



General Assembly

Distr.: General
12 September 2023

Original: English and French

**Executive Committee of the
High Commissioner's Programme**
Seventy-fourth session
9–13 October 2023
Item 6 of the provisional agenda
**Consideration and adoption of the
annual programme budget 2024**

Annual programme budget 2024 of the Office of the United Nations High Commissioner for Refugees (A/AC.96/74/5)

Report of the Advisory Committee on Administrative and Budgetary Questions*

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the annual programme budget 2024 of the Office of the United Nations High Commissioner for Refugees (A/AC.96/74/5). During its consideration of the report, the Committee was provided with additional information and clarification, concluding with written responses received on 3 August 2023.
2. The Advisory Committee will consider the financial report and audited financial statements for the year ended 31 December 2022 and the report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees during its fall session 2023. The Committee will include its main observations on any issues specific to UNHCR in its related report, which will be presented to the General Assembly during the fourth quarter of 2023.

* The present document is being issued without formal editing.



Table 1
Revised and current budgets 2023 and proposed 2024 (by region, global programmes and headquarters)
(in thousands of US dollars)

	2023 budget (restated)				2024 budget		Variance		Variance	
	Original		Current		Proposed		Proposed vs Current		Proposed vs Original	
	Amount	% over total	Amount	% over total	Amount	% over total	Amount	% change	Amount	% change
West and Central Africa	896,486	9%	971,080	9%	1,011,401	10%	40,321	4%	114,915	13%
East and Horn of Africa and the Great Lakes	2,021,249	20%	2,125,128	20%	2,149,050	20%	23,922	1%	127,801	6%
Southern Africa	471,462	5%	471,532	4%	492,154	5%	20,622	4%	20,691	4%
Middle East and North Africa	2,470,154	24%	2,441,639	23%	2,341,761	22%	(99,878)	-4%	(128,393)	-5%
Asia and the Pacific	944,741	9%	1,000,558	9%	993,215	9%	(7,343)	-1%	48,474	5%
Europe	1,293,533	13%	1,693,533	16%	1,466,193	14%	(227,340)	-13%	172,660	13%
Americas	827,188	8%	827,258	8%	834,571	8%	7,313	1%	7,383	1%
Country Operational Technical Support	134,032	1%	132,314	1%	159,949	2%	27,635	21%	25,916	19%
Subtotal country and regional programmes	9,058,846	89%	9,663,042	89%	9,448,293	89%	(214,749)	-2%	389,447	4%
Global programmes	398,795	4%	398,811	4%	406,495	4%	7,685	2%	7,701	2%
Headquarters	255,937	3%	257,426	2%	249,658	2%	(7,768)	-3%	(6,280)	-2%
Subtotal programmed activities	9,713,578	95%	10,319,278	96%	10,104,446	95%	(214,832)	-2%	390,868	4%
Operational reserve (OR)	485,679	5%	468,186	4%	505,222	5%	37,036	8%	19,543	4%
Junior Professional Officers	12,000	0%	12,000	0%	12,000	0%	0	0%	-	0%
Total	10,211,257	100%	10,799,464	100%	10,621,668	100%	(177,796)	-2%	410,411	4%

II. Financial resources

3. The 2024 programme budget of UNHCR is based on the High Commissioner's strategic directions for the period 2022-2026 in accordance with the Organization's strategies at the global, regional and country level, establishing direct linkages with the organization's plans and budgets to ensure the progression of strategy into action (ibid., para. 7). According to section D. of the budget document, UNHCR's key initiatives pertain to: (1) Advancing the Global Compact for Refugees; (2) the UNHCR transformation agenda; (3) Strengthening key areas of protection response; (4) Engagement with internally displaced persons; (5) Statelessness; (6) Climate action; (7) Accountability and oversight; and (8) Managing risks proactively and comprehensively. The Advisory Committee provides further comments under the relevant headings below.

4. The Advisory Committee was provided, upon enquiry, with an expanded table, showing additional columns for the 2022 estimate, the 2022 restated budget and the 2023 expenditure as of 30 June 2023, as annexed to the present report.

5. As indicated in paragraph 64 of the budget document, the budget for programmed activities consists of three components: country and regional programmes, global programmes and Headquarters, while reserves and the Junior Professional Officer programme are not included under programme activities. As shown in Table 1 above, the total 2024 programmatic budgetary requirements of the Office of the United Nations High Commissioner for Refugees for regional programmes, headquarters and global programmes, amount to \$10,104,446,000 reflecting a decrease of \$214,832,000 (2.0 per cent) as compared with the current budget of \$10,319,278,000 approved as at 31 May 2023, comprising \$9,448,293,000 for country and regional programmes; \$406,495,000 for global programmed activities; and \$249,658,000 for headquarters activities. Furthermore, \$505,222,000 pertains to the operational reserve; and \$12,000,000 for the Junior Professional Officer Fund (A/AC.96/74/5, Table I.19). It is also indicated that the resources for headquarters for 2023 (restated) amount to \$257,426,000, compared to the resources requested for 2024 in the amount of \$249,426,000, or a decrease of three per cent, while the resources for country and regional programmes amount to \$9,663,042,000 (restated), compared to the resources requested for 2024 in the amount of \$9,448,293,000 or a decrease of two per cent.

