and access to justice:

- In Bangladesh, for example, access to justice is a key concern among refugees. UNHCR is working with UNDP and IOM to strengthen community policing and security in refugee camps. The partners are planning to expand their cooperation to include creating police posts in camps and improving the capacity of police officers and judicial authorities.
- In Ethiopia's Gambella region, UNHCR cooperates with UNFPA and UNDP on a community safety and access to justice project which uses mobile courts to increase such access for refugees and host communities. This project has been well received by the relevant government authority in Gambella, and there are plans to expand it to other areas.

Our interviewees also referred to an important example of cooperation on governance in Pakistan. There, UNHCR is cooperating with the World Bank on reforming the country's asylum institutions. Among other aspects, this project involves supporting the Pakistani government in establishing a visa scheme for Afghans. While UNDP is a key partner with a strong role in strengthening public institutions, this example demonstrates that there is potential scope for more systematic cooperation with a broader range of development actors beyond UNDP – including multilateral development banks and bilateral development partners – as well as on a broader range of governance issues.

UNHCR has also taken some steps at the global level to strengthen cooperation with development actors in this area. For example, together with UNDP, UNHCR developed a joint UNHCR–UNDP Programmatic Framework for Rule of Law and Governance for Forced Displacement and Statelessness. In 2018, UNHCR also signed a cooperation agreement with the [International Development Law Organization](#).

Nevertheless, cooperation on activities related to this core area of UNHCR's mandate receives comparatively little attention, and the cooperation examples identified at the country level are few in number and small in scale. Consulted staff members suggested that this may be related to a hesitation about cooperating with others in areas that are seen as part of UNHCR's core mandate. They also pointed out that the issue currently lacks institutional

---

<sup>6</sup> *Review Report on UNHCR Rule of Law and Governance portfolio (internal document).*

support: While a position focusing on humanitarian-development cooperation in this area existed at headquarters a few years ago, this is no longer the case now. UNHCR should remedy this situation by designating a rule of law and governance focal point in the development partnerships section of DRS.

A stronger engagement in cooperation with development actors in this thematic portfolio would be beneficial for a number of reasons, as provided by both UNHCR and non-UNHCR observers:

- In many contexts, access to justice and the rule of law are important priorities for refugees, other displaced people, and host communities, and are a key ingredient for self-reliance.
- Working on governance and the rule of law closely aligns with UNHCR's mandate for and expertise in protection. Partnerships in this area add value because the skills and resources which UNHCR and its development partners bring to the table can complement each other. Thus UNHCR can contribute its expertise on refugee-specific legal and justice requirements, and also draw on its unique resource allocation system to support programs in their start-up phase. Some development actors have a strong focus on governance and rule of law, which includes broader programs to strengthen government capacities in this area as well as established contacts to relevant government departments and authorities.
- Activities that focus on governance and the rule of law can also serve as promising entry points for strengthening cooperation with organizations focusing on peacebuilding and conflict prevention, thus strengthening cooperation not only between humanitarian and development, but also with actors focusing on peace (the "Triple Nexus").

# Discussion Paper 2: Closing Gaps in Operational Practice

## Progress Made: UNHCR Has Achieved Broad Internal Buy-In to Pursue a More Comprehensive Response through Humanitarian–Development Cooperation

Engaging with development actors to find durable solutions for displaced people has long been on UNHCR's agenda.<sup>7</sup> This objective gained renewed impetus with the 2016 New York Declaration for Refugees and Migrants and the 2018 Global Compact on Refugees. UNHCR implemented a range of measures at the global level to strengthen staff awareness and capacities to pursue humanitarian–development cooperation. Among these measures, interviewees highlighted the following as particularly important:

- UNHCR's top leadership communicated a clear commitment to engaging in humanitarian–development cooperation through consistent global positioning and highly visible public events, ranging from the 2016 [Leaders' Summit on Refugees](#) to the 2019 [Global Refugee Forum](#). Internal messages and country-level events – for example, launching the Comprehensive Refugee Response Framework (CRRF) in selected countries – further reinforced this message. UNHCR's [Strategic Directions 2017–2021](#) also committed to strengthening partnerships with development actors.
- Following on from a dedicated team and a Solutions Steering Group, UNHCR first created the [CRRF Task Team](#) and appointed an adviser to the High Commissioner focusing on development in 2016 and then formed the [Division of Resilience and Solutions](#) in 2018. This established a designated institutional anchor for humanitarian-development cooperation. A recent restructuring moved additional sectoral experts – on health; water, sanitation, and hygiene; social safety nets; and cash-based interventions – into the Division of Resilience and Solutions. Among other goals, this is intended to improve the link between technical staff and those working on partnerships with development actors, and it has already resulted in a number of joint missions for staff working on these issues.
- UNHCR hired a cadre of dedicated staff to support humanitarian–development cooperation. This includes senior development officers, as well as CRRF officers in selected operations and regional offices.
- UNHCR has incorporated contributing to humanitarian–development cooperation and CRRF implementation into staff terms of reference, performance assessments, and promotion criteria, including at the P5, D1, and

---

<sup>7</sup> See, for example, UNHCR's 2005 Handbook for Planning and Implementing Development Assistance for Refugees Programs, <https://www.refworld.org/pdfid/428076704.pdf> [accessed 26 October 2020].

D2 levels. As part of UNHCR's ongoing regionalization, a substantial share of UNHCR staff had to reapply for positions with revised terms of reference including references to humanitarian-development cooperation.

- The ongoing reform of UNHCR's Results-Based Management System is expected to strengthen the quality of planning and monitoring processes covering UNHCR's engagement in humanitarian–development cooperation, among other aspects. The new results framework is aligned with the Sustainable Development Goals and the indicators included in the Global Compact on Refugees. It links outcomes to impact and cover protection frameworks, meeting needs, supporting communities, and strengthening durable solutions. Going beyond what was possible within the past framework, country operations will be able to define country-level indicators relating to the government and other development partners, in addition to standardized corporate indicators. The new Results-Based Management System also strengthens multi-year planning, in part by including indicative multi-year budgets for country operations (see also below and Discussion Paper 4 on financing and budgeting), and will be rolled out in pilot operations from 2021 onward.
- UNHCR has issued new guidance documents, including an updated 2019 guidance note on UNHCR's engagement on the Sustainable Development Goals (to be followed by operational instructions), a [2030 Strategy for Refugee Inclusion in Education](#), and a global strategy concept note on [Refugee Livelihoods and Economic Inclusion](#).

As a result of these and other measures, UNHCR staff demonstrate widespread awareness of, and express strong buy-in to, the general goal of achieving a more comprehensive response through humanitarian–development cooperation – at the global, country, and local levels, and across very different operational contexts. UNHCR's senior leadership acknowledges that fully implementing the reform agenda will imply a greater role for development actors in managing refugee responses, and correspondingly, a potentially smaller scope for UNHCR's own activities in the long-term. The majority of donors and development actors we interviewed expressed their strong appreciation for this position and for UNHCR's role as an “honest broker,” acting in the interests of refugees and other displaced people and facilitating the engagement of development actors in displacement contexts. However, some donors and development actors interpreted the reform agenda as an attempt to expand UNHCR's mission to include more development activities.

## Challenge: Closing the Gap Between Commitments and the Reality of UNHCR's Operational Practice

Despite the positive feedback mentioned above, UNHCR staff members, partners, donors, and government representatives also note a gap between the strong commitments made at the global level and the reality of UNHCR's own operational practice. UNHCR's activities on the ground are largely perceived as “business as usual.”

