

**Executive Committee of the
High Commissioner's Programme**

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Summary record*, Monday, 19 September 2022, at 13 a.m.

Chairperson: Ms. Kadra Ahmed Hassan.....(Djibouti)

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* Summary records, prepared by external service providers, summarize the discussions and record decisions taken. Though extensive, they do not represent a verbatim record of the proceedings. Corrections to a summary record should concern only errors made regarding, for example, the name of a speaker, an official title, and a statistic or a statement reflected from the discussion. A correction does not allow for any additions or for changes to be made of a political character. Any proposed substantive corrections will be checked against the sound recording of the meeting before any change can be made. Requests for corrections should be sent to the ExCom Secretariat: excom@unhcr.org, and any corrected records will be reissued with a new date. Feedback on the summary records may also be sent to the ExCom Secretariat for consideration in the preparation of future summaries.

The meeting was called to order at 3:05 p.m.

Programme budgets and funding (*continued*)

b. Programme budget of the Office of the United Nations High Commissioner for Refugees, 2023 (A/AC.96/1224) and the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/AC.96/1230) (*continued*)

1. **Mr. Matinrazm** (Islamic Republic of Iran), after thanking UNHCR for the efforts made in discharging its responsibilities to eliminate the suffering of refugees, and for the informative presentation of the programme budget for 2023 (A/AC.96/1224), said that while Iran (Islamic Republic of) had been a major host country for the past four decades, its capacity to protect refugees had been constrained by unilateral coercive measures. Nevertheless, his country had hosted and protected millions of Afghan citizens, providing them as far as possible with livelihoods, health and education, mostly using its own limited resources. Those sacrifices had been met, however, with disproportionate unilateral sanctions, including secondary sanctions and the freezing of all assets.

2. As had been acknowledged by UNHCR, the humanitarian situation in Afghanistan had deteriorated since August 2021. An increase in the number of asylum-seekers in Iran (Islamic Republic of) was expected in 2023. However, the proposed budget for South-West Asia had decreased by 24 per cent, and the proposed budget for his country had been reduced as well. He was seriously concerned that the budget reduction would affect UNHCR's projects, cause an additional burden to neighbouring host countries and negatively impact the provision of assistance and services jointly by Iran (Islamic Republic of) and UNHCR to Afghan refugees. It was therefore necessary to scrutinize the budget reduction in the region, in close collaboration with the countries concerned, taking into account the factual realities on the ground, including cross-border movements. His country continued to host one of the most protracted refugee situations, which should not be overshadowed by more recent waves of displacement worldwide. Against that backdrop, he wondered to what extent the volatile situation in Afghanistan, the consequences of fragility and stability in that country and the humanitarian situation in neighbouring host countries had been considered in the decision to decrease the budget in South-West Asia.

3. **Ms. Nzioki** (Kenya) said that Kenya aligned itself with the statement delivered by the representative of Chad on behalf of the African Group. She had appreciated the insightful remarks of the Deputy High Commissioner on the overall management and administrative issues in UNHCR and welcomed the Office's comprehensive participatory assessment of both protection and humanitarian needs, and the aspirations of refugees, asylum-seekers and returnees, which was key to ensuring that UNHCR's efforts engaged with the needs of those it served. She would be grateful, however, for clarification of the extent to which the needs-based proposed budget was impacted by the "other actors" referred to in paragraph 7 of the programme budget for 2023.

4. The projected 24 per cent rise from 2021 to 2023 in the total number of persons of concern would represent an additional 22.5 million people and would thus require concerted and amplified global efforts for enhanced resource mobilization. The increasing gap between needs and available resources was a matter of concern and was especially marked in the East and Horn of Africa and the Great Lakes region; it was important for the international community to bridge that gap, particularly in the area of global reintegration projects, which were crucial for enhancing durable solutions and creating conducive conditions in countries of origin. Notwithstanding new situations triggering the displacement of persons, it was essential to ensure that protracted situations remained on the international agenda and received commensurate political, diplomatic and financial support, bearing in mind the principle of international burden- and responsibility-sharing.

