

Statement to the 74th session of the Executive Committee of the High
Commissioner's Programme

Introductory Remarks by Kelly T. Clements, Deputy High Commissioner

Room XIX, Palais des Nations

12 October 2023

Madam Chair,
High Commissioner,
Excellencies,
Distinguished delegates,

It has been a privilege to be with you for this Executive Committee, and to listen to the rich and at times vigorous debate of the last few days. We are grateful for your active engagement and your support, and humbled by the trust you continue to place in UNHCR. Thank you more importantly for your commitment to refugees at a particularly challenging time.

Indeed the state and scale of forced displacement today calls for humility. Humility in the face of crises that never seem to end. Crises that in fact seem to multiply and spread. 110 million forcibly displaced people bear witness to the unrelenting pace of humanitarian emergencies. But they also bear witness to social and economic crises, to political crises – solutions and compromise are more distant than ever – and increasingly they bear witness to the inescapable effects of the climate crisis, and humanity's war on nature.

Confronted with these enormous challenges, humility, yes. But also resolve and determination. UNHCR is not deterred by the scale of the challenge. No, we are committed, more than ever, to carry out our mandate to protect forcibly displaced and stateless persons irrespective of how daunting the task may seem. It is UNHCR's responsibility to provide life-saving protection and aid when dialogue breaks down and conflict breaks out, and to find solutions regardless of the challenges. And we are resolved because history has shown, over and over again, that our efforts are not in vain. That together, with your support, we can, we must and we do make a difference in the lives of refugees and many others who depend on us.

We know that the needs are enormous, that, year in and year out, so many of you continue to give, financially, or by hosting refugees, or both. But we cannot afford to tire now.

Dear delegates,

For 2023, our budget stands close to \$11 billion dollars. This includes the \$10.2 billion approved by the Executive Committee last year, to which supplemental requests were added to account for unforeseen emergency needs tied to the responses in Pakistan, Ethiopia, and most recently, Armenia, to name a few. And unfortunately, the outlook for 2024 provides little cause for optimism whether in Ukraine, Afghanistan, or Sudan. As a result the total needs anticipated for next year remain high, translating into a budget of \$10.6 billion.

Against these immense needs, the funding situation for 2023 is extremely challenging, with funds available to UNHCR currently reaching \$4.8 billion, or 44% only of the total needs identified. We have received roughly \$600 million less in 2023 than we had in 2022 at the same time last year, and we are working around the clock to raise additional funds.

UNHCR prides itself on being able to do more with less. We pride ourselves on our ability to prioritize and re-prioritize, to find new and ingenious ways to stay and deliver, to be the first on the ground, and the last to leave. On our commitment to work hand in hand with our partners – more than 1,100 of them – on the front lines of displacement. But should this underfunding trend carry through to the end of the year, we would be forced to do less. As the High Commissioner said yesterday, there is only so much prioritization possible with substantially less.

The consequences for refugees and their hosts would be immediate and dramatic. Fewer resources would mean fewer families receiving cash assistance in Yemen, with more children having to work to help their parents make ends meet. It would mean disruptions in UNHCR's ability to secure life-saving medicine in Uganda, with host and refugee communities unable to fully benefit from health services. It would mean increased pressure on Syrian refugees in Jordan or Lebanon to leave – to return to Syria prematurely, or risk their lives crossing the Mediterranean, as we have seen in increasing numbers recently, often with tragic results.

Of course, we know that the situation is difficult for all humanitarian actors, not just UNHCR. We also fully appreciate the competing demands and pressures – economic, social and political – that host and donor countries alike face in meeting all needs, including those of their own citizens.

Yet more *can* be done to share in the collective responsibility toward forcibly displaced and stateless people. For instance by enabling UNHCR to allocate the resources it receives more flexibly, and more efficiently, to where they are most

urgently needed, anywhere in the world. As the High Commissioner said on Monday, worryingly, we project that by the end of the year, the share of UNHCR's unearmarked and softly earmarked funds will have dropped by as much as 10% compared to 2022.