6. The UNHCR budget is a needs-based budget, with shifts in funding between projected needs and actual funds available. The report indicates that over the most recent 10 years, from 2013 to 2022, the final programme budget increased at an average rate of 8.1 per cent, while funds available increased at an average rate of 7.5 per cent and expenditure increased at an average rate of 7.3 per cent. The final budget for 2022 increased by 15.9 per cent compared to 2021, while funds available increased by 19.9 per cent, with the funding gap decreasing to 42.3 per cent (ibid, para 13 and table I.2, and below). **The Advisory Committee notes the fluctuations between the level of the overall budget, funds available as a percentage of the budget and the level of the funding gap, as well as the general tendency over the decade of the needs-based programme budget growth continuing to outstrip the available funds. The Committee also notes the decrease in the Headquarters resource requirements for 2024 in proportion to the country and regional component, as well as the increase in the requested requirements for global programmes. In terms of the internal composition of the budget, the Committee sees merit in tracking the proportions between the three components, especially with regard to management and administrative expenditures for Headquarters in relation to global and country and regional components and trusts that the development of core indicators for enabling areas will become useful tool in financial performance management.**

7. The budget document indicates in paragraph 75 that in the proposed programme budget for 2024, the resources for regional bureaux and regional activities have been merged, as the new enterprise resource planning system presents an opportunity to streamline the way that resources for regional activities are budgeted and managed. The 2024 proposed budget for regional bureaux of \$195.2 million reflects a decrease of \$24.8 million, or 11 per cent, compared to the

2023 current budget of \$219.9 million. Notwithstanding this, increases are proposed for the East and Horn of Africa and the Great Lakes, southern Africa and West and Central Africa, given the need for emergency preparedness and response, cluster leadership by UNHCR, strengthened development partnerships and work with various regional coordination platforms. The 2024 budget level proposed for the other bureaux are decreasing in view of the changes in operational context and strategy, namely in Europe and the Middle East and North Africa, and the streamlining of regional activities, namely in the Americas and Asia and the Pacific.

8. The budget report indicates in paragraphs 79 and 80, and annex I, table 4 that the United Nations appropriation to UNHCR covers the cost of the regular posts of the High Commissioner, the Deputy High Commissioner, 218 other management and administration posts at Headquarters, and a portion of recurring non-post administrative costs at Headquarters. The United Nations appropriation reflected in the programme budget for 2024 amounts to \$44.6 million, the same level as in 2023 before recosting. The share of United Nations contributions to UNHCR management and administrative costs is projected to be 23 per cent in 2024. The Advisory Committee provides related observations and recommendation in its report on the proposed programme budget for 2024 (A/78/7 (Section 25)).

Cost classification

9. As per the information provided in para 8b of the programme budget, cost categories comprise programme costs, programme support costs, and management and administration costs. Programme costs refer to those incurred at the country level and in regional bureaux that are directly linked to activities, projects and programmes. Programme support costs are required to develop, formulate, direct, administer and evaluate programmes budgeted at Headquarters and in regional bureaux and country operations. Management and administration costs are critical for the leadership and management of the organization, such as executive direction, evaluation and oversight, information technology and administration at Headquarters. Upon inquiry, the Advisory Committee was informed that the segregation between programme costs (PG), programme support costs (PS) and management and administration costs (MA) is ensured by the UNHCR chartfield design and that all operational budget and expenditure are classified as programme costs. The Committee was also provided with the table below, summarizing the post classification for PG and PS categories for field locations including the information that the classification of posts is used as a basis for the distribution of budget/costs related to the running of UNHCR offices, such as travel, contractual services, operating expenses and supplies and materials. The Committee was further informed that administrative budget and expenditure is allocated to PG, PS, and MA based on the allocation of posts for the given Cost Centre.

Summary of updated classification of PG and PS posts in the field

(see also A/AC.96/1158)

<i>Function type</i>	<i>Capital</i>	<i>Outside capital</i>
Administration/administration	PS	PS
Administration/finance	PS	PS
Administration/finance/project control	PS	PS*
Administration/general services	PS	PS
Administration/human resources	PS	PS
Administration/information and communications technology	PS	PS
Executive and management/field management		
a) Representative	PS*	PS*

<i>Function type</i>	<i>Capital</i>	<i>Outside capital</i>
b) Deputy Representatives with assigned functions	PG	PG
c) Deputy Representatives	PS	PG
Executive and management/executive support	PS	PS*
Policy	PS	PG
External relations/external relations	PS	PG
External relations/public information	PS	PG
International protection/durable solutions	PG	PG
International protection/legal protection and policy	PG	PG
International protection/protection operational support	PG	PG
Programme delivery/emergency management	PG	PG
Programme delivery/information management	PS*	PS*
Programme delivery/operations	PG	PG
Programme delivery/operations/policy and direction	PS*	PS*
Programme delivery/supply chain	PS*	PS*
Programme delivery/technical support	PG	PG