This evaluation highlights three challenges to fully translating UNHCR's commitment to humanitarian–development cooperation into operational practice: (1) achieving the full contribution of UNHCR staff members and programmes to humanitarian–development cooperation; (2) uncertainty about UNHCR's intent to mobilize resources from

development partners; and (3) a lack of clarity on how to treat the trade-offs between service integration and potentially lower service standards.

## ACHIEVING THE FULL CONTRIBUTION OF UNHCR STAFF MEMBERS AND PROGRAMMES TO HUMANITARIAN-DEVELOPMENT COOPERATION

The first challenge is that the humanitarian–development cooperation agenda is not currently perceived as sufficiently anchored across UNHCR’s different thematic and technical service areas. While many UNHCR technical staff seek to make an active contribution to humanitarian–development cooperation, development partners note gaps and see potential to do more. Partners argue that effective cooperation requires more input and expertise from UNHCR’s technical staff. For example, in several cases development actors asked UNHCR for more analysis on how protection challenges are linked to issues of welfare and social protection programming (see Discussion Paper 3), as well as for a more specific gap analysis and concrete guidance on how development actors could best contribute to the various sectors of the response. The UNHCR staff members interviewed also emphasized that it was important for UNHCR operations to have a stronger development orientation right from the start.

This evaluation is in the process of identifying several factors which have constrained the effectiveness of the agency’s efforts to mainstream humanitarian–development cooperation to date, and which UNHCR can influence:

- **The narrative focuses on external engagement.** UNHCR’s narrative on humanitarian–development cooperation centers on UNHCR’s role as a “catalyst,” facilitating development actors’ engagement in refugee hosting areas. This suggests that humanitarian–development cooperation is mainly about engaging with external development partners, and that it can be handled as an add-on to UNHCR’s regular, “business as usual” activities. However, delivering a comprehensive response that creates lasting solutions for displaced people also requires changing UNHCR’s own operations to strengthen self-reliance (and limit dependency), to prepare the ground for including refugees in national systems, and to involve development actors in the process as early as possible.
- **Expectations and accountabilities are unclear.** While there is broad buy-in to the general goal of delivering a more comprehensive response, UNHCR staff members working in the different country operations studied for this evaluation emphasized that they did not know what exactly UNHCR’s facilitator and catalyst role entailed and what specific contribution to humanitarian–development cooperation they were expected to make. In addition, interviewees felt that UNHCR’s internal incentive structures did not yet sufficiently reflect the humanitarian-development cooperation agenda. Including references to humanitarian-development cooperation in many recent job descriptions was seen as a step in the right direction. Some other newly developed tools might also help to address this issue. A guidance note [on WASH](#), for example, explains how the sector relates and contributes to the CRRF and emphasizes the need for multi-year strategies on development approaches.
- **Dedicated staff capacities for humanitarian–development cooperation can lead others to delegate their responsibilities.** Hiring a cadre of dedicated staff was very important to kick-start the process of

organizational change. Their contributions to better understanding how development actors work, finding suitable entry points for initiating cooperation, and maintaining continuous contact over time are perceived as crucial. At the same time, this set-up created expectations that dedicated staff – particularly senior development officers – would be the development focal points for an entire operation. In some cases, this set-up has made it easier for other staff members to delegate responsibility for humanitarian–development cooperation to the development officers.

- **Dedicated humanitarian–development cooperation staff have a limited capacity to support UNHCR’s internal implementation.** In line with the main narrative on UNHCR’s role as a facilitator and catalyst, dedicated humanitarian–development cooperation staff initially concentrated mainly on engaging with external partners. At the same time, their capacity to support the mainstreaming of humanitarian–development cooperation throughout the organization is constrained. External engagement often already consumes most of their available work time; many development officers have backgrounds as development generalists or specialize in one of UNHCR’s sectors of operation and thus usually lack the sector-based technical expertise that – in addition to key communication and change management skills – would enable them to make a more in-depth contribution to the various sectors; they are often newcomers to UNHCR and therefore have only limited experience with its internal systems and processes; and in some cases, their reporting lines make them less accessible when colleagues working in different sectors of the response request support.
- **Knowledge management is inconsistent.** Knowledge management on issues relating to humanitarian–development cooperation – including inclusion – is scattered. In protection, for example, a Rights Mapping Tool (RiMa) – which aims to map the extent to which a country’s legal instruments and entities support the rights of displaced people as well as the obstacles these people face – was piloted in 20 countries. While the tool is being used in some operations, interviewees reported that the rollout had stalled. They perceived a survey on the state of inclusion in the health sector, conducted across 41 countries, as a step in the right direction.
- **The shift to multi-year planning is still in progress.** Interviewees emphasized that UNHCR’s short-term planning horizons made it more difficult for them to effectively pursue service integration and humanitarian–development cooperation. Multi-year, multi-partner approaches to planning were rolled out across a range of operations. However, interviewees reported little follow-up to these planning documents, and most of the staff members interviewed perceived them as parallel and secondary to these operations’ main planning tool, the Country Operations Plan. Sector strategies are another key planning tool within UNHCR, yet they were also not systematically used to define multi-year targets in the context of humanitarian–development cooperation.

The reformed Results-Based Management System is designed to address some of these challenges. It will enable country operations to define targets themselves, as part of multi-year results frameworks covering between three and five years. These results frameworks will replace the current Country Operations Plans. Year-on-year, operations will only update the multi-year results frameworks, rather than developing new plans. Related decisions will be made at the regional and country levels, rather than the headquarters level. However, the question of how

exactly issues relating to humanitarian–development cooperation will be reflected in the multi-year results frameworks is still open. The effective integration of humanitarian–development cooperation into all relevant activities, sector strategies, and other guidance and tools – such as the transition plan tool which the Division of Resilience and Solutions is developing – will remain important.

UNHCR should further discuss the following possible measures to address these issues (please see Discussion Paper 4 for more details on planning and budgeting):

- ⇒ **Adapt UNHCR's narrative on humanitarian–development cooperation.** The narrative should recognize not only UNHCR's role as a catalyst and facilitator, but also the need to transform UNHCR's own systems, processes, operations, and incentive structures in such a way that they strengthen refugee self-reliance, limit dependency, and prepare the ground for including refugees and involving development actors as well as government service capacity as early as possible. In addition, the narrative should focus more on the importance of host government policies and capacities as key to enabling refugee inclusion and humanitarian–development cooperation.
- ⇒ **Spread responsibility and accountability for humanitarian–development cooperation more broadly.** UNHCR should avoid over-reliance on dedicated staff members and progressively shift responsibility for humanitarian–development cooperation to management and other staff members. UNHCR can take the following steps to do so:
  - (1) Define a core set of facilitation activities and information products on humanitarian–development cooperation (including for example an overview of relevant development investments in refugee hosting areas) that need to be delivered consistently across operations, with some level of flexibility to adapt to the political conditions in host countries;
  - (2) Funding the necessary staff capacity to deliver these activities as part of its regular budget, rather than via earmarked contributions (including contributions from development actors). This would create an incentive to distribute responsibilities more broadly, enable a planned, gradual transition and prevent the sudden discontinuation of posts when their dedicated funding expires;
  - (3) Develop a phased plan for mainstreaming responsibilities for humanitarian–development cooperation at country level. The plan should define clear roles and responsibilities for dedicated humanitarian–development cooperation staff, management and other staff members and outline how they evolve over time. It could entail placing development officers into the country operations' management structure (office of the Representative and of Heads of Sub-Office) for a certain period and should indicate at what point dedicated staff capacity will be phased out.
  - (4) Strengthen the consideration of aspects related to humanitarian–development cooperation in the performance assessment of management and staff.
- ⇒ **Include transition plans in multi-year results frameworks.** As UNHCR introduces multi-year results frameworks as the main planning tool for country operations, it should ensure that these include or are linked to transition plans indicating what steps towards the inclusion of refugees and other displaced people in national and local systems could be taken. Transition plans should include a cost estimate.

