

Remarks for the 79th Standing Committee meeting
Executive Committee of the High Commissioner's Programme
Kelly T. Clements, Deputy High Commissioner
International Conference Centre Geneva (CICG), Room 2-3-4
16-17 September 2020

Mister Chairperson,
Excellencies,

As usual, I will open this SC outlining key management issues for the organization with my colleagues introducing the specifics of each of the items on the agenda as we proceed.

First, a warm welcome to those of you joining this Standing Committee for the first time. We look forward to this formal opportunity three times a year to update you on the myriad issues, challenges, and opportunities facing the organization. We do this in a spirit of transparency and with appreciation for your guidance and support as we and our indispensable partners navigate a globe that finds us protecting and aiding nearly 80 million forcibly displaced people and many other people of concern to the organization.

Second, we begin this overview with the backdrop of the pandemic which has caused major loss of life and brought heavy strain to economies. As your delegations have heard in two informal briefings of the Executive Committee as well as an unprecedented level of partner engagement, we are learning to live with previously inconceivable layers of complexity in our world and brought levels of uncertainty far beyond that which our institution is accustomed to navigating. Like your governments and those you are trying to protect and aid in your countries, we are doing our best under these unprecedented circumstances.

Today, UNHCR continues to manage this emergency compounding other emergencies. 29 million people are confirmed to have suffered from COVID-19 across the globe, including close to 20,000 people of concern in 95 countries and some 280 members of our workforce. Sadly, some 5 members of UNHCR's personnel have so far lost their lives to the pandemic. Countless others are suffering from the socio-economic impact of the pandemic, none more-so than the millions of forcibly displaced whose lives often depend on employment in the informal sector. We've discussed our response to both the public health needs of people of concern and to mitigate the socio-economic impact of the crisis on these populations at length in previous meetings, so I won't repeat this today.

We have had some successes, including in countries covered by the Global Humanitarian Response Plan on COVID-19 where 6.7 million people have accessed protection services, over 3.2 million refugees have accessed health services and over 500,000 refugees have been included in national social protection schemes. In many of our operations, COVID-19 transmission rate amongst people of concern remain similar or lower than among host communities, a testament to the strength of our risk communication and public health response. But successes cannot hide challenges which remain. Testing and tracing remains elusive in the many remote areas in which we operate and while countries have made tremendous efforts to maintain national education programmes through radio, online and television, including for refugees and internally displaced persons, an additional 1.6 million refugee children and youth are out of school due to mandatory school closures, with dramatic long-term consequences, particularly for girls.

In the early days of the pandemic, faced with extraordinary needs, we reprioritised and reallocated resources to meet immediate needs, with thanks again to those of you who have provided us with the unearmarked funding which gave us the flexibility required to do this. As the crisis progressed, and

the scale of additional needs became clearer and were articulated in the Global Humanitarian Response Plan, we were fortunate to receive generous support from both institutional and private sector donors to fund activities to protect persons of concern from the impact of the pandemic. And while the scale of global humanitarian needs grew to over \$10 billion, we made deliberate efforts to ensure our appeal remained focused on the most immediate needs of people of concern and of the people who host them, supported through activities which we and our network of partners could reasonably undertake. While we have remained modest in our assessment of needs, we continue to suffer a significant shortfall in funding for our COVID-19 response, amounting to \$283 million or 38% of the funds required to meet identified needs. These resources are urgently needed to help keep the virus at bay and address the visible impacts on the most vulnerable of those we serve.

What is clear is that UNHCR's operations will have to contend with the pandemic as an aggravating factor for the foreseeable future. This is clearest in Lebanon where we see the combined effect of the tragic explosion in Beirut in early August, a severe economic crisis and the COVID-19 pandemic. These three factors together are harming the most vulnerable and poorest parts of the population throughout the country, including the more than a million refugees who have found protection in the country. And as we look to the coming year's requirements, we are identifying additional gaps and re-prioritising where necessary, but depending upon the evolution of the pandemic, we would expect draws on the Operational Reserve and a potential Supplementary Budget appeal in 2021, which we will discuss under item 6 of this meeting.