10. **The Advisory Committee notes from the information provided that the classification of costs appears to be determined mostly by categorization of posts by function and allocation of posts to cost centers, which may complicate the attribution of certain categories of operational costs, especially those that are not directly related to posts, to either programme or programme support category. The Committee also notes that establishing direct link to activities, which should differentiate programme costs from programme support costs, may be more complicated at the regional bureaux and country operations level as certain types of field functions are currently categorized as both PS and PG depending on field location (capital/outside capital). The Committee underscores the importance of consistent application of cost classifications for budgetary transparency and trusts that further clarifications in that regard, as well as regarding the impact it might have on resource allocation and performance, will be provided to the Standing Committee and the Executive Committee at the time of their consideration of the programme budget.**

Operational reserve and revision of financial rules

11. The Advisory Committee recalls its observations and recommendations in its report A/75/729 (1 March 2022) on the Report of the United Nations High Commissioner for Refugees on a proposal to establish financial regulations of the Office of the United Nations High

Commissioner for Refugees. As also indicated in A/AC.96/503/Rev.12, the UNHCR financial rules were subsequently revised and promulgated by the High Commissioner following Executive Committee approval with effect from 1 January 2023. Footnote 11 to the budget report, indicates, inter alia, that in accordance with the UNHCR revised financial rules, the operational reserve is now constituted at an amount equivalent to 5 per cent, compared to previously 10 per cent, of the proposed programmed activities in the programme budget submitted for the approval of the Executive Committee. Accordingly, the budgeted 2024 operational reserve is \$505,222,000, or 5 per cent of programmed activities of \$10,104,446,000. In comparison, the operational reserve for 2023 was budgeted at \$485,679,000, or 5 per cent of the original approved programmed activities budget of \$9,714,578,000. The current operational reserve value of \$468,186,000 for 2023 represents the value of the reserve after transfers out of the reserve have been effected (see table I.17 of the budget document).

Resource mobilization

12. The budget document, in paragraph 13, indicates that the funding gap has decreased from 44 per cent in 2021 to 42.3 per cent in 2022. Upon enquiry, the Advisory Committee was provided with a table showing that, from 2018 to 2023, UNHCR has fundraised a total of \$3,642.8 million.

Amounts raised 2018-2023

(USD million)

<i>Year</i>	<i>Ukraine Situation</i>	<i>Others</i>	<i>TOTAL</i>
2018	0.0	422.7	422.7
2019	0.0	421.7	421.7
2020	0.0	537.5	537.5
2021	0.0	625.3	625.3
2022	625.9	619.7	1,245.5
2023 end July	59.1	331.0	390.1
TOTAL	684.9	2,957.9	3,642.8

13. Upon enquiry, the Advisory Committee was informed that the lower funding gap in 2022 was primarily the result of continued strong support from private donors, resulting in raised funds in the amount of \$1,245.5 million. The Committee was informed that UNHCR's key fundraising campaigns, such as the annual Winter Campaign, which ended in March 2023, raised more than \$9 million from digital sources for UNHCR's winterization efforts, and the Aiming Higher supporting tertiary education campaign, launched in 2022, for the Refugee Scholarship Programme, raised more than \$15 million for four-year scholarships for 1,300 refugee scholars. In addition, the Ramadan Campaign was launched globally for the third year, raising \$5.3 million from digital channels.

14. As indicated in paragraph 15 of annex II to the budget document, unearmarked contributions increased from \$661 million in 2020 to \$763 million in 2022, but the percentage of unearmarked contributions over total contributions decreased from 15 per cent in 2021 to 13 per cent in 2022, mainly due to large increases in softly earmarked contributions. The Advisory Committee was informed, upon enquiry, that UNHCR has received positive feedback on its 2022 Global Report (<https://reporting.unhcr.org>), the first report prepared using the new COMPASS impact and outcome indicators in order to provide transparency for donors with respect to the impact of their funding process. The Committee was also informed that, in the view of UNHCR, some donors may be less inclined to earmark their contributions if UNHCR strengthens the evidence of its performance. **The Advisory Committee welcomes the efforts at achieving transparency of the use of resources in UNHCR's Global Report and encourages the continuation of outreach in order to increase unearmarked contributions from donors. The Committee looks forward to further updates thereon in the next budget submission.**

III. Post resources and related

15. An overall summary of the UNHCR workforce for 2023 and 2024 by programme, programme support, and management and administration, is provided in section III of the budget document.