- ⇒ **Strengthen the role of UNHCR's global sector strategies in supporting humanitarian–development cooperation.** UNHCR's global sector strategies are a key reference point for country operations. To strengthen their role in humanitarian–development cooperation, the strategies should give guidance on multi-year and transition planning, and provide an inventory of possible measures to harmonize and gradually integrate refugee services with local and national services. At the same time, country-level operations need more flexibility to contextualize global sector strategies. For example, the timing of country-based sector strategies should align with other humanitarian and development strategies for the sector in that country, rather than with the timing of UNHCR's global sector strategies.
- ⇒ **Strengthen general staff capacity for humanitarian-development cooperation.** UNHCR could consider for example continuing or expanding staff exchange and secondment programmes, promoting mentoring by other staff with development backgrounds, and adapting the required skills profiles when hiring new staff.

#### CLARIFYING WHEN UNHCR SEEKS TO MOBILIZE RESOURCES FROM DEVELOPMENT PARTNERS FOR ITS OWN ACTIVITIES

A second challenge in translating UNHCR's commitment to humanitarian–development cooperation into operational practice is the question of when UNHCR seeks to mobilize resources from and implement programmes on behalf of development partners and when not. UNHCR staff members, donors, and development actors all felt that UNHCR is not currently pursuing a coherent policy on this issue.

This issue has its roots in the flagship partnership between UNHCR and the World Bank, which defines much of UNHCR's general narrative and positioning on humanitarian–development cooperation. When the leadership of both institutions set out to build their partnership, the World Bank was in the process of concluding partnership agreements with a range of other UN agencies. The main intention of these standard agreements was to make it easier for the World Bank to implement projects through UN agencies.<sup>8</sup> UNHCR's leadership expected that refugees and their host communities would see more benefits if the World Bank focused some of its core programmes and lending on refugee hosting areas with greater potential to further refugee inclusion and build government systems than if UNHCR mobilized a small fraction of these resources for its own activities. Senior managers also believed that UNHCR could only effectively catalyse the World Bank's engagement on forced displacement if the World Bank saw UNHCR as an “honest broker” for the forcibly displaced – that is, as not pursuing its own financial interests – and if the partners could meet as equals (rather than a hierarchical relationship in which one partner is the implementing partner). UNHCR and the World Bank therefore explicitly designed their partnership as one in which UNHCR plays the role of facilitator and catalyst of the World Bank's engagement, rather than focusing on mobilizing resources.

<sup>8</sup> See, for example, Harwig Scharfer (2017), “Stronger together: Stepping up our partnerships with the UN.” <https://blogs.worldbank.org/developmenttalk/stronger-together-stepping-our-partnerships-un> [accessed 26 October 2020].

Since this position is unusual, UNHCR's leadership went to great lengths to ensure it was understood and followed by operations. This evaluation is finding that UNHCR staff members at all levels are well aware that UNHCR's role in humanitarian–development cooperation should primarily be that of a facilitator and catalyst. This role is often described as seeking “non-transactional partnerships” as opposed to “transactional partnerships” which focus on resource mobilization. This dichotomy has led to a wide-spread interpretation among staff that UNHCR's institutional position is not to mobilize funds from development actors. In practice, however, there are a number of challenges to this:

- **Partnerships involving funding for UNHCR are a reality at the country level.** There are numerous examples of partnerships in which UNHCR mobilizes development resources for its own activities – both to support its role as a catalyst and facilitator, and to enable development-oriented programmes. These cases primarily concern organizations other than the World Bank: for example, the partnership with IKEA in Melkadida/Ethiopia, the partnership with GIZ in Niger, and a more recent cooperation on EU funds for social protection in Jordan. Since UNHCR reports all the funding it receives as humanitarian, it is not possible to quantify the total amount received from development sources.
- **Development actors provide resources for humanitarian activities in some contexts.** In Bangladesh, for example, the World Bank and the Asian Development Bank have been focusing their financial contributions to the refugee response primarily on classic humanitarian programs and approaches. UNHCR was not able to access these resources or to assume an implementer role for the World Bank's COVID-19 response due to its focus on “non-transactional partnerships”. By contrast, UNHCR is one of the implementing partners for the African Development Bank's 20 million COVID-19 response in the Sahel region.
- **Positions differ between country operations and headquarters, as well as between different divisions at headquarters.** Different interests at the country and headquarters levels are contributing to divergent practice, including in communication with donors. Headquarters has an interest in protecting strategic relationships with development actors, which can be challenged even by individual instances of operational difficulties when implementing programmes funded by development actors. Indeed, there are several examples in which development actor interviewees have pointed out that addressing challenges in their contractual relationship with UNHCR either risked side-lining the strategic, substantive exchange or was a reason for them to limit a partnership involving funding. Meanwhile, at the country level, there is a stronger interest in mobilizing funds – not least because the new facilitation role and the implementation of transition plans require resources that have been difficult to absorb into UNHCR's regular budget. These different interests are also visible within headquarters. Donors report receiving conflicting messages from different parts of UNHCR, with contact persons in the Division for Resilience and Solutions stressing UNHCR's facilitator and catalyst role, while resource mobilization staff try to identify funding opportunities.
- **Stalling progress on internal systems and processes for managing development resources.** Since UNHCR has so strongly endorsed “non-transactional partnerships”, there has been little effort to ensure that UNHCR's systems and processes are able to handle incoming funding from development actors (see also Discussion Paper 4). This has been a key cause for concern in several operations. This stance, as well as the practical problems involved in absorbing development resources, undermine efforts to mobilize these resources.

These issues contribute to the wide-spread perception that UNHCR is not pursuing a consistent policy on mobilizing resources from development partners. UNHCR should further discuss the following possible measures to address these issues:

- ⇒ **Adopt a more differentiated position on resource mobilization from development partners.** UNHCR should clarify when, for what purpose and from whom it seeks development funding – and when not. The emerging findings of this evaluation suggest that it would be helpful if UNHCR did not adopt a position that categorically excludes the possibility of seeking and receiving development funding. Rather, UNHCR should strengthen its identity as a protection and solutions agency (as opposed to a purely humanitarian agency) and remain flexible and able to implement transitional and development approaches in situations where development actors are not or not yet present. Having some resources available for transitional and development activities also strengthens UNHCR's role as facilitator and catalyst: UNHCR is a more attractive partner for development actors if it can contribute some funding, complementary activities, or relevant experiences to development actor programmes. It would be useful if UNHCR would not discuss this question in terms of “transactional” vs. “non-transactional” partnerships (which suggests an either/or approach), but rather in terms of when, for what purpose and from whom to seek development funding and how to reconcile this with UNHCR's facilitator and catalyst role.
- ⇒ **Develop engagement strategies and be more consistent in donor communication.** To make communication with donors more consistent, more exchange and a clearer division of labour between donor focal points in the Division of Resilience and Solutions, the Donor Relations and Resource Mobilization Service, the Regional Bureaus and Country Operations are necessary. This should be based on strategic engagement plans for key development actors that explore the engagement's likely benefits and risks for refugees and other persons of concern in different contexts.

### **DEFINING A POSITION ON WHETHER DIFFERENT STANDARDS ARE ACCEPTABLE WHEN REFUGEES ARE INCLUDED IN LOCAL SERVICE SYSTEMS**

The third challenge concerns service standards. Including refugees and other displaced people in existing local or national services is one of the central goals of a more comprehensive and sustainable response. In the medium- to long-term, inclusion and service integration can reduce service costs and thereby contribute to a more sustainable service model. More importantly, inclusion and service integration can offer long-term solutions and also have important social benefits for refugees. In focus group discussions in the Somali region in Ethiopia, for example, refugees recommended integrating education at all levels, from preschool onward. They recognized that this could entail lower standards in terms of classroom sizes and physical infrastructure, but they advocated it nevertheless, as they believed this would bring refugee and host community children closer together and reduce prejudice.