Distinguished delegates,

The disruption caused by the pandemic and resulting work to re-orient our programmes has taken much of our collective time this year, but it has not detracted us from the need to continue our organisational transformation.

We had planned a number of engagements with the new Regional Bureaux in the early part of the year, to bring together lead personnel of each Bureau with their senior country operation colleagues and work towards a common understanding on how field operations and the new regional bureaux will work with each other and exercise their functions while promoting the culture change to ensure successful transformation.

We were able to run a pilot regional roundtable in Panama, but travel restrictions forced a rethink of planned engagements with other regions and were instead replaced by a number of virtual dialogues. These online consultations allowed us to assess strengths and weaknesses of our newly decentralised structure and get feedback on how to further adapt our way of working to new structures. These also allowed us to monitor implementation of this new *modus operandi* amid the COVID-19 crisis, highlighting the crisis' role in 'fast forwarding' change across the organization.

While we continue to have work to do to cement the decentralization, preliminary results showed how well our newly regionalized setup fared in the face of the unanticipated stress-test of the pandemic. These dialogues also highlighted the challenges we face in decentralizing the organization while simultaneously redirecting programmes to respond to the needs of a global emergency, impacting displaced populations and aid-workers alike.

The realignment of our Headquarters Divisions and Entities was initiated early in the year, and foreseen to complement UNHCR's decentralization. The process to date has focussed on Divisions' roles, authorities and accountabilities, including through a review of functions which could be transferred to the field or Bureaux and a refocussed role of Divisions in providing global guidance, organizational coherence and oversight. The initial part of this process was completed during the

planning process for 2021, but is expected to continue in the next few years as field operations are further strengthened, Bureaux increasingly take on their support role to field operations, and Divisions are refocussed on core functions.

While we work to refine the way in which headquarters serves field operations, we are also improving on our broader decentralised setup and have issued an updated Resource Allocation Framework this summer. This complemented the decentralized authorities for resource management to Bureau Directors, Representatives, and Heads of Sub-Office with a Budget Committee transformed into the Resource Planning and Management Board. This body brings together operational and financial considerations, and is providing greater transparency across the organisation.

The next update of resource allocation framework, to be issued in 2021, will reflect resource allocation and management in line with the new results-based management system, including future processes of multi-year planning and budgeting and annual resource allocation. We have briefed members extensively on progress towards this new results-based management framework in the last year+ so I won't go into details on this today – other than to say that we have embarked on this transformation to help us better articulate the impact of our work on the lives of persons of concern; to present clearer evidence on their global situation; and, where gaps and needs are greatest, to demonstrate more concretely UNHCR's contributions.

Our work on this project continues, guided by the Global Compact on Refugees, our commitments under the Grand Bargain, and the 2030 Agenda for Sustainable Development and with the overall aim of increasingly integrating our plans with national development programmes and humanitarian response plans. Our hope is, ultimately, that it will help us make an even more compelling case for support and resources for refugees and other persons of concern. In item 6 of the agenda, we suggest changes to the financial rules to support this overall change in our results-based management system.

And while we are changing the way in which we plan, deliver, monitor and report on programmes that benefit people of concern, we are using all opportunities to improve the way in which we function and operate, and the manner in which our operations are supported. Inspired by the UN Reform agenda and the need to modernize, streamline and simplify our delivery model, work continues to transform our business. This work will undoubtedly provide a set of opportunities for efficiencies and savings including through potential changes to the locations in which functions and transactions are located and undertaken as well as through technological aids which can simplify or, in some cases, automate, elements of these functions and transactions.