5. She welcomed the increase in the proposed budget for the East and Horn of Africa and the Great Lakes region, and the consideration of projected climate disasters and increased displacement, and said that the flexible approach shown should continue, given the development needs in the region. While she appreciated the inclusion of work to advance solutions to protect people displaced by climate change and disasters in UNHCR's priorities for 2023, it was important to ensure synergy with existing regional initiatives in order to avoid duplicity and enhance complementarity. She urged

UNHCR to amplify the call for innovative financing for countries most affected by climate change in order to build their adaptability and resilience to climate shocks.

6. It was of concern that impact area 4 (securing solutions) remained the least funded, despite being a crucial factor in the search for durable solutions. She would be grateful for further information on resource mobilization strategies to seek additional funding in that regard. She would also appreciate clarification on the decrease of \$3.8 million in outcome area 14 (voluntary repatriation and sustainable reintegration). It was of concern that the East and Horn of Africa and the Great Lakes region was one of the regions with the largest decreases.

7. She welcomed UNHCR's support for resettlement programmes in Kenya, which had long been a major host country, and had been particularly pleased to note the \$8.2 million increase in outcome area 15 (resettlement and complementary pathways), which would hopefully translate into additional resettlement places. Kenya supported the pivot towards enhancement of the humanitarian–development nexus. Particular emphasis on development remained crucial in order to stem displacement triggers. Development also created an environment where displaced persons and refugees could return in dignity and safety.

8. **Mr. Tarutin** (Russian Federation) said that while the programme budget for 2023 usefully demonstrated and substantiated UNHCR's financial needs, including through the main pillars, consideration should be given to incorporating the recommendations made by the United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ) – namely, having core indicators for UNHCR's five enabling areas – which would make the preparation of the budget more structured. Also, for greater transparency, he would be grateful if the Office could provide more detailed information in the programme budget on the planned use of funds from the United Nations regular budget, particularly with regard to administrative expenditure. Referring to paragraph 42 of the programme budget, he queried the inclusion of the reference to the Office's intention to “continue to improve the sustainability of its supply chain by 2025”, since the United Nations financial regulations made no mention of sustainable procurement. Indeed, the application of the concept of sustainable procurement had not been agreed upon in UNHCR with Member States, and had a direct impact on, and partially contradicted the requirements of best value for money, fairness, integrity and transparency, and effective international competition. He encouraged the Office to have a full discussion on that matter. A first step could be to prepare a report on sustainable procurement, setting out inter alia what constituted sustainable goods and what constituted sustainable services. He stressed that he was not against the concept of sustainability per se but was simply calling for UNHCR to pay close attention to new not fully established concepts in the field of procurement. He expressed his Government's support to UNHCR and assured the Office of its commitment to constructive cooperation.

9. **Mr. Garratt** (United Kingdom) said that he had appreciated the detailed overview of the programme budget for 2023 but shared the concern of other delegations at the steep increase in the number of persons of concern and their associated needs. In that context he applauded UNHCR for its continued efforts to diversify and expand its donor base. He welcomed in particular the increase in private-sector contributions and the intention to increase the budget of the Division of External Relations. He would be grateful for a closer understanding of how in practice UNHCR would develop that private-sector funding into sustained, flexible partnerships, and how delegations could best support that work. He welcomed the updates on key initiatives for 2023 and particularly appreciated the focus on improving women's and girls' access to services and participation in decision-making, and UNHCR's support for survivors, and those at risk of gender-based violence, and ongoing efforts to tackle sexual exploitation and abuse. The United Kingdom would remain a strong supporter of UNHCR's efforts to provide for the most vulnerable, including by taking account of age, gender and diversity. He acknowledged the progress made in delivering UNHCR's business transformation programme, and strongly welcomed the focus on improvement. He expressed his deep appreciation to all UNHCR staff for their hard work and dedication, often with great sacrifice, to help find solutions for those who were driven from their homes. 2023 would bring further challenges for everyone, but he looked ahead to the next Global Refugee Forum and to continuing his country's strong partnership with UNHCR to protect the most vulnerable.

10. **Ms. Paladi** (Republic of Moldova) said that she welcomed and appreciated the efforts of UNHCR, and the support provided by partners, to address the ever-increasing needs of refugees worldwide. In 2022, the illegal war in Ukraine started by the Russian Federation had demonstrated the importance of cooperation and interaction in addressing emergency situations. Previously a country unaffected by refugee issues, her country now hosted some 80,000 Ukrainian refugees – a per capita number of refugees that was among the highest in the world.