UNHCR is dealing with an unresolved tension in this respect. Especially during emergency responses, international minimum standards apply. In many contexts, refugees are hosted in underprivileged areas, where local service standards are below those expected in a refugee response. In UNHCR, there is a broad recognition that this can

lead to tensions, particularly in protracted displacement situations. At the same time, UNHCR has a mandate to ensure that refugee responses live up to a certain standard and staff performance is assessed against these standards. A crucial goal of humanitarian-development cooperation is the increase service standards for both host communities and refugees and thereby also address these tensions. However, the required investments can be huge and require change over a long period of time. In the meantime, concerns over potentially lower local service standards are holding UNHCR staff back from pursuing service integration more systematically. This evaluation is finding that while there are many examples of steps taken in different sectors to harmonize or gradually integrate services, there has been no significant shift in this area.

UNHCR should further discuss the following possible measures to address this issue:

- ⇒ **Adopt a clear institutional position.** UNHCR should clarify whether and when standards for its persons of concern can be adapted as part of an effort to include them in local or national service systems – and at what moment in the response. Adopting a clear institutional position on this issue would help address the uncertainties which many field staff have articulated. In protracted situations, orienting acceptable standards along the average service standards found in the host country or region, while advocating for increased development investment in refugee-hosting areas – as UNHCR is currently discussing – seems a sensible approach to this tricky question. An early engagement with the host government on this issue is important to facilitate harmonization and inclusion and to work jointly towards raising service standards in refugee hosting areas.
- ⇒ **Systematically monitor service standards for refugees and host communities.** There are various reasons why UNHCR should systematically monitor service standards for persons of concern, as well as host communities: (1) To enable an informed decision on whether changes in standards are acceptable; (2) to advocate with development actors to engage in relevant areas; and (3) to monitor the effects of service integration.
- ⇒ **Change incentives for staff.** Particularly in protracted situations, UNHCR should assess the performance of its staff less in relation to international service standards and more in relation to progress made towards inclusion (using different benchmarks depending on the political context conditions). This would send a strong signal that UNHCR is shifting its institutional focus from delivering services and addressing immediate needs to enabling long-term solutions and inclusion.

# Discussion Paper 3: Protection

## Humanitarian-Development Cooperation and UNHCR's Protection Mandate

Protection is UNHCR's *raison d'être*. UNHCR's has a specific mandate to provide for the protection of refugees, for example by promoting and supervising international legal instruments; promoting the admission of refugees; promoting the implementation of measures to improve the situation of refugees and to reduce the number requiring protection; working on local integration of refugees in their host countries or on voluntary repatriation; or cooperating with and facilitating the activities of other actors.<sup>9</sup> In addition, UNHCR is regularly being invited to extend its “good offices” to assist other groups of persons outside its mandated functions, in particular internally displaced persons.

As described in UNHCR's statute, “protection” thus is a broad concept that encompasses most activities of UNHCR, including the work on solutions. In that sense, the **protection of refugees and other persons of concern is the very aim and rationale of all forms of UNHCR's engagement in humanitarian-development cooperation.**

However, UNHCR also adheres to a definition of “protection” that stresses individual, rights-based, aspects and that was shaped by a consensus among humanitarian agencies.<sup>10</sup> As the UN agency entrusted with the supervision of the Geneva Refugee Convention, UNHCR has traditionally focused on, and has unique competence in, approaches to protection that focus on the rights and legal status of refugees and other persons of concern. This approach emphasizes individual case work, as well as legal, regulatory, and policy aspects, such as supporting national refugee legislation.<sup>11</sup>

Outside UNHCR, the agency is often perceived as “humanitarian” and as not historically engaged in “development”. The reality, however, is more complex. While responding to emergencies is a critical part of UNHCR's activities, the agency also has a long-standing focus on finding solutions for persons of concern, as well as on building institutions. This includes for example capacity development for national asylum systems, an activity that has recently received new impetus with the launch of UNHCR's new Asylum Capacity Support Group. These activities

<sup>9</sup> Para 8 of the UNHCR Statute. A/RES/428(V).

<sup>10</sup> According to the Inter-Agency Standing Committee (IASC) definition, protection encompasses “all activities aimed at obtaining full respect for the rights of the individual in accordance with the letter and spirit of human rights, refugee and international humanitarian law. Protection involves creating an environment conducive to respect for human beings, preventing and/or alleviating the immediate effects of a specific pattern of abuse, and restoring dignified conditions of life through reparation, restitution and rehabilitation.” IASC IDP Protection Policy 1999, <https://interagencystandingcommittee.org/focal-points/documents-public/iasc-policy-paper-protection-internally-displaced-persons-1999> [accessed 26 October 2020].

are currently not receiving much attention in the narrative on UNHCR's engagement in humanitarian-development cooperation, which focuses on partnerships with international development actors.

Based on emerging evaluation findings, this paper discusses how cooperation with development actors relates to UNHCR's work on the legal, regulatory, and policy environments for refugees and other persons of concern. It has identified a number of areas in which UNHCR cooperates with development actors to that end (and that are additional to other ways of engaging on protection),<sup>12</sup> including:

- (1) **Providing data, analysis, and advice to development actors**, so as to integrate protection in the agenda of development actors, to influence the allocation of development programmes or to improve those programmes, for example:
  - UNHCR has on numerous occasions attempted to integrate or uphold protection in the agenda of development actors, including on the legal and regulatory/policy environments for refugees and other persons of concern. This includes, for example, joint UNHCR-UNDP senior management workshops and joint programming for the Regional Refugee Response Plan for the Democratic Republic of the Congo and Nigeria, aiming to integrate refugees in UNDP programming.<sup>13</sup> This included strengthened governance, increased protection through rule of law and access to justice programming; peace building and conflict transformation.
  - UNHCR regularly advises the World Bank on the adequacy of a country's protection framework for the purpose of allocations under the International Development Association's (IDA) host community and refugee window. These assessments have also informed the World Bank's advocacy on protection concerns with governments of IDA recipient countries.
- (2) **Partnering with development actors when advocating on protection concerns**, for example:
  - In Ethiopia, UNHCR, the World Bank, and several other donors jointly engaged to support the development and implementation of a new refugee legislation. Recently, this includes the adoption of the first directives translating the new Refugee Proclamation into practice, as a requirement of the World Bank's Economic Opportunities Program.
  - In Jordan, UNHCR and USAID jointly advocated for the regularization of home-based businesses (which materialized in late 2018) and for addressing administrative hurdles Syrian refugees face when trying to access the labor market.
  - In Bangladesh, UNHCR has coordinated with the World Bank to engage on protection issues such as humanitarian access to refugee camps, and telecommunication restriction at camps.
  - In the Americas, UNHCR has cooperated with the Economic Commission for Latin America (ECLAC) to raise advocacy concerns on protection with ECLAC member states.

<sup>12</sup> For example, UNHCR has engaged in capacity development of development actors on protection, including for UNDP, ILO, and World Bank staff.

<sup>13</sup> UNHCR, UNDP, *Regional Refugee Response Plan for the Democratic Republic of the Congo 2019-2020*, <https://data2.unhcr.org/en/documents/download/67603> [accessed 26 October 2020].

- (3) **Collaborating with development actors on programmes** to strengthen national capacities or to foster the application of laws, regulations, and policies, including through coordinated or joint programming, for example:
- Joint programmes with UNDP and other UN agencies on access to justice and safety in Bangladesh and Ethiopia (see the Discussion Paper 1 on emerging opportunities for further details).