Some of this work we have briefed you in the context of the UNSDG Business Innovations Group, which just concluded its two year project phase. The Development Coordination Office (DCO) will now lead the implementation of several BIG deliverables, including the Business Operations Strategies and Common Back Office model, to be supported by a technical task team co-chaired by UNICEF and UNFPA, to whom we will continue to provide strong and active support. The greatest area of untapped potential for greater collaboration, consolidation and efficiency gains, however, remains at the global level, where the scope for further centralisation and vertical integration within individual UN entities, and collectively, is immense. There is considerable scope to advance global partnerships, such as the one we are working on with WFP in global fleet, but these are long-term efforts.

In this vein, we shared with our UNSDG partners several reflections and lessons learned from the BIG, many of which we will intend to apply to our own work as UNHCR. The first is that several agencies have considerable experience with global consolidation of their own service offerings, and we should be looking to learn from and slowly scale such best practices. We would strongly encourage member states to support this approach to innovation. The second is that there is massive potential to leverage

technology and private sector capacity to transform our business model, especially where robotics and automation could accelerate endogenous UN initiatives. This is very much what we are aiming to do through the Digital Solutions Centre. And the third is that such initiatives require conscious change management, not only through consultation as we design and develop new tools and systems, but as we roll out and colleagues feel the impact on their own functions.

All of this is especially prescient in the context of COVID-19, which has provided us with a unique perspective on what functions can be truly location-independent, lessons we should harvest and review. Within UNHCR, we continue our work to replace our current Enterprise Resource Planning system, MSRP, through the Business Transformation Programme. Beyond the replacement of software, this programme constitutes an opportunity to explore and implement new ways of working, address key business pain points and increase capabilities by leveraging modern tools and cloud technologies to support back-office processes. This project is proceeding apace with the aim of delivering by 2023.

Distinguished delegates,

Over the years, I have spoken about the efforts we have deployed to maintain and strengthen the integrity of the organisation and its operations. These efforts have focussed on a range of mutually reinforcing objectives, including reviewing the way in which UNHCR's suite of oversight bodies operate and relate to each other; bringing about a significant shift in the organization's risk culture; refocusing and coordinating the organization's engagement on topical issues; and reinforcing individual functions and systems within individual bodies pertaining to UNHCR's integrity.

We have discussed a number of these initiatives and issues at length over recent sessions, including through dedicated sessions on the prevention and response to Sexual Abuse and Exploitation, and Sexual Harassment, or Risk Management. Item 2 of this session's agenda provides us with a new opportunity to examine these matters together with the activities of UNHCR's Ethics and Ombudsman's Offices, which we have not recently discussed.

We continue to emphasize the integrity of our operations and organisation, and see investments succeeding to prevent and respond to all forms of misconduct, fraud, corruption, sexual exploitation and abuse (SEA), and sexual harassment (SH). One aspect which is clearer to us now is the continuum which exists between our work to set and frame values, initiatives to ensure that conflict within our workforce is proactively managed, and efforts to follow up formally on serious integrity transgressions. In this, the work of various entities in the house is crucial to these efforts, such as between our focus on people management at every level of the organization and the Ombudsman's informal conflict resolution mechanism or the Ethics office's attention to a strong value-based Code of Conduct that permeates through UNHCR. This is reflective of a shift in culture within UNHCR, one that sees us refocussing efforts on a positive and proactive message modelling good workforce behaviour. Such an approach is a prerequisite to an organisation in which the relationship between management and its workforce is no longer defined by the need to comply – with rules, procedures, and policies – but by all acting with integrity because they *know* it is the right thing to do, and the best way to achieve our common goal.

At the same time, we are confronted with some hard truths about the world in which we live. As in previous years, when the global debate around the 'Me Too' movement triggered action within UNHCR on gender relations and related issues, the 'Black Lives Matter' movement has forced us to take a hard look at racial discrimination in all its forms.

This has led to necessary and healthy, albeit at times uncomfortable, conversations. These discussions are ongoing, and are now taking place at various levels of the organisation. It is clear that we can no longer ‘just’ be non-racist, but we have to become anti-racist and take action. We have to understand and recognise privilege, including our own, and look at how we can become more inclusive and diverse as an organisation and as a system to protect and aid better.