	2023		2024		Variance	
	Current budget (restated)		Proposed budget		2024 vs 2023	
	Posts	% over total	Posts	% over total	Posts	% over total
Programme	8,328	50%	8,689	51%	361	4%
Programme support	7,670	46%	7,649	45%	(21)	0%
Management and administration	731	4%	740	4%	9	1%
Total	16,729	100%	17,078	100%	349	2%

	2023		2024		Variance	
	Current budget (restated)		Proposed budget		2024 vs 2023	
	Posts	Percentage over total	Posts	Percentage over total	Posts	Percentage change
West and Central Africa	2,019	12%	2,089	12%	70	3%
East and Horn of Africa and the Great Lakes	3,657	22%	3,765	22%	108	3%
Southern Africa	1,096	7%	1,052	6%	(44)	-4%
Middle East and North Africa	2,688	16%	2,693	16%	5	0%
Asia and the Pacific	1,891	11%	1,956	11%	65	3%
Europe	2,045	12%	2,004	12%	(41)	-2%
The Americas	1,655	10%	1,792	10%	137	8%
Country operational technical supports	138	1%	155	1%	17	12%
Subtotal country and regional programmes	15,189	91%	15,506	91%	317	2%
Global programmes ^b	647	4%	671	4%	24	4%
Headquarters ^c	893	5%	901	5%	8	1%
Total	16,729	100%	17,078	100%	349	2%

^a Includes posts in divisions that provide direct support to country and regional operations

^b Includes posts located in country and regional programmes

^c Includes posts in Geneva, Budapest, Copenhagen and New York.

16. Paragraph 89 of the budget document provides an overview of the proposed staffing changes between the 2023 current budget (restated) and the 2024 proposed budget. **The Advisory Committee notes that the information regarding staffing changes is at the general level only and sees merit in the more granular information to be provided in future reports in terms of workforce composition changes. The Committee trusts that such information will be provided to the Standing Committee and the Executive Committee.**

Junior Professional Officers

17. As indicated in paragraph 94 of the budget report, as at 31 May 2023, there were 61 Junior Professional Officers at UNHCR (48 in-country and regional programmes, and 13 at Headquarters). Upon enquiry, the Advisory Committee was provided with information showing JPOs by year, nationality, source of funding, function, and locations, from 2020 to

July 2023. The Committee was also informed that UNHCR advocates with all donor governments to allocate funding to JPOs from the global South but that due to conflicting funding priorities, the efforts to that effect had been challenging. UNHCR intends to continue to search for new donors in order to extend and broaden the JPO funding base, by increasing the number of donor countries interested in funding JPOs by including non-traditional donors, foundations, and middle-income countries. **The Advisory Committee trusts that a break-down of the expenditures regarding the budgeted amount of \$12 million under Junior Professional Officers (see under financial resources above) will be provided in future budget reports.**

Equitable geographic distribution and gender balance

18. As at 26 July 2023, at the professional level and above, staffing under UNHCR programme budget (extrabudgetary) comprised 414 (42.5 per cent) men, 580 (57.4 per cent) women, and 1 (0.3 per cent) not declared staff member. At all levels, staffing comprised 8,974 (57 per cent) men, 6,717 (42.7 per cent) women, and 54 (0.3 per cent) not declared staff members. As at the same date, of the incumbents of the 975 posts in the Professional and higher categories, 498 (51 per cent) came from Western and Eastern European States, 176 (18 per cent) from the Americas and Caribbean States, 154 (16 per cent) from Asia-Pacific States, 147 (15 per cent) from African and Middle Eastern States. **The Advisory Committee encourages UNHCR to intensify its efforts to achieve a more equitable geographical representation of Member States and gender balance among its staff.**

IV. Other matters

A. Key initiatives

19. An update on UNHCR's key initiatives, which will continue in 2024, and include those that relate to the eight focus areas related to UNHCR's strategic directions for 2022-2026, is provided in section D of the budget document. These are UNHCR's key initiatives: (a) Advancing the Global Compact for Refugees; (b) UNHCR business transformation agenda; (c) Strengthening key areas of protection response; (d) Engagement with internally displaced persons; (e) Statelessness; (f) Climate action; (g) Accountability and oversight; and (h) Managing risks proactively and comprehensively. The Advisory Committee addresses matters related to key initiatives, as appropriate, in the paragraphs below.

UNHCR business transformation agenda (business transformation programme)

20. The report indicates that the modernization of UNHCR's information technology business systems has been financed in its entirety from voluntary contributions, and United Nations regular budget funding is being used for that purpose. As indicated in the table below, which was provided to the Advisory Committee upon enquiry, the related budget amounts to a total of approximately \$114.84 million for the period 2019 to 2024, and includes resources for the roll-out of various BTP solutions to UNHCR operations globally.

Cost of implementation of the UNHCR business transformation programme, 2019 - 2024

(millions of US dollars)

Project	2019	2020	2021	2022	2023	2024	Total
	Actuals			Budget			
COMPASS	0.950	6.680	4.999	0.597			
CLOUD ERP		0.063	12.149	16.418	14.356		
WORKDAY		2.891	8.608	6.144			
PROMS			2.648	2.600	2.228	1.115	
LINK			2.702	2.788	1.563		

	2019	2020	2021	2022	2023	2024	
	<i>Actuals</i>			<i>Budget</i>			<i>Total</i>
SYNERGY			1.303	2.866	2.454		
Other*		0.838	3.098	6.988	8.907		
Total	0.950	10.472	35.507	38.401	29.508	1.115	114.838

* Other includes budgets for project governance, for the realignment of MSRP (retiring ERP) to COMPASS and of COMPASS to the Cloud ERP.