## Using Humanitarian–Development Cooperation to Advance the Protection Environment for Refugees

As argued in Discussion Paper 1, the evaluation is finding that there could be additional opportunities for UNHCR to cooperate with development actors on access to justice and rule of law issues. Beyond that, emerging evaluation findings suggest that UNHCR could increase the added value of humanitarian-development cooperation for the protection environment for refugees and other persons of concern by: (1) conceptually clarifying the interlinkages between the protection environment and humanitarian-development cooperation; (2) strengthening the delivery of protection analysis to development actors; and (3) further clarifying UNHCR's role in the process assessing the adequacy of protection frameworks for allocations under the IDA window for refugees and host communities. These points are discussed in more detail below.

Based on emerging evaluation findings, this paper discusses how cooperation with development actors relates to UNHCR's work on the legal, regulatory, and policy environments for refugees and other persons of concern. It has identified a number of areas in which UNHCR cooperates with development actors to that end (and that are additional to other ways of engaging on protection),<sup>14</sup> including:

### CLARIFYING THE INTERLINKAGES BETWEEN THE PROTECTION ENVIRONMENT AND HUMANITARIAN-DEVELOPMENT COOPERATION

The examples of progress given above point to UNHCR's commitment to link protection and the nexus agenda. However, there is also a perception by several interviewees in- and outside UNHCR that the interlinkages between the two – including engagement on the peace component of the nexus – are not always clear. One reason for the current ambiguity is a lack of clarity on the meaning and scope of the term protection, as well as its relation to development interventions, evident in UNHCR internally and in outside communication with partners. Propelled by increased engagement in humanitarian-development cooperation, UNHCR is further evolving to promote protection outcomes through socio-economic realities in addition to the traditional emphasis on status.

UNHCR may want to consider the following:

<sup>14</sup> For example, UNHCR has engaged in capacity development of development actors on protection, including for UNDP, ILO, and World Bank staff

- ⇒ While UNHCR should continue to use the broad definition of protection linked to its Statutes (see above), it should make explicit that there is also a narrower concern with the legal, regulatory, and policy conditions for refugees and other persons of concern. It should also clarify how these aspects relate to humanitarian-development cooperation. Such guidance could link to the following starting points:
- A range of legal, regulatory, and policy aspects are central and necessary preconditions for enabling the socio-economic development, local integration and ultimately self-reliance of refugees. UNHCR and development actors therefore share an interest in seeing these enabling conditions in place.
  - Status alone / the presence of these conditions alone, however, is not sufficient to achieve integration and self-reliance. UNHCR has therefore developed an increasing interest in the de facto socio-economic conditions of refugees (and the contribution development actors make to them).
  - Development actors can support the protection environment for refugees and other persons of concern through a variety of interventions: Advocacy promoting the adoption of relevant laws, regulations, and policies; capacity building for local and national institutions to improve the implementation of those laws, regulations, and policies; direct interventions supporting the implementation of those laws, regulations, and policies; investments to ensure that enabling conditions translate into improved socio-economic conditions.
- ⇒ UNHCR should create more common space to discuss interlinkages (and identify opportunities) across the Division of Resilience and Solutions, the Division for International Protection, in-country protection teams and Senior Development Officers. At country level, such opportunities could be reflected in the country transition plans, which are due to be rolled out supported by DRS, and sector strategies.

### STRENGTHENING THE DELIVERY OF PROTECTION ANALYSIS TO DEVELOPMENT ACTORS

UNHCR's ability to deliver an (authoritative) analysis of host countries' legal and regulatory environments for refugees and other persons of concern is undisputed. As part of its role as a facilitator and catalyst for development actors' engagement in situations of forced displacement, however, multiple development actors have requested UNHCR deliver more, or more useful, analyses on protection issues. Interviewees have pointed to several challenges which UNHCR faces in delivering such analyses:

**There are gaps in UNHCR's protection analysis:** Several development actors interviewed particularly emphasized the importance of providing more detailed political assessments of the underlying reasons for specific legal and regulatory provisions regarding UNHCR's persons of concern (for example, the interests of various actors and drivers of refugee policy); more analysis of the interlinkages between legal and regulatory environments for refugees and other persons of concern on the one hand, and their actual socio-economic conditions on the other hand, as well as interlinks between those regulatory environments and issues of conflict prevention and management (e.g. rule of law, security sector or accountability). Interviewees pointed to several factors explaining this perceived gap:

- UNHCR currently lacks the necessary staff capacity to conduct political analyses. It appears to be contested within UNHCR whether the agency should build / ensure the availability of such capacities or not. While some in

UNHCR would prefer drawing on analysis conducted by other actors, in particular the UN Resident Coordinator's Office, others argue strongly for UNHCR to conduct such analyses as a core part of its mandate.

- The monitoring of the socio-economic effects of interventions on refugees and other persons of concern is currently very limited. This restricts UNHCR's capacity to deliver better analysis on the links between specific legal and regulatory conditions and socio-economic results.

Several interviewees also perceived that the challenge lies as much in analytical gaps as it does in **sharing existing analyses and data**. The UNHCR staff members interviewed, as well as some partners and donors, pointed to the following explanatory factors:

- A reluctance to put potentially sensitive political issues in writing and to share drafts with partners before they have been cleared internally. This is due not only due to UNHCR's formal, risk-averse culture, but also to the challenging balancing act between entertaining close relationships with governments on the one hand and advocating for compliance with refugee law on the other. Government development priorities may at times contradict or sit uneasily with UNHCR's priorities for its Persons of Concern, meaning that UNHCR would have to change position to align with development priorities. In some country contexts, the issue is visible, for instance, in the UNDAF, where UNHCR's participation would at times mean positioning UNHCR against government development priorities.
- The difficulty of obtaining buy-in across different parts of an operation to share data with development actors, and the lacking technical preconditions to share data safely. Some regional offices, meanwhile, work on new systems intended to allow sharing data more easily with external actors, as well as providing an overview and control over data access by external actors.

To improve its practice on these issues, UNHCR should further discuss the following considerations:

- ⇒ UNHCR should better describe its comparative advantage on protection analysis. UNHCR is the agency best equipped to observe the legal, regulatory, and policy environment for refugees and other persons of concern. It could use its operational presence and proximity to affected populations more effectively to analyze how legal, regulatory, and policy aspects affect the socio-economic situation of persons of concern, further informing advocacy strategies.
- ⇒ Since no other agency shares UNHCR's unique focus on refugees and displacement, UNHCR should strengthen its capacity to analyze the mentioned link between legal, regulatory, and policy aspects and the socio-economic situation of populations of concern, as well as the underlying reasons, interests and stakeholders influencing the legal, regulatory, and policy environment for refugees. An emerging good practice to further solidify is the inclusion of refugee protection in the UN's Common Country Analysis. An opportunity for strengthening capacity on protection analysis is UNHCR's situational analysis (SITAN) tool.
- ⇒ Currently, no publicly available assessment of the protection environment for refugees exists since UNHCR discontinued its annual protection assessments. To help fill this gap, UNHCR may consider regularly publishing country-based, regional or thematic "protection briefs" that build on a more extensive internal analysis – similar to the Global Protection Cluster's briefs on protection and human rights issues related to COVID-19, for example.

- ⇒ As part of this effort, UNHCR should review the roll-out and use of existing support and as information management tools (including the online data gathering tool –Rights Mapping Tool RiMa), as well as its practice on sharing draft versions of relevant analyses.
- ⇒ Analysis exchange should be two-way and should link quantitative and qualitative analysis. Therefore, UNHCR should use development actor data and analysis for its own assessments, in addition to both its own and externally commissioned data.
- ⇒ UNHCR should consider more broadly rolling-out piloted data systems that facilitate data sharing and consider standardizing rules on data sharing, including with indicative timelines on responding to data sharing requests.