To this end, the High Commissioner will elaborate further in his address to the Executive Committee next month the specific measures we intend to take to gain a better understanding of the extent to which systemic, cultural and race discrimination and inequality exists in the organization and the actions we will take accordingly. This will augment substantially the stepped up approach we have taken over the last few years on inclusion, diversity, and gender.

Distinguished delegates,

We continue to collaborate closely with the UN Board of Auditors (BOA) and welcome their recommendations and guidance to improve UNHCR’s control framework and the effectiveness of the organisation, particularly as we continue our change process and adjust to a decentralised setup.

As you will have noted, the Board concluded, following its examination of financial statements prepared for the year, that these fairly presented, in all material aspects, UNHCR’s financial position and its financial performance and cash flows for the year. Insights provided by the Board remain critical to ensuring we improve the organisation’s control framework while improving the effectiveness of our delivery of protection and solutions for people we serve. We have redoubled efforts to address weaknesses and areas for improvement identified by the Board. As of May, we had closed 50 per cent of the recommendations issued by the Board for 2018 and in previous years. The Board noted continued progress in implementing outstanding recommendations, welcoming the overall progress made in closing many older recommendations.

Internal Audits provide another avenue to highlight for us the necessary improvements to our governance, risk management and control processes. Faced with the disruption cause by the COVID-19 pandemic, and the resulting shift in UNHCR’s risk landscape, the Office of Internal Oversight Services (OIOS) who undertake internal audit activities in respect of our organisation, substantially repurposed its workplan for 2020.

While more work is required to ensure areas for improvement identified through internal audits are dealt with promptly, we have made some progress in tackling the backlog of recommendations. These improvements are in large part the result of the more risk-aware culture within UNHCR, complemented by refocussed attention by Regional Bureaux resulting from changes introduced as part of our decentralized process.

Distinguished delegates,

We will discuss our budgets for 2020 and 2021, including supplementary budgets in support of activities to protect refugees and other persons of concern from the impact of the COVID-19 pandemic and in support of the displaced in the Sahel region, in detail under item 6.

Our current funding situation and outlook for the year is similar to what we have reported in past Standing Committees. Our latest estimates put us on track to raise \$ 4.8 billion which will leave us with a funding gap of just under 50 per cent of the needs identified. And while I note that our financial situation mirrors that of previous years, that is without consideration of the added needs generated by the COVID-19 response. Your strong support has allowed us to raise \$462 million of the \$745

million but there are serious needs that remain unmet, so every additional dollar, euro, or yen is necessary and should not come at the expense of critical ongoing operations.

You will ask what the impact of not receiving the budget required to meet needs. My colleagues will provide more detail later in this meeting, but know now that this has significant consequences for the people we serve. To cite just two examples -- the 900,000 South Sudanese refugees whose medical coverage has recently deteriorated in settlements in Uganda as we were compelled to reduce the number of health workers and limit the procurement of medicine or the 3.1 million forcibly displaced Syrians throughout the region who will not receive winterization support this year due to under-funding. These and other instances in which under-funding has compelled us to reduce or cut activities, is outlined in a report on our most underfunded situations which is going to press as we speak, and I encourage you to review this in detail.

The quality of funding we receive further compounds the funding gap. This year, we have received lower levels of unearmarked support from donors as compared to previous years, affecting our ability to respond to emergencies and unforeseen needs in a timely manner. The timely receipt of funds is also a critical factor affecting our financial situation, with delays often leading us to operate on a knife's edge, with only marginally more cash in the bank than we need to cover immediate obligations.

On the other hand, increased funding from the private sector is some good news this year. We rapidly shifted our focus from face-to-face fundraising to fundraising through digital channels with the onset of COVID-19 and related restrictions and have received substantial support from corporate entities. Overall, we are on track to generate over half a billion dollars in funding through these sources this year, complementing the generous support which you, our institutional donors, continue to provide and for which we thank you most sincerely. We look forward to another healthy discussion and guidance from you at this Standing Committee as we navigate an uncertain environment into 2021.

Thank you.