11. She expressed concern at the increasing gap between needs and available funding and noted the various ideas that had been put forward on how to address that gap. In her view, an efficient way to proceed would be to examine the current situation in different parts of the world. In that regard, she welcomed UNHCR's focus on dialogue and on specific regions and situations. She looked forward to discussions at the forthcoming round table in Europe, which she had understood would focus on the Republic of Moldova, and to joint examination of the key considerations in addressing a refugee crisis, such as early action, sustainability, age, gender, diversity and environmental concerns.

12. **Ms. Chandra** (Australia) expressed her appreciation of the presentation of the programme budget for 2023 and the prior consultations that had taken place and said that such exchange helped Member States engage in meaningful dialogue with UNHCR on operational issues. Australia was a significant donor to UNHCR, and was growing its contribution in 2022 in line with needs. In addition, its core and unearmarked contribution was complemented by support for specific crises. She welcomed UNHCR's focus on results-based management and looked forward to engaging further as more data became available in 2023.

13. Like other delegations, she was deeply concerned by the funding gap facing the Office; she welcomed efforts to expand the donor base and noted the increase in private-sector contributions. She encouraged UNHCR to continue its localization efforts and to ensure the meaningful participation of refugees in decision-making. While she recognized the need to prioritize, she remained concerned by the reduction in funding to the Asia and the Pacific region in 2023 and had listened with interest regarding the effects of that reduction on UNHCR's work, including in Afghanistan and Bangladesh, where Australia was a significant donor. Australia would monitor humanitarian needs in the region closely as they evolved in 2023 and welcomed continued dialogue in that regard.

14. She strongly supported UNHCR's efforts to ensure the inclusion of those at risk of marginalization in its humanitarian action, which actively reflected principles of non-discrimination, and encouraged all Member States to support the practical tools that helped UNHCR staff implement inclusion principles, ensuring that political issues did not get in the way of principled, practical action.

15. **Mr. Taha** (Sudan), after expressing appreciation for the presentation of the programme budget for 2023, said that he acknowledged the huge increase in the activities and work of UNHCR owing to the new emergencies in many parts of the world. The Office was to be commended for its adequate and timely response with a view to mitigating the suffering of refugees and internally displaced persons. Sudan, as one of the main host countries for refugees and asylum-seekers in Africa, and committed to the work of UNHCR, firmly believed that strong cooperation from all stakeholders was required in order to respect the principle of international burden- and responsibility-sharing. While he appreciated the increase in the country-specific programme budget for 2023, he believed that revision of the proposed budget was unavoidable in order to continue to meet the basic needs of refugees, particularly given the worsening effects of climate change, such as torrential rains.

16. **Ms. Shroff** (Director of the Division of Strategic Planning and Results, UNHCR) said that UNHCR budgets at the country level were developed in collaboration with governments, including local government. Responding to the question raised by the representative of Kenya on how UNHCR ensured that the budgets took into account the roles, responsibilities and contributions of other actors, she said that was perhaps best illustrated by humanitarian response plans or refugee response plans, such as the joint response plan for Bangladesh or the refugee and migrants' response plan for the situation of Venezuelans displaced abroad, and the coordination role played by UNHCR in that regard.

17. The reason for the modest decline in the budget for Bangladesh was that UNHCR had completed some infrastructure investments, and would now return to recurring costs. Responding to the question on the budget for voluntary repatriation, she said that voluntary repatriation and returns remained a cornerstone of UNHCR's durable-solutions approach. The Office invested in voluntary repatriation and returns, particularly in the East and Horn of Africa and the Great Lakes region, and had worked with the Government of Burundi and the governments of countries from which Burundians were returning. UNHCR was committed to ensuring that returns took place based on intention surveys and the desires of refugees. The budgets for voluntary repatriation were therefore based on those intention surveys. UNHCR monitored the relevant situations very closely, and would consider revising those budgets if necessary.

18. Responding to the question from the representative of Iran (Islamic Republic of) on that country's slightly reduced budget, she said that UNHCR was grateful for the support the country provided to Afghan refugees. While the 2023 budget was slightly lower than for 2022, it was significantly higher than the budget proposed for the phase prior to 2022. She wished to note that the budget reflected the full support of UNHCR to Iran (Islamic Republic of) to provide international protection to Afghan citizens and others, and was in line with the solutions strategy for Afghan refugees. A cornerstone of that strategy was the work done in the priority areas of return and reintegration inside Afghanistan. That work, which had started in 2022, would continue and intensify in 2023, and was being carried out in partnership with other United Nations agencies inside Afghanistan. The Office would continue to monitor the situation in Afghanistan and neighbouring countries, and would consider the possibility of issuing supplementary budgets or transfers from the operational reserve if necessary.