### FURTHER CLARIFYING UNHCR'S ROLE IN CONFIRMING THE ADEQUACY OF PROTECTION FRAMEWORKS FOR THE IDA PROCESS

As part of its partnership with the World Bank Group, UNHCR assesses the adequacy of the protection frameworks for refugees. UNHCR provides an opinion on whether a country's protection framework for refugees is adequate "for the purpose of" the IDA window for host communities and refugees.<sup>15</sup> The assessments are not public and can influence the eligibility for funding, project approval, and identification of advocacy messages. In UNHCR, the assessments are done in consultation between the country operation, the relevant Regional Bureau, the Division of International Protection (DIP), and the Division of Resilience and Solutions (DRS).

There is a perception within both UNHCR and the World Bank that UNHCR has greatly improved the quality and consistency of these refugee protection assessments. UNHCR and the World Bank jointly completed a revised template for the assessments, intended to enable UNHCR to (i) provide better advice on opportunities to advance laws and policies through the interventions supported by the World Bank, and (ii) provide an analysis of future protection risks that are monitored with bi-annual updates. What is more, UNHCR has provided more internal guidance on how to assess whether "systematic and systemic" violations of refugee protection standards are taking place, and whether the host government is willing to address shortcomings in policies and practice.

Overall, UNHCR's involvement in the process of the IDA window for host communities and refugees is considered as an example of good practice. Emerging issues are addressed as part of a continuous dialogue between the World Bank and UNHCR. However, there is an opportunity to further clarify UNHCR's role in the process.

Specifically:

There are some voices within the organization that **question the extent to which UNHCR's should determine the adequacy "for the purpose" of the IDA window** for host communities and refugees. Making this judgement necessarily involves political considerations, as it concerns the adequacy of a protection framework for IDA's purposes, rather than in absolute terms. A range of staff members consulted for the evaluation were concerned that a negative assessment – even though it is provided as advice to the World Bank and does not automatically affect

<sup>15</sup> Previously IDA18 sub-window.

funding decisions – could lead to no or less funding from the IDA window for host communities and refugees being allocated to the concerned country. This would negatively impact the host community and refugees and reduce opportunities of improving the protection framework through the implementation of IDA projects. Interviewees also feared that a negative assessment – even though it is not a public document – could be communicated to the host government and make it more difficult for UNHCR to constructively engage on protection concerns with them. UNHCR has already engaged in extensive risk analysis on both these concerns.

A range of consulted staff would like to better understand and strengthen the complementarity between UNHCR's own refugee protection assessment and other planned review and analysis processes. This concerns first the World Bank's **Refugee Policy Review Framework (RPRF)**. The framework is seen as a sign of the World Bank's commitment to address forced displacement and UNHCR cooperates in its design and implementation. It is intended to deliver a comprehensive review of refugee policies with a view to identifying obstacles to better socio-economic conditions for refugees and informing the World Bank's policy advocacy. In addition, the UNHCR–World Bank Joint Data Center (JDC) is planning to conduct institutional assessments of refugee laws and policies and to commission research, for example on asylum policy trends and their effects on population movements. While both initiatives involve UNHCR and are distinct from UNHCR's protection framework assessments, some of the themes and findings of the different processes may overlap with each other, and some UNHCR staff perceive there is scope to improve the complementarity between the two initiatives.

To react to these concerns, UNHCR should further discuss the following considerations:

- ⇒ UNHCR should clarify that the decision on IDA funding, as well as on the Bank's potential advocacy on protection, ultimately lies with the World Bank, and that its refugee protection assessments only have an advisory role. UNHCR should reflect this in the result options of the protection assessments. Instead of a "yes/no" verdict on the adequacy of protection frameworks, it should continue to shift to a more detailed assessment with a scale of possible results. UNHCR should continue to assure that the assessments examine to what extent IDA interventions could impact the refugee protection framework.
- ⇒ UNHCR should provide data and analysis from the country operations to the World Bank's RPRF and reflect RPRF results in its own analysis to continue ensuring the RPRF and UNHCR protection assessments are mutually beneficial and complementary. Likewise, it should consider making available the data and analysis of its Refugee Protection Assessments to those individuals reviewing asylum policy trends for the JDC.

# Paper 4: Planning and Budgeting Processes

## UNHCR's Planning and Budgeting as Key Factors in Humanitarian–Development Cooperation

UNHCR has recently intensified its engagement in humanitarian–development cooperation in a number of key areas. It has deepened its flagship partnership with the World Bank Group, expanded its collaboration with other multilateral development banks, established more formalized and operational partnerships with UN agencies, and more systematically engaged with bilateral development institutions (see Discussion Paper 1).

One of the key internal factors influencing UNHCR's engagement in humanitarian–development cooperation is its planning and budgeting system. Before further exploring the relationship between these processes and humanitarian–development cooperation, UNHCR's unique planning and budgeting system requires a general explanation. Beginning in 2010, UNHCR introduced a needs-based approach to planning and budgeting. Based on a global needs assessment, UNHCR presents consolidated budgetary requirements to its Executive Committee. At the country level, Country Operations Plans detail the resources required to respond to the needs identified, based on a global forecast of expected donor contributions. UNHCR's Central Budget Committee oversees and approves changes in the Operations Plan. In June 2020, the Budget Committee was replaced by a Resource Planning and Management Board, intended to foster more inclusive decision-making on resource allocation, bringing together operational and financial considerations.

As financial forecasts are updated throughout the year, UNHCR's budgetary oversight bodies regularly revisit the Operations Plans so that they reflect the availability of resources. Country Operations Plans and their linked budgets cover a one-year period. Allocated funding that is not used within the year is not automatically carried over to an Operations Plan in the next year.

UNHCR's approach to planning and budgeting has a number of distinct advantages. First, UNHCR is able to respond before it actually receives financial contributions. Second, the approach supports UNHCR's request for unearmarked donor funding, enabling it to respond and to fulfil its protection mandate in countries that attract little donor interest. Third, the approach creates more predictability and has brought an end to the frequent budget freezes and cuts that previously occurred in the middle of budgeting cycles.

## Aligning UNHCR's Planning and Budgeting Cycles with Humanitarian–Development Resources

While UNHCR's planning and budgeting systems have important advantages, they also create challenges for humanitarian–development cooperation. This paper explores the challenges of working with resources earmarked for humanitarian–development cooperation in terms of: (1) reflecting such funding in the Country Operations Plans and prioritizing between traditional humanitarian and development-oriented activities; (2) programming earmarked, multi-year funds and supporting more long-term thinking; and 3) meeting the reporting requirements for such funds. Many of these challenges are related to one another and are not specific to humanitarian-development cooperation (for example, they are also relevant for UNHCR's response to IDP situations, where funding is often project-based). However, they are particularly acute in this area.

### REFLECTING EARMARKED RESOURCES FOR HUMANITARIAN-DEVELOPMENT COOPERATION IN COUNTRY OPERATIONS PLANS AND PRIORITIZING BETWEEN HUMANITARIAN AND DEVELOPMENT-ORIENTED ACTIVITIES

A first challenge relates to the implementation of funding that is tightly earmarked for UNHCR's engagement in humanitarian–development cooperation.<sup>16</sup> There was in several instances no clear understanding between UNHCR's country operations and headquarters on whether such funding was considered part of or additional to a donor's regular, overall contribution to UNHCR. It was therefore also not clear whether such funding would be counted towards the global income projections that underpins the respective Country Operations Plan. As a result, country operations did not necessarily include activities supported by tightly earmarked funding for humanitarian-development in the Country Operations Plans and expected to be allocated additional resources for them.