21. **The Advisory Committee is of the view that a more detailed breakdown of implementation and maintenance costs for each programme into objects of expenditure and a comparison between budgeted resources and the actual expenditures would benefit the assessment of the business transformation programme.**

22. The business transformation programme comprises six projects: (a) Human resources (Workday), launched in 2022; (b) Financial, procurement and supply (Cloud ERP), to launch in late 2023; (c) Programme and results-based management (COMPASS), launched in 2021; (d) Partnerships (Project Reporting Oversight and Monitoring Solution (PROMS)), to launch in late 2023; (e) External engagement management (Synergy), to launch in late 2023; and (f) Integration of the aforementioned cloud-based solutions and seamless data transference (Link project), to launch in late 2023.

23. Cloud ERP: described in paragraph 79 of the budget document, for 2024, the resources for regional bureaux and regional activities have been merged, as the new enterprise resource planning system is aimed at streamlining the budgeting and management of the resources for regional activities. Upon enquiry, the Advisory Committee was informed that the new Cloud ERP system includes a dedicated travel management module aimed at achieving efficiencies and strengthening inter-agency cooperation, with UNHCR implementing the gradual consolidation of travel expenses through the establishment of a global contract with a travel agency, centered around three reservation hubs currently based in Italy, Nairobi, and Bangkok. In a pilot initiative, UNHCR will establish a travel processing hub in Budapest, which would reduce the cost of processing travel by up to 25 per cent.

24. COMPASS: The Advisory Committee was informed upon enquiry, that UNHCR's legacy systems had become technologically obsolete, and that COMPASS has enhanced UNHCR's results-based management system and the associated accountability through a multi-year strategic planning cycle, a global results framework with core indicators, a budget structure and process based on the multi-year planning cycle, and the global results framework resulting in programme and budget submission to the Executive Committee by results areas on an annual basis. The Committee discusses matters related to indicators under the relevant heading below.

25. PROMS: Upon enquiry, the Advisory Committee was informed that PROMS will digitalize the establishment, management, and monitoring projects implemented through partners and by UNHCR, resulting in time savings from reduced manual workload (e.g., digitizing documents for archiving); enhanced risk and knowledge management from increased availability of timely financial and performance data; and improved ability to serve (e.g., quicker response time) by facilitating management of partnership agreements.

26. Link project: The Advisory Committee was informed that data will be integrated via Link across different platforms and systems, allowing for effective cross-platform and cross-functional analytics.

27. Collaboration with UN entities, including Business Innovations Group (BIG): As indicated in paragraph 32 of the budget report, in the context of the transformation agenda, UNHCR is closely aligning with other UN agencies on advancing the Sustainable Development Group reform processes, including through membership in the BIG and the DCO-managed task teams for Business Operations Strategy, Common Premises, Efficiency Reporting, and co-chairmanship of the Global Shared Services task team with the UN Secretariat. In addition, UNHCR contributes financially towards the DCO budget on an

annual basis, and, until December 2022, UNHCR had a staff member seconded to DCO for two years.

28. United Nations Fleet (UN-Fleet): The Advisory Committee was informed that this UNHCR and WFP joint venture is aimed at leveraging expertise and experience in offering light vehicle to other UN agencies with cost-effective vehicle leasing options and a portfolio of client-focused services. UN Fleet has service agreements with ten UN entities, namely FAO, ILO, UN Verification Mission in Colombia, UNFPA, UNHCR, UNICEF, UNOCHA, UNON, WFP, and WHO. UN-Fleet is currently in discussion with IOM, UNIDO, and UNAIDS. The Committee was also informed that UN-Fleet does not deploy used or end-of-life vehicles, as analysis has shown that disposing of end-of-life vehicles and reinvesting the sales proceeds in new vehicle acquisitions is more cost-effective. For the sale of used or end-of-life vehicles, UNHCR offers a vehicle auctioning service and also has service level agreements in place with 12 UN organizations. Furthermore, UN-Fleet funding is based on full cost recovery, while revenue is also realized through the sale of vehicles reaching their end of life. **The Advisory Committee looks forward to receiving more detailed information, including a break-down of the cost recovery, related to UN-Fleet.**

29. **The Advisory Committee notes the efforts of UNHCR, including regarding the collaboration of the Business Innovations Strategic Results Group, and trusts that detailed information, including quantifiable savings and efficiency gains, will be included routinely in all future budget submissions.**

Engagement with internally displaced persons

30. Upon enquiry, the Advisory Committee was informed that the Special Advisor on Internally Displaced Persons Solutions was appointed in mid-2022 by the Secretary-General and has initiated the process of development stakeholder engagement in IDP solutions. **The Advisory Committee intends to follow up on the matter in related subject reports.**