Earmarking introduces inefficiencies in UNHCR's ability to respond, by pre-determining, irrespective of needs, where humanitarian funds are directed. Earmarking introduces tension between host States, and inequalities among refugee and displaced populations. It treats refugees and forcibly displaced people differently based on geography, or based on how long certain crises can be sustained in headlines, and in our consciousness.

Earmarking and underfunding introduce inefficiencies also in structures that cannot be easily dismantled, in the fundamental infrastructure of humanitarian aid. The resources required to conduct vulnerability mappings for cash programs, or to set up cash delivery infrastructure, for instance, generate more efficiency as more cash is distributed. Such infrastructure, with an appropriate degree of monitoring and oversight, cannot be reduced even if fewer families are able to benefit from cash assistance. Earmarking and underfunding would result in a reversal of economies of scale. They not only threaten present and future gains, but also risk undoing achievements won over many years, in education, health, and protection.

Madam Chair, dear delegates,

Allow me here to acknowledge the different views communicated by you, the Member States, regarding UNHCR's 2024 proposed programme budget, and the process that led to the revision of our document.

As you will recall, during the September session of the Standing Committee, we addressed concerns related to the absence of language on inclusion and accountability in UNHCR's budget document as soon as we became aware of it. Specifically, the reference to UNHCR's budgetary planning and programmatic approach, which takes into account factors such as age, gender, and diversity in all its forms.

As we relayed at the time, and repeated since, the omission of the reference was due to internal miscommunication, one that we addressed by reverting to the same language used in UNHCR's programme budget documents presented to the Executive Committee for more than a decade, and before us today. Indeed, similar language has been used in budget documents as far back as 2006.

As the High Commissioner underscored in his opening statement, UNHCR remains fully committed to continued dialogue with ALL delegations, in an inclusive and open manner, on this and any other issue.

Dear delegates,

We do not take your support for granted, even as we continue to urge you to do more for refugees and for all the people for whom and with whom UNHCR works. We know that you expect more of us, as you should. We expect more of ourselves.

This drive to improve constantly – to become more agile, more efficient, more inclusive, and more collaborative – is precisely why UNHCR embarked on its process of transformation. Decentralization and regionalization and the Business Transformation Programme (BTP) have been the most visible flagships of UNHCR's transformation. Decentralization and regionalization have given us a new and more dynamic structure, where decision-making has been delegated to UNHCR representatives and regional offices, closer to refugees. This has been accompanied by a revised set of policies and procedures, and by a clearer accountability framework, all in the pursuit of bringing coherence and simplification to UNHCR operations around the world.

UNHCR's decentralization has been supported and strengthened by our investments in data and digitalization, and specifically our investments in state-of-the-art cloud-based systems. Last year, we met just as our new human resources solution, Workday, was launching. Today, I am pleased to announce that we crossed another important threshold with the launch of our new Enterprise Resource Planning system for finance and supply, Cloud ERP, which went live on 18 September. Together with Cloud ERP we simultaneously rolled out elements of our new partner management system, PROMS, as well as upgrades to COMPASS – our strategic planning and budget system – and Workday.

Drawing on our experience with Workday and COMPASS, we prepared for go-live by testing our new BTP systems intensively. We are now in the fourth week following the launch of Cloud ERP, and are encouraged to see the volume of transactions executed by country operations increasing, with purchase requests, supplier invoices, payments, and travel transactions all on the rise. Of course, the first few weeks of any system launch are bumpy, especially on this scale. We cannot afford any prolonged disruptions in our ability to manage our everyday operations, especially given UNHCR's geographic reach. That is why, at all levels of the organization, this effort will remain a high priority, until the system becomes more stable.