In the past, this has led to delays in some country operations, and to trade-offs between humanitarian and development-oriented activities. First, in order to implement the activities supported by these tightly earmarked funds, UNHCR country offices had to request approval for a revised Operations Plan that includes additional activities. As this approval was not automatic, it made it uncertain to what extent the activities could be implemented. In addition, several interviewed UNHCR staff members pointed out that they and their colleagues

<sup>16</sup> *Tightly earmarked funding has been provided, for example for UNHCR's facilitation of the Comprehensive Refugee Response Framework in Ethiopia, UNHCR's cooperation with the German development implementer GIZ in Niger, EU-funded work on social protection in Jordan, and the global Prospects Partnership, which is being implemented in Ethiopia and Jordan, among other places. This mirrors an overall, moderate trend of increasing earmarked donor funding. Indeed, the overall share of unearmarked or softly earmarked funding in UNHCR's budget has decreased from 52 percent in 2012 to 33 percent in 2018. Earmarked donor funding rose from around 11 percent of all Official Development Aid (ODA, including humanitarian assistance) in 2010 to some 15 percent in 2018. The share is higher for some key UNHCR donors, such as the US, which earmarked around 20 percent of its ODA. Data source: OECD DAC. Tight earmarking is particularly strong for multi-year humanitarian funds, fluctuating between 74 percent in 2016, 80 percent in 2017, and 65 percent in 2018. Data source: Development Initiatives, Global Humanitarian Assistance Report 2020, <https://devinit.org/documents/776/Global-Humanitarian-Assistance-Report-2020.pdf> [accessed 26 October 2020], Multi-year humanitarian funding: Global baselines and trends, <https://reliefweb.int/report/world/multi-year-humanitarian-funding-global-baselines-and-trends-march-2020> [accessed 26 October 2020]*

perceived the process as time-consuming: it created delays in project implementation, even if the Operations Plan was eventually updated. Second, if headquarters did not approve a revised Operations Plan, country operations had to either reallocate funds from other activities or reject the tightly earmarked funding.

These issues in implementing tightly earmarked funds for humanitarian-development cooperation have put UNHCR's relationships with some development donors under stress. Moreover, including development funds in UNHCR's income projections and not allocating them to country operations has raised several challenges: First, on a fundamental level, several staff members perceived that UNHCR is trying to fit tightly earmarked types of funding into a system not equipped to deal with this, and that fundraising for humanitarian-development cooperation clashes with UNHCR's predominantly needs- and programme-based fundraising. Second, the approach discourages country operations and regional bureaus from mobilizing resources from development donors. Third, it requires UNHCR country operations to make the difficult choice of whether, or to what extent, they should prioritize facilitation and development-oriented activities in contexts where there are frequent funding gaps for assistance covering the basic needs of refugees.

This last point raises the related question of whether or not earmarked funds for humanitarian-development cooperation are actually additional to countries' regular contributions to UNHCR. While most interviewed donors emphasized that contributions from their development budgets were additional to their humanitarian contributions, they in some cases appear to have replaced more flexible humanitarian funds with more tightly earmarked development funds. Where this is the case, increasing funding shortfalls for programmes addressing basic needs make it more difficult for country operations to also give priority to development-oriented activities.

One consideration of how to address this and free up parts of the available budget is that the increased investment of development actors in refugee contexts will allow UNHCR to reprioritize its activities. The evaluation is finding, however, that such expectations need to be treated with caution: The evaluation has identified multiple examples where the engagement of development actors had positive effects on persons of concern. However, development interventions typically take a long time to show effects, context factors often remain challenging and needs remain high. UNHCR is therefore unlikely to be able to fundamentally reprioritize its activities in the short- to medium-term.

The evaluation has found a high level of awareness of these issues at UNHCR, and UNHCR is already decentralizing some of its fundraising efforts and resource allocation authorities. In particular, a new Resource Allocation Framework was put in place in January 2020, and was further revised in June 2020. In the new Framework, a number of funding categories (e.g., UN-administered funds, funds from other international organizations excluding the EU, funds from regional inter-governmental financial institutions (development banks) – except the World Bank Group – are no longer part of the High Commissioner's global income projections. If a country operation secures these types of funds locally, country representatives and regional bureau directors can more easily update the Operations Plan to implement additional activities.

Most UNHCR staff members interviewed for this evaluation perceived these changes as significant progress. Meanwhile, several voices also pointed out that some of the difficulties with regard to earmarked resources for humanitarian-development cooperation will remain, highlighting the following issues:

- Exceptions under the new Resource Allocation Framework do not include funds from the EU, from bilateral development donors, and the World Bank Group. These represent important sources of funding for UNHCR's engagement in humanitarian–development cooperation.
- Country operations and regional bureaus have been instructed to first explore and exhaust the options for covering relevant activities under the initial Operations Plan by reprioritizing activities and reallocating funding within or between countries and regions.
- Several interviewees thought that UNHCR could have more clearly communicated why the decision-making authority had been decentralized for some funding categories but not for others. They also believed that larger Operations Plans should be authorized where country operations can make the case that an up-front investment – in service integration or capacity building, for example – would reduce costs in the future.

Meanwhile, there are also reasons to be cautious about introducing further exceptions to the Budget Allocation Framework. First and foremost, UNHCR is strongly committed to supporting a new approach to refugee management and needs to translate this commitment consistently and predictably in its operations. Interviewed staff members emphasized that local fundraising involved new uncertainties and saw it as problematic if UNHCR's engagement in humanitarian-development cooperation were contingent on dedicated contributions for these activities. Second, some staff members pointed out that the continued engagement of headquarters in the budget allocation process for development funding could be beneficial, especially for larger-scale allocations:

Headquarters could advise country operations whether expected transaction costs such as investments in project-management capacity (see also section 3) would outweigh the expected benefits, and support country operations in ensuring that the funds are used in a transformational way, rather than cross-funding existing “care and maintenance” programmes.

While this evaluation recognizes that there is no “easy fix” to the issues around spending authorizations and prioritizing between humanitarian and development-oriented activities, UNHCR should further discuss the following:

- ⇒ **Include core facilitation tasks in UNHCR's regular budget.** UNHCR has assumed responsibility to facilitate the engagement of development actors and to support other forms of humanitarian-development cooperation. A set of core facilitation tasks should therefore be included in the Operations Plan. This means certain “must-haves” for UNHCR's engagement in humanitarian-development cooperation would be understood as central to UNHCR's mandate and would not be discretionary or dependent on dedicated funding.
- ⇒ **Develop a clear system for handling development contributions.** UNHCR needs to create clarity on how development contributions are treated. When further adjusting the Resource Allocation Framework in 2021, the organization should consider two options: It could either further decentralize authorities for allocating development donor resources. This would strengthen incentives for local fundraising, but risks creating a less consistent institutional approach. Alternatively, it could organize development donor funding outside the current

- budget framework. In this case, the resource allocation process would remain at central level, but allocated resources would always be additional to the Country Operations Plans. Such resources could therefore cover several years, responding to the current challenges around multi-year financial commitments (see section 2).
- ⇒ **Reassess assumptions for freeing up parts of the available budget.** As discussed above, some considerations for freeing up parts of the available budget need to be treated with caution: Development investments in refugee situations will take a long time to show effects and are unlikely to allow UNHCR to fundamentally reprioritize its activities in the short- to medium-term. UNHCR should also be cautious about handing over responsibilities for delivering basic services to other actors as a means to freeing up parts of the available budget, unless this creates a stronger pathway to integration into national service delivery. Although in the short-term fewer activities would need to be covered by the available resources, UNHCR's response capacity (including on emergencies) could suffer in the longer-term, when donors reduce their regular contributions to a UNHCR that has less responsibility for delivering basic services. A smaller operational footprint could also undermine UNHCR's coordinator and facilitator role.
  - ⇒ **Communicate to donors the trade-offs of inflexible funding:** UNHCR should communicate that replacing flexible funding for UNHCR with earmarked funding for facilitating development actor engagement and implementing development-oriented activities is not a sustainable means to accelerating change within the organization. Emerging evidence shows that this could be counter-productive, driving UNHCR to focus available resources on humanitarian tasks instead.