Accountability and oversight; and Managing risks proactively and comprehensively

31. As indicated in paragraph 45 of the budget document, guided by its Risk Management 2025 strategy, UNHCR is strengthening its risk management culture in all operational and management areas. An advisory review of risk management at UNHCR by the Office of Internal Oversight Services confirmed that UNHCR is making progress in bringing its risk maturity to an advanced level. In 2024, efforts will focus on risk management communications and opportunities for UNHCR personnel and partners to enhance their knowledge of risk management. Upon enquiry, the Advisory Committee was informed that the aforementioned advisory report, finalized in November 2022, concluded: (a) the Risk Management 2.0 initiative RM 2.0 initiative, from 2018 to 2020, was instrumental in shifting UNHCR's organization-wide focus on risk management, moving its risk maturity from HLCM's 'established' level in 2019 towards the 'advanced' level, the goal of its Risk Management Strategy 2025, with progress towards meeting the JIU benchmarks and the HLCM reference maturity model; (b) risk management measures should be integrated into the various stages of UNHCR's business model. **The Advisory Committee looks forward to an update on the Risk Management Strategy 2025 in the next budget submission.** The Advisory Committee intends to address matters related to risk management in its fall session 2023 in the context of its report on the report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees.

32. Upon enquiry, the Advisory Committee was provided with statistics of reported cases of misconduct indicating that between 2018 and 30 June 2023, a total of 322 cases had been reported involving 290 staff members and 32 affiliate workforce personnel, as follows:

	2018	2019	2020	2021	2022	2023	<i>Grand Total</i>
Staff Member	69	53	51	41	39	37	290
Financial fraud	50	29	28	15	20	25	167
RSD/RST fraud	16	18	13	11	12	4	74
Entitlement / benefit fraud	3	6	10	8	2	4	33

	2018	2019	2020	2021	2022	2023	Grand Total
MIP fraud				7	5	4	16
Affiliate Workforce		20	5	3	1	3	32
Entitlement / benefit fraud		20	5				25
MIP fraud				2	1	3	6
RSD/RST fraud				1			1
Grand Total	69	73	56	44	40	40	322

Abbreviations: RSD, Refugee status determination; RST, Resettlement; MIP, Medical Insurance Plan.

33. The Advisory Committee trusts that UNHCR will continue its efforts to ensure accountability and oversight for all types of misconduct cases among UNHCR's workforce, as well as affiliated personnel and implementing partners.

Key indicators

34. As indicated in paragraph 8 (c) of the budget document, core indicators track progress in outcome and impact areas, helping UNHCR substantiate how it makes a difference in the lives of those it serves. UNHCR is developing a set of core indicators for enabling areas to measure progress achieved in enabling areas in a standardized way. It is also indicated that a pilot will be carried out in 2024 and reported on in 2025 as part of the 2024 Global Report. Upon enquiry, the Advisory Committee was informed that UNHCR is undertaking the aforementioned internal review and approval of a proposed set of core enabling indicators, with involvement of all concerned parties, in order to monitor progress achieved in enabling areas in a more standardized way than at present. The Committee was also informed that UNHCR will present the proposed core enabling indicators at the September 2023 Standing Committee meeting in preparation for the aforementioned pilot, with the results to be published in 2025, in the Global Report for 2024.

35. Upon enquiry, the Advisory Committee was informed that, since the introduction of COMPASS, UNHCR's results-based management structure has been structured in three levels: (a) impact, (b) outcome, and (b) output. To translate the commitments to the Global Compact for Refugees and SDGs, several core indicators have been mapped to SDG and GCR indicators, namely: Impact level: 12 core indicators measuring changes in the lives of people UNHCR works for. Core impact indicators are part of each strategy by default; Outcome level: 8 core indicators measuring changes in the institutional and behavioral capacities that affect the lives of people UNHCR works for. Core outcome indicators are only mandatory for operations that are engaged in a particular outcome area; and Output level: 24 core indicators measuring changes in skills or capacities, services and products delivered as part of UNHCR interventions to facilitate achievement of outcomes. **The Advisory Committee underscores the importance of results frameworks and impact tracking in the context of resources mobilization, allocation and management and looks forward to an update about the details of the proposed core impact indicators, and related definitions and parameters, also regarding impact levels, in the next budget submission and in the context of the Global Report for 2024.**

B. Decentralization and regionalization

36. The Advisory Committee was informed, upon enquiry, that UNHCR's regionalization process was completed in 2021, implementing the High Commissioner's vision of repositioning the organization while entrusting more authority to country offices and multi-country offices supported and overseen by the regional bureau. Following the regionalization process, UNHCR headquarters were also realigned to ensure better integration with country and regional operations with structural changes made to strengthen support for solutions and programme planning, implementation, monitoring and reporting on results. Regarding the services provided by the Global Service Centers with a view to the centralization of services,

the Advisory Committee was informed, upon enquiry, that the Budapest location, operational since 2008, covers primarily human resources, finance, administration, supply, and information technology, while the Copenhagen location, operational since 2015, serves as the headquarters for the Private Sector Partnership Service, and hosts the Global Data Service; PRIMES project in the Division of International Protection, the Education unit and the joint data center in the Division of Resilience and Solutions, and the Division of Information Systems and Telecommunications; Legal Affaires Service; and Innovation Service. **The Advisory Committee looks forward to receiving further details regarding the allocation of functions (centralized vs decentralized), benefits and efficiencies realized in the course of the reform, including Global Service Centers, as well as lessons learned, in the context of the programme budget.** The Advisory Committee intends to address related matters in its fall session 2023 in the context of its report on the report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees.