As our usage of these tools matures, we hope to gain critical insights into how UNHCR operates. With real-time information on UNHCR processes, we can bring evidence-informed adjustments to the way we deliver, including where we may need to centralize certain transactional functions and services like finance or travel management. We will also gain insights and identify potential course corrections through a variety of ongoing internal and external reviews of UNHCR's decentralization and of the Business Transformation Programme. The UN's Office of Internal Oversight Services has undertaken an audit of the Business Transformation Programme. UNHCR's Evaluation Office has just started an independent evaluation of UNHCR's decentralization and regionalization, that will assess its original design and objectives. And the Multilateral Organisation Performance Assessment Network, MOPAN, will soon also issue its report on UNHCR, which includes progress possible as a result of our decentralization and regionalization.

Dear delegates,

This process of adjustment, of realigning and rationalizing UNHCR capacities and structures among our Headquarters, regional bureaux, and country operations was always foreseen as part of the decentralization and regionalization. With the experience gained from the first few years of our transformation, we are well-positioned to review and streamline our capacities, to eliminate duplication – including in our workforce. The challenging financial landscape I outlined at the start of my remarks has shortened that timeline and injected a renewed sense of urgency. But it has not set us off course.

And while we do expect efficiencies to materialize as a result of our transformation, these will not allow us to absorb the expected funding shortfall for 2024. That is why we are actively pursuing efforts to reduce what we spend on ourselves - personnel and administration. To make more resources available for refugees and the people we serve. We are conducting a careful review of our workforce and our programs with some painful outcomes expected. Many of you are already seeing the effects of this exercise, as you have noted in your statements. Like with all UNHCR planning exercises, we endeavor to be as transparent and consultative in this process as possible, especially in those areas where we expect the impact will be most keenly felt.

And it will be felt also within UNHCR. This exercise will be very difficult for many of our colleagues, as we know the planned reduction in force will impact not only those whose jobs are directly affected, but their families too. It will affect the morale of the teams who remain. At this time of great stress on our organization,

under the leadership of the Division of Human Resources, and in consultation with the Global Staff Council, we are sparing no effort in putting in place a range of support services for our affected colleagues. It has been particularly encouraging to witness the continued dedication of our workforce to refugees, and to each other, even in the face of personal uncertainty.

Encouraging, but not surprising, as empathy and caring for one another are core to UNHCR's identity. They are fundamental expressions of the organization's culture, one where everyone is welcome and included. We are developing a comprehensive Diversity, Equity and Inclusion strategic framework – a priority for me personally, as it is for the High Commissioner and the entire Senior Team. The new framework will guide our efforts to build a safe and inclusive environment, without which, frankly, it would be impossible for UNHCR to deliver on its protection mandate, given how diverse our workforce is. We also remain committed to achieving gender parity at all levels within the organization. And, as part of our commitment to disability inclusion within UNHCR, we launched in January of this year a platform that allows our offices to report on their compliance with international standards for physical disability. Just this Tuesday, on the occasion of World Mental Health Day, the High Commissioner launched UNHCR's new Mental Health Strategy, in recognition that mental health and psychosocial wellbeing are critical to the overall wellbeing of our workforce.

Alongside investments in our workforce, in the people of UNHCR, which, we hope, will modernize and reinvigorate our organization, we remain focused on strengthening UNHCR's culture of transparency and accountability. An environment free from harm and discrimination, where each and every one is empowered to speak up to report misconduct in all its forms. Integrity and accountability are non-negotiable within UNHCR – as you will hear later from the Inspector General.

UNHCR's integrity entities, working closely with management, have contributed significantly to strengthening the organization's speak up culture, including through developing enhanced Protection Against Retaliation arrangements, through the Speak Up Helpline itself, and through the establishment of a Support Desk for workplace issues that do not necessarily amount to misconduct. We continue to prioritize the work to tackle sexual exploitation and abuse and sexual harassment. This year an updated global strategy was launched, placing greater emphasis on equipping and empowering UNHCR and partner teams and communities to know when and how to prevent and respond to sexual misconduct. We are proud to be at the forefront of the UN system's efforts in this area.

Madam Chair,

In closing, let me again reiterate our gratitude for the support you continue to provide us. I know you will join me in recognizing the tireless dedication of UNHCR teams and partners who do not waver in their commitment to forcibly displaced and stateless people, even in the face of adversity. We stand strongly with them.

Thank you.