### RECONCILING HUMANITARIAN PROGRAMMING WITH EARMARKED, MULTI-YEAR DEVELOPMENT FUNDS: SUPPORTING MORE LONG-TERM THINKING

This evaluation noted further challenges linked to earmarked multi-year funds from development actors. UNHCR's current system allows to carry over unspent funding from one year to the next only at a central level: If there are unspent resources, they can be used to increase the next year's spending authorizations for country operations. However, no carry-overs are possible at the level of projects. Therefore, the allocations for activities supported by tightly earmarked, multi-year funds – which often include facilitating development actor engagement and development-oriented activities – have to be renegotiated each year. This creates uncertainties around project implementation, which can threaten project execution in extreme cases.

Another consequence of UNHCR's current annual budgeting system is that it prevents the organization from entering into binding multi-year financial agreements with its implementing partners. This reduces predictability for partners, increases the pressure to spend allocated funding within the given budget year, and requires annual, often extended negotiations. In the past, these constraints have limited the strength of UNHCR's proposals for multi-year funding.

Moreover, interviewees perceive annual country budgets as one of the factors hindering more strategic, longer-term thinking and planning within UNHCR. What is more, short-term planning encourages an emphasis on outputs, rather than outcomes and impacts. Finally, single year cycles also make it difficult for country operations to engage

and contribute to interagency processes and national development plans, which are normally of a multi-year nature. Past evaluations have also raised this “operationally short-term, rather than medium-term, approach and mindset” as an issue.<sup>17</sup>

As part of its efforts to address these issues, UNHCR launched multi-year, multi-partner planning pilots in several countries, including in two of this evaluation's case countries. The most significant criticism of this pilot was that it came on top of and parallel to the detailed, time-consuming process of developing UNHCR's annual Country Operations Plans. Now, UNHCR is committed to addressing this issue as part of the Results-Based Management Renewal and forthcoming multi-year programming framework. Beginning in late 2020 (and planned to be rolled-out in intervals until 2022), UNHCR is planning to gradually introduce fundamental changes to the current planning system, with some flexibility for country offices:

- UNHCR is now set to adopt multi-year planning as its main planning tool, replacing the annual Country Operations Plans. These will include multi-year results frameworks aligned with the Sustainable Development Goals, allow country operations to define their own results instead of using a standardized statement, and include a results chain that mirrors the one used by the UN Sustainable Development Cooperation Framework.
- Country operations will develop multi-year implementation plans with indicative budgets. Rather than developing a new plan every year, country operations will be able to update their multi-year plans on an annual basis by testing assumptions and identifying changes and additional opportunities.
- For the budgets, country operations will choose a cycle between three and five years for “indicative,” non-detailed budgets/costed levels, aligned with the new multi-year results frameworks. These are intended to serve as a basis for presenting multi-year requirements to donors, and raising more multi-year funds. Meanwhile, detailed budgets and related spending authority will still be developed and granted on an annual basis.
- There are plans that would make it easier to issue multi-year partnership agreements. However, these will not include binding multi-year financial commitments.

The details of these changes are still being elaborated, and rollout in the first country operations is planned for late 2020. Consequently, both at headquarters and in country operations, staff members still express uncertainty about the change process. Several interviewees in country offices were uncertain whether the planned changes will solve the issues in programming multi-year, earmarked development funding. They anticipate tensions between multi-year planning and annual spending authorities. Staff members were also uncertain about how the new planning tools will relate to country-based sector strategies, and they are concerned about country operations' limited ability to prepare for the impending changes and the time and effort required for introducing a new system at a time when UNHCR is already implementing a number of other fundamental change processes.

<sup>17</sup> Multilateral Organisation Performance Assessment Network (MOPAN) (2019), *UNHCR 2017–2108 Assessment Report*, [http://www.mopanonline.org/assessments/unhcr2017-18/UNHCR%20report%20\[web-1a\].pdf](http://www.mopanonline.org/assessments/unhcr2017-18/UNHCR%20report%20[web-1a].pdf).

Based on these emerging findings, the evaluation suggests that UNHCR should further discuss the following issues:

- ⇒ UNHCR's headquarters should discuss clear timelines for the introduction of multi-year planning with country operations. It should communicate changes in detail before the formal launch, so that country operations can prepare for and more easily implement the transition, for example by adopting new the results framework indicators.
- ⇒ Encourage country operations to present opportunities requiring higher up-front investments and creating long-term benefits and cost reductions (including due to the expected investment of other partners) and support related requests for resources for such investments. Refine the *Template for documenting proposed changes and decisions* (annexed to the new Resource Allocation Framework) so that country operations outline the expected longer-term effects of proposed changes.

### MEETING THE REPORTING REQUIREMENTS OF PROJECT-BASED DEVELOPMENT FUNDING

Tightly earmarked funds, including those provided by development donors, typically require project-based reporting. However, because UNHCR is centred on a system of flexible funding, it typically reports on the level of a programme – that is, on country operations as a whole. While programme officers often already report on a project-level, they do so in addition to and outside the organization's main reporting system. What is more, development donors have different reporting requirements than project-based humanitarian funding, such as country-based pooled funds or the Central Emergency Response Fund (CERF). In particular, development donors' reporting requirement tend to stress outcome and impact levels, whereas UNHCR's traditional reporting focuses on the output and activity level. For that reason, meeting some development actors' specific reporting stipulations require UNHCR to build dedicated project management capacity. Since UNHCR currently has no mechanism to provide additional project management support, this usually means additional workload for existing staff or a potentially lengthy process of hiring new staff.

Some of these challenges will be addressed by the Results-Based Management Renewal Project, which includes plans to introduce tools enabling better tracing of earmarked funds (contribution tracking by contribution details; by implementer; by results chain; by indicators) and standardized project-based reporting. What is more, the new results framework will enable the integration of donor indicators and separate outcome areas for different partners and sources of funding. However, UNHCR will in general continue to operate on the basis of country operations.

The extent to which UNHCR needs to introduce further changes depends on whether there is a general trend toward more "projectization" (see above) and whether UNHCR aims to mobilize more resources from development actors, among other factors. Interviewees expressed different views on the extent to which UNHCR should prepare itself to accommodate more funds that require project-level reporting. Development actors have voiced concern about the quality of project-level reporting and cautioned that a failure to abide by reporting standards carries reputational risks for UNHCR and may negatively affect its strategic partnerships as well as facilitator and catalyst role. Some donors also expressed the view that UNHCR should attempt to stay away from project-based funding

so as to avoid repeating the negative experiences other UN agencies have had with such funding and the organizational transformation this entailed.

UNHCR should further discuss the following issues:

- ⇒ Clarify UNHCR's institutional position on accepting project-based development funds (see Discussion Paper 2). UNHCR should only accept such funds if sufficient support capacity for project-based reporting is available and if the resources needed for making this capacity available is proportional to the overall project volume.

**CONTACT US**

**Evaluation Service**

United Nations High Commissioner for Refugees  
Case Postale 2500  
1211 Genève 2  
Switzerland  
[www.unhcr.org](http://www.unhcr.org)

Email: [hqevaser@unhcr.org](mailto:hqevaser@unhcr.org)