C. Service providers

37. Upon enquiry, the Advisory Committee was informed that UNHCR uses several entities for various services: (a) UNOPS as a service provider for the recruitment and administration of national and international contractors assigned as project personnel to UNHCR operations worldwide; and (b) UNDP for services, including for UN volunteers, installment payments to partners, joint contribution to the UN Administration, joint medical services, security services and UN Field security coordination, and office maintenance. **The Advisory Committee is of the view that the arrangements between UNHCR and other entities for services provision should be embedded in the overall operational concept. The Committee also trusts that more granular information will be provided in the next budget submission, including the types of services provided, fees charged, and a breakdown of costs incurred and recovered.**

D. Resident coordinator system

38. As indicated in paragraph 41 and annex III of the budget document, UNHCR supports and partners with the United Nations resident coordinator system. UNHCR country operations are also solicited by Resident Coordinators to provide ad hoc financial contributions. Upon enquiry, the Advisory Committee was informed that the Resident Coordinator system offers UNHCR the opportunity for strengthened engagement with development and peace actors, in line with its strategic framework. Also, UNHCR's new multi-year results-based management system brings the agency's approach into greater alignment with the multi-year vision of CCAs and UNSDCF, and UNCTs' multi-stakeholder analysis, while the joint planning processes provide UNHCR with further entry-points for collaboration and complementarity across the HDP nexus. The Committee was furthermore informed that, within the Resident Coordinator system context, UNHCR is updating the Refugee Coordination Model Guidance to include more detailed practical guidance and a toolkit for UNHCR and partners working on the ground, including on how linkages between the RCM coordination structure and the UNDSCF coordination can be strengthened with a view to streamlining the HD nexus processes, while maintaining UNHCR's accountability for overall refugee coordination and response. **The Advisory Committee looks forward to a status update on the update of the Refugee Coordination Model Guidance in the next budget submission.**

E. Partnerships

39. The budget document indicates in paragraph 33 that UNHCR continues to engage with local and national responders, which made up 84 per cent of all funded partners in 2022, with a view to strengthening advocacy and mobilizing development actors to support economic opportunities, improve access to national systems, and enhance the self-reliance of forcibly displaced and stateless people. Upon enquiry, the Advisory Committee was informed

that: (a) the World Bank-UNHCR Joint Data Center supports the production of socioeconomic data in over 30 countries for development programming and policy making; (b) engagement with the IMF, centers on the Fund’s “Strategy for fragile and conflict-affected States” for tailored, robust and longer-term support to the Fund’s most vulnerable member countries; and (c) engagement with the OECD focusses on research and a new OECD tracking mechanism regarding the development cooperation of refugee-hosting countries, with a view to the inclusion of refugees and IDPs in development programmes and national statistics; (d) engagement with development actors on climate resilience, such as the Refugee Environmental Protection Fund and Project Flow, as the energy needs of displaced people can put pressure on the local environment; (e) private sector partnerships include a joint initiative launched by the International Finance Corporation and UNHCR to bring the private sector to refugee-hosting areas, launched in December 2022; and (f) UNHCR is one of the three founding agencies that developed the UN inter-agency Partner Portal (www.unpartnerportal.org) initiative, launched in 2018, with nine UN agencies having joined the Portal so far. **The Advisory Committee trusts that updates on the aforementioned partnerships, as well as those with implementing partners, will be provided in the next budget submission.**

F. Cash-based interventions

40. As indicated, inter alia, in paragraph 72 of the budget document, UNHCR will continue cash assistance for the most vulnerable, with activities relating to the prevention and response to gender-based violence, child protection, and communication with communities. Upon enquiry, the Advisory Committee was informed that UNHCR and WFP work closely together on cash-based interventions (CBI) management, through common cash approaches on procuring and using common financial service providers, joint efforts in cash delivery, joint monitoring, and co-chairmanship of cash working groups. Also, WFP uses UNHCR’s registration data for cash delivery in refugee situations, and other partners (UN agencies and NGOs) may also participate in common cash approaches. The Committee was provided with information showing the CBI expenditure from 2018 to 2022, as follows:

<i>CBI expenditure</i>	2018	2019	2020	2021	2022
	\$574 m	\$652 m	\$711 m	\$707m	\$1.004 b