19. In reply to an issue raised by a number of delegations, she said that the policy of "age, gender and diversity mainstreaming" in programme planning had been a feature of UNHCR's work since the 1990s. It was backed up by several General Assembly resolutions and had enjoyed broad support from the Standing Committee and the Executive Committee. The reason was very simple – those who were forced to flee had a unique range of vulnerabilities and needs. The non-discrimination policy, designed to target UNHCR's responses to meet the actual needs of the persons it served, was part and parcel of the Office's work and mandate. UNHCR remained committed to the policy and hoped to continue to enjoy the support of Member States in that regard.

20. Responding to a question raised by the Russian Federation, she said UNHCR understood, and was considering, the request from the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for UNHCR to have core indicators for enabling areas. Good practice indicators were used for enabling areas. However, UNHCR had been somewhat reluctant to have core indicators for those areas, since enabling areas sometimes required different indicators from year to year. The Office would report back to the Standing Committee on its deliberations in that regard.

21. In reply to the question relating to UNHCR taking into account ACABQ recommendations, and the need to provide detailed follow-up, she said that that was already being done, as could be seen in the advance copy of the 2021 recommendations, which incorporated all the relevant follow-up. The Office would be happy to provide that information to the governing bodies, as appropriate.

22. Turning to the question raised by the European Union concerning the decline in the health and education budgets, she said that in fact the 2023 education budgets had increased. It was true, however, that the health budget had been decreasing slowly since 2021, following the higher budgets in 2020 and 2021 related to efforts in response to the coronavirus disease (COVID-19) pandemic. Much of that work had now been streamlined, making it possible to reduce the budgets.

23. With regard to the question raised by the representative of Algeria, UNHCR was currently working with the World Food Programme on a joint assessment mission to determine food security in the locations where camps had been established, which was in the final stages. Based on that assessment the Office would consider its responses.

24. **Mr. Cansizoglu** (Deputy Director, Division of Strategic Planning and Results, UNHCR), replying to a question raised by the Russian Federation, said that the total appropriations to UNHCR under the United Nations regular budget were set out in document A/77/6 (section 25). The same

detailed information could be found in paragraphs 77 and 78 of the UNHCR programme budget for 2023 (A/AC.96/1224). With regard to the question relating to greener procurements, he said that under sustainable development goal 12.7, all agencies were required to promote procurement practices that were sustainable, in accordance with national policies and priorities. In that regard, UNHCR worked to mitigate the impact of climate change and environmental degradation on forcibly displaced persons in their host communities, and to support their resilience and the preservation of the natural habitat. In that regard, the Office had identified nine outcomes for its efforts to green the supply chain, particularly concerning the core relief items provided to refugees and internally displaced persons worldwide.

25. **Ms. Clements** (Deputy High Commissioner) said, illustrating UNHCR's approach to the people it served, that in the 1990s the Office had introduced "people-orientated planning" to try to ensure that the way it designed programmes had maximum impact. That approach, which had been fully endorsed by the Standing Committee, had evolved into the policy of "age, gender and diversity mainstreaming" in around 2007. The most recent iteration of that policy had been endorsed in 2018. The Office did not design a response based on theoretical realities but rather based on the people it served, with all their vulnerabilities. That was an essential and integral part of UNHCR's programme design, and it would be neither effective nor efficient to do otherwise. The approach of equal rights for all the people served by UNHCR had been clearly endorsed, and it would be useful to focus on the practical delivery of programmes rather than on terminology.

26. **Ms. Vorontsova** (Russian Federation), speaking in exercise of the right of reply, said that the current food crisis was a result of distortions in the global economy and misjudgements on the part of Western countries in macroeconomic, energy and food policy. The situation had been exacerbated by climate disasters, the COVID-19 pandemic and large-scale anti-Russian sanctions. All artificial and illegitimate barriers to economic activity must be removed to restore the normal operation of supply chains and resolve other tasks related to food security.

27. **Mr. Kadmiri** (Morocco), speaking in exercise of the right of reply, expressed his serious concern regarding the diversion of international aid away from people in the Tindouf refugee camps. Many children in the camps were not receiving the diet they needed for healthy development, resulting in anaemia and stunted growth, amongst other things. It was important to distinguish between the humanitarian and political dimensions of the situation.

28. **Mr. Bakiri** (Algeria), in exercise of the right of reply, said that the allegations related to the diversion of international aid from the Tindouf camps were an attempt to distract, manipulate and spread disinformation so as to undermine the credibility of operations. The allegations had been proven false, including during visits organized by UNHCR.

3. International protection

a. Oral update on the Executive Committee conclusion process

29. **Mr. Gonzalez Mayagoitia** (Rapporteur for the Executive Committee conclusion process, UNHCR) said that the Executive Committee conclusions for that year were dedicated to the topic of mental health and psychosocial support. Since the 84th meeting of the Standing Committee, one additional informal preparatory consultation had taken place where delegations had discussed the last remaining paragraphs of the conclusions. He commended delegations for the commitment, flexibility and spirit of compromise they had shown during negotiations which had allowed a number of complex and divisive issues to be resolved. That said, some final aspects still needed to be clarified in order to arrive at a consensus text ready to be submitted to the Executive Committee. He encouraged delegations to take advantage of the current meeting to discuss those final aspects since no further informal preparatory consultations would be held. A meeting on potential topics for a future Executive Committee conclusion workplan would take place on 26 September 2022.

30. **Mr. Avramovic** (European Union) said that the topic of mental health and psychosocial support was crucial to the work of UNHCR given the heightened risk of trauma facing persons of concern as well as staff. Mental health and psychosocial support was essential for overall health and wellbeing and must be structurally anchored in crisis response from the onset. It was encouraging to see that UNHCR had increased its engagement on mental health and psychosocial support within

the broader United Nations and humanitarian community as well as in partnership with host governments. He fully supported the Executive Committee conclusions process as means of providing guidance on issues related to international protection.

31. **Ms. Namono Kibere** (Uganda) said that she was comfortable with the text produced at the most recent informal preparatory consultation and called on delegations to show flexibility on outstanding issues.

32. **Mr. Mayr** (Germany) welcomed the Executive Committee conclusions, underlining the importance of promoting the mental wellbeing of persons of concern and UNHCR staff. He commended the efforts of UNHCR to reinforce mental health and psychosocial support for its workforce who worked in very challenging environments. Delegations should address the outstanding issues with a view to reaching an overall consensus.

33. **Ms. Bennett** (United States of America) said that it was encouraging to see Member States collectively emphasize the importance of mental health and psychosocial support for refugees, internally displaced persons and stateless persons as well as for host communities and service providers, including UNHCR staff. Mental health was integral to overall health outcomes and other humanitarian and development objectives. She supported efforts to incorporate evidence-based mental health and psychosocial support into humanitarian and development programming and ensure its availability at every stage of a crisis. It was particularly important to improve access to mental health services for the most vulnerable.

34. **Ms. Papka** (Nigeria) expressed her appreciation to the Rapporteur for his constructive work as well as to Member States for their flexibility. It was her hope that the final draft of the conclusions would be favourable to all.

35. **Ms. Rasmussen** (Denmark) said that the most recent version of the text did not reflect all of her delegation's priorities but was a good compromise that enjoyed broad support. She urged all delegations with concerns to show flexibility, thus helping to reach a consensus.

36. **Ms. Chandra** (Australia) welcomed the consultative and transparent approach taken in the Executive Committee conclusion process. All parties should work constructively in a spirit of compromise to finalize the outstanding issues in the text.

37. **Ms. Nelson** (United Kingdom) thanked the Rapporteur for steering the conclusion process in an open and transparent manner. Mental health and psychosocial support was a critical topic for persons of concern and UNHCR staff. She was pleased to see that the topic had been included in the update paper entitled Human resources, including staff wellbeing (C/73/SC/CRP.22). Delegates should continue to show flexibility so that a consensus could be reached swiftly.

38. **Mr. Arga** (Ethiopia) fully supported the work of the Rapporteur and appreciated the flexibility shown by Member States. He encouraged delegations to reach a consensus on the outstanding issues.

39. **Mr. Gul** (Pakistan) said that great progress had been made in the informal preparatory consultations with few issues currently outstanding. To reach a consensus, it was important to think beyond terminology and focus on the core objective of the text, namely, to ensure the protection of the people who UNHCR served. All sides should show flexibility with a view to producing a balanced document written in standard language that was acceptable to all.

40. **Ms. Farjon** (Israel) recognized the importance of the Executive Committee conclusions on mental health and psychosocial support and supported the technical and non-politicized approach of the Rapporteur. It had been possible to reach agreement on many issues thanks to the flexibility and commitment of participants. That said, she wished to note that the current text was disappointing, particularly with regard to the language and hoped that future work would be done in a more respectful manner. The conclusions were intended as a guidance document and should therefore be adopted by consensus. As a result, her Government would be flexible despite its concerns and requested that other governments do the same.

41. **Mr. Banzet** (Canada) said that the approach taken by the Rapporteur was an effective one and had led to a meaningful draft. Member States should show flexibility on the remaining issues so as to reach a compromise. He stressed the importance of addressing mental health and psychosocial support and encouraged the adoption of the conclusions by the Executive Committee. More broadly, his Government strongly supported the conclusions process as an important element of the international refugee protection regime.

42. The Chairperson commended the Rapporteur for taking a transparent and inclusive approach and applauded Member States for their diligent work and constructive attitude. A few outstanding issues remained, including matters linked to beliefs and values. However, those issues were not directly related to the topic and should not jeopardize a consensus. Mental health and psychosocial support was a matter of utmost importance to the protection and wellbeing of refugees, internally displaced persons and host communities. It was therefore crucial that differences in opinion did not stand in the way of the Executive Committee's prerogative to advise on the matter. Member States should double down on the constructive spirit and flexibility they had shown thus far to reach a compromise for the benefit of the people in need.

b. Oral update on the preparations for the High Commissioner's Dialogue

43. **Ms. Al-Khatat-Williams** (Deputy Director for the Division of Resilience and Solutions, UNHCR), accompanying her remarks with a digital slide presentation, said that the High Commissioner's Dialogue on Protection Challenges would take place on 7 and 8 December 2022 in Geneva and would focus on the following theme: development cooperation to advance protection, inclusion and solutions for forcibly displaced and stateless persons and their host communities.

44. The theme of the Dialogue was a timely one. Indeed, many governments and development actors had been making substantial efforts to include displacement considerations in their development planning and policies. It had also become clear that tangible gains had been made from increasing official development assistance to host countries with developing economies, resulting in concrete policies, legal and administrative frameworks and financial instruments that advanced solutions for displaced and stateless populations. Moreover, recent initiatives, such as the 2030 Agenda for Sustainable Development and the Global Compact on Refugees, underscored the importance of development cooperation.

45. UNHCR had been advancing its engagement in humanitarian-development cooperation and had a growing role as a catalyst for development engagement in the context of forced displacement. Its work involved leveraging development cooperation to improve protection and policy environments, linking refugees with national systems and expanding support for self-reliance within refugee and host communities. In addition, the UNHCR Strategic Directions 2022-2026 included plans to accelerate efforts towards mainstreaming development engagement from the outset of responses to displacement. The Dialogue would be an opportunity to build on existing achievements and address further challenges.

46. Looking ahead, UNHCR must continue to adapt its work on development cooperation and to broaden and deepen its partnerships. The Dialogue would help to identify challenges, opportunities and recommendations in that regard as well as to inform pledge cultivation and mobilization. She was hopeful that the Dialogue would serve as a strategic building block in preparation for the 2023 Global Refugee Forum.

47. Discussions during the Dialogue would be framed around the three key phases of protection: early action, inclusion and solutions. There would also be sufficient time to discuss other important issues raised by Member States, such as supporting national capacities for inclusion and ensuring the sustainability of solutions.

48. **Ms. Ali** (Senior Policy Adviser, Global Compact on Refugees), accompanying her remarks with a digital slide presentation, said that UNHCR had decided to take a decentralized approach and organize a series of preparatory roundtables that would take place in each of the regions ahead of the Dialogue. During the roundtables, participants would look at specific displacement and stateless situations that would serve as case studies to stimulate reflection on development cooperation. The roundtables would lay the foundation for discussions at the Dialogue and help to advance

development cooperation in the regions. Among the case studies identified were Honduras, Afghanistan, Burundi, Moldova and Jordan. It was important to consider how the learnings from the roundtables could contribute to the broader global discussion. Speakers from the roundtables would therefore be invited to participate at the Dialogue. The roundtables would be focused and specific with participation from stakeholders based in the regions concerned. Most would take place in person, although hybrid and virtual meetings were also a possibility.

49. The Dialogue itself was intended as an opportunity to have informal multistakeholder discussions on key issues linked to refugee protection. The provisional programme had been structured in a way that would facilitate as much discussion and participation as possible. The opening plenary session would begin with a conversation between the High Commissioner and a development partner which would be followed by reflections from the preparatory roundtables. There would also be an opportunity for a plenary discussion. The lunch break would provide two opportunities for engagement: (1) a speaker's corner where delegates could present research studies on development cooperation, and (2) a special session on a particular thematic issue. In the afternoon, three parallel spotlight sessions would take place. The spotlight sessions would not be traditional panels but interactive dialogues cofacilitated by UNHCR's executive team and a development partner. Each session would start with a short exchange between UNHCR and the development partner to frame the topic being discussed. The floor would then be passed to the participants in the room who would be asked to respond to some questions. Three spotlight sessions would also take place the next morning followed by a lunch break and a closing plenary session. UNHCR would share further information in the lead up to the Dialogue.

50. **Ms. Nelson** (United Kingdom) said that most refugees and internally displaced persons lived in developing countries and were on average poorer than their host communities. Their displacement was becoming increasingly protracted with around three quarters of refugees displaced for more than five years. It was therefore clear that forced displacement was not only a humanitarian concern but also a development challenge.

51. She welcomed the fact that development cooperation was the theme of the Dialogue. UNHCR should provide an update on the activities it had undertaken to strengthen its engagement and partnerships with development actors.

52. **Mr. Hage** (Brazil) said that refugees and migrants were among the hardest hit by the pandemic and by growing inflation on fuel and food items. Under its interiorization programme, the Government of Brazil had helped relocate eight thousand Venezuelan refugees to more than eight hundred Brazilian cities thus ensuring their integration and, in turn, promoting development. Partnerships with international organizations, civil society and the private sector had been a key dimension of those efforts. His Government remained fully committed to protection, inclusion and strong partnerships with a view to encouraging refugees to contribute to the development of their host communities. If included in development, refugees would be able to move on with dignity, in a spirit of shared values and commitments.

53. **Mr. Mayr** (Germany) said that more systematic coordination and integrated planning was needed to align humanitarian interventions with development and peace efforts as well with government-led responses. It could be achieved by leveraging the comparative advantages of different development actors according to their mandates. He called on UNHCR to seize the opportunity presented by the Dialogue to provide policy guidance on how to improve coordination with development actors. Coordination was key to ensuring an efficient response without overlap or duplication. Development actors together with UNHCR could play an important role in promoting the inclusion of refugees in international systems.

54. **Mr. Banzet** (Canada) recognized UNHCR's pivotal role in supporting the overall humanitarian architecture, particularly its advancements as lead of the Global Protection Cluster. He welcomed the 2022 High Commissioner's Dialogue on Protection Challenges. The proposed roundtables and subsequent dynamic dialogues would enhance lessons learned in a way that would both support traditional human responses and enable effective, anticipatory actions. The only way to find lasting solutions was to put in place a comprehensive response that brought together a broad set of stakeholders. It was therefore heartening to see that many different stakeholders had been invited to participate in the Dialogue, including refugee-led organizations and the private sector.

UNHCR should leverage synergies with development actors and international financial institutions to facilitate the recovery and the voluntary, safe and sustainable return of those forcibly displaced. At the same time, UNHCR should reinforce its protection and humanitarian mandate and ensure that all activities were conducted in accordance with humanitarian principles.

55. **Ms. Bennett** (United States of America) was pleased that the 2022 Dialogue would focus on strengthening development cooperation. Collaboration with development partners was critical for advancing the objectives of the Global Compact on Refugees. There was broad agreement on the need for more holistic, comprehensive approaches to forced displacement. Yet, concrete and systematic structures for humanitarian-development coordination in the context of forced displacement and statelessness were still lacking. She hoped that the Dialogue would encourage independent initiatives and produce specific system-wide recommendations to help break down silos and bring humanitarian and development actors together in more regular and strategic ways.

56. The Government of the United States continued to work with humanitarian and development partners to promote durable solutions and self-reliance for forcibly displaced people while also supporting host communities. As chair of the Comprehensive Regional Protection and Solutions Framework, her Government wished to advance an ambitious agenda highlighting the benefits that refugees and other displaced persons could bring to their new communities.

57. **Ms. Clements** (Deputy High Commissioner) said that she welcomed the support expressed for UNHCR's efforts to reinforce its culture of integrity. The Office would continue and extend that work. Replying to the question on the presentation of data, she said that consideration would be given as to how best to improve the way data were used in the report. One possibility would be the inclusion of trend lines to show the decisions taken by the Deputy Commissioner on disciplinary measures. It was hoped that the 2023 report would reflect those changes and provide a more comprehensive overview. With regard to the questions on UNHCR's work on integrity in the context of the Inter-Agency Standing Committee, she said that inter-agency cooperation was important, since a problem in one agency affected the reputations of, and the trust enjoyed by, others. To that end, UNHCR worked hard within the inter-agency system, sharing its experience but also learning from others and bringing back best practices to the Office. One example of that was an investigators' manual on sexual harassment investigations that had been recently prepared by UNHCR and shared not just with United Nations agencies, but also with partners.

International protection (continued)

b. Oral update on the preparations for the High Commissioner's Dialogue (continued)

58. **Mr Pupulin** (IMPACT Initiatives), speaking on behalf of a group of non-governmental organizations, said that each year, forced displacement due to conflict, violence, disasters and climate change reached new, unprecedented levels, and 2022 had been no exception. In addition, the crises were becoming more protracted and refugees and internally displaced people were being forced to live in increasingly fragile conditions for longer periods. As host countries' systems were being increasingly stretched, and with climate change, pandemics and other dynamics adding complexity to traditional humanitarian responses, development-oriented approaches must be given early consideration. Non-governmental organizations therefore welcomed UNHCR's commitment to improving humanitarian and development cooperation to advance sustainable solutions, as well as the emphasis on mainstreaming development engagement in its strategic directions. Similar commitments in the report of the High-Level Panel on Internal Displacement and the United Nations Secretary-General's Action Agenda on Internal Displacement were also encouraging. Non-governmental organizations could play a critical role in translating those commitments into action.

59. Forcibly displaced people were often excluded from local systems and services and unable to meet their own basic needs. Solutions required legal frameworks as the basis for enabling inclusion, along with policies to remove structural barriers. In many contexts, although broad legislation had established a legal basis for refugee rights and protection, the implementation of legal and policy frameworks remained a challenge and refugees often faced difficulties in realizing their right to work. It was also essential for displaced and stateless people to have equitable access to services, including education and health care, as well as security and protection against violence and

exploitation. In that regard, UNHCR should continue to work with host States to develop robust legal and policy frameworks. UNHCR should also further highlight and promote best practices from existing national policies as the foundation for integration and durable solutions.

60. Mechanisms were needed to allow people to contribute to designing durable solutions, as top-down decisions were not sustainable. Practically, that meant collecting information from displaced and host communities to obtain a comprehensive, evidence-based understanding of their needs, vulnerabilities, intentions and perceptions. Mechanisms should also be established to gather feedback on aid delivery in order to enhance accountability. In order to promote inclusion and transparency in decision-making, UNHCR and other policy-makers should systematically use information and feedback provided by displaced and host communities to design appropriate, practical, context-specific and community-led solutions.

61. Viewing displaced and host communities as targets rather than as key stakeholders resulted in reduced accountability, effectiveness and sustainability. A paradigm shift was needed to put people at the centre of coordinating and implementing interventions, breaking down aid silos and replacing them with community-led approaches. Making coordination and decision-making processes inclusive from the start helped to mitigate fragmented approaches. Therefore, UNHCR should work to facilitate greater inclusion of local actors, including organizations led by forcibly displaced people, notably by shifting to a coordination and implementation model aligned with the localisation agenda and framed by a territorial rather than a sectoral lens. Such an approach could leverage local capacities to address multiple needs, rather than building on pre-packaged solutions developed externally. Donors must also play a leadership role in fostering greater inclusion by breaking down the