41. The Advisory Committee was also informed that, since 2022, UNHCR’s Finance Hub has enabled UNHCR to centrally process financial transactions in Ukraine and neighboring countries (Bulgaria, the Czech Republic, Moldova, Poland, Hungary, Romania, Slovakia), with the Cash Hub leveraging existing Treasury Service and Europe Regional Bureau resources in Geneva, as well as the United Nations International Computing Centre, at no additional costs for UNHCR (<https://www.unhcr.org/what-we-do/respond-emergencies/cash-based-interventions>). **The Advisory Committee looks forward to updates on cash-based interventions in future budget submissions.**

G. Technology solutions in a humanitarian environment

42. Regarding technological planning tools in UNHCR’s operations, the Advisory Committee was informed that to generate population planning figures, UNHCR uses proGres, a corporate registration system that relies on biometrics. The Committee was also informed that UNHCR’s General Policy on Personal Data and Privacy, adopted in 2022, established an updated and unified data protection and privacy framework applicable to the collection, use and sharing of personal data of all individuals by UNHCR, fostering trust among people it serves, staff, partners, and donors. The Committee was also informed that UNHCR verifies the identity of refugees through its registration and identity management process, including biometrics, aimed at ensuring the veracity of the background information provided by the individuals.

Annex

[English only]

Expanded table V.2 (budget document)
received by the Advisory Committee upon enquiry

(in thousands of US dollars)

	2022 Expenditure no COTS		2022 Final budget no COTS		2022 Final budget (restated)		2023 Expenditure no COTS ⁽¹⁾		2023 Expenditure (restated) ⁽¹⁾		2023 Current budget no COTS		2023 Current budget (restated)		2024 Proposed budget (restated)		Variance Current 2023 (restated) vs Proposed (restated)	
	Amount	% over total	Amount	over	Amount	over	Amount	over	Amount	over	Amount	% over	Amount	% over	Amount	% over	Amount	% change
		total		total		total		total		total		total		total		total		total
Programme																		
Country and regional programmes	4,307,330	77%	8,706,655	81%	8,706,655	81%	1,787,564	73%	1,787,529	73%	8,734,295	81%	8,734,295	81%	8,491,996	80%	(242,299)	-3%
Global programmes	241,580	4%	289,088	3%	212,336	2%	138,770	6%	120,837	5%	298,076	3%	230,159	2%	236,213	2%	6,055	3%
Country Operational Technical Support		0%		0%	75,160	1%		0%	17,862	1%		0%	67,807	1%	95,329	1%	27,522	41%
Subtotal programme	4,548,910	81%	8,995,743	84%	8,994,152	84%	1,926,334	78%	1,926,228	78%	9,032,370	84%	9,032,260	84%	8,823,538	83%	(208,723)	-2%
Programme support																		
Country and regional programmes	612,632	11%	789,032	7%	789,074	7%	311,326	13%	311,536	13%	796,434	7%	796,434	7%	796,348	7%	(85)	0%
Global programmes	199,554	4%	242,461	2%	144,406	1%	93,318	4%	65,346	3%	241,606	2%	168,652	2%	170,282	2%	1,630	1%
Country Operational Technical Support		0%		0%	54,413	1%		0%	30,212	1%		0%	64,506	1%	64,620	1%	114	0%
Headquarters: support divisions/services	44,760	1%	45,467	0%	120,903	1%	25,436	1%	42,524	2%	55,392	1%	94,747	1%	51,624	0%	(43,124)	-46%
Subtotal programme support	856,946	15%	1,076,960	10%	1,108,797	10%	430,080	17%	449,619	18%	1,093,431	10%	1,124,339	10%	1,082,874	10%	(41,465)	-4%
Management and administration																		
Headquarters: annual budget	151,312	3%	159,581	1%	129,336	1%	77,860	3%	58,642	2%	148,842	1%	118,044	1%	153,400	1%	35,356	30%
Headquarters: United Nations regular budget	42,211	1%	42,216	0%	42,216	0%	21,597	1%	21,384	1%	44,634	0%	44,634	0%	44,634	0%	-	0%
Subtotal management and administration	193,524	3%	201,797	2%	171,552	2%	99,457	4%	80,026	3%	193,476	2%	162,678	2%	198,034	2%	35,356	22%
Subtotal programmed activities	5,599,379	100%	10,274,500	96%	10,274,500	96%	2,455,872	100%	2,455,872	100%	10,319,278	96%	10,319,278	96%	10,104,446	95%	(214,832)	-2%
Operational reserve (OR)		0%	427,502	4%	427,502	4%		0%		0%	468,186	4%	468,186	4%	505,222	5%	37,036	8%
Subtotal programmed activities and OR	5,599,379	100%	10,702,003	100%	10,702,003	100%	2,455,872	100%	2,455,872	100%	10,787,464	100%	10,787,464	100%	10,609,668	100%	(177,796)	-2%
Junior Professional Officers	7,704	0%	12,000	0%	12,000	0%	3,912	0%	3,912	0%	12,000	0%	12,000	0%	12,000	0%	-	0%
Total	5,607,083	100%	10,714,003	100%	10,714,003	100%	2,459,784	100%	2,459,784	100%	10,799,464	100%	10,799,464	100%	10,621,668	100%	(177,796)	-2%

(1) As of 30 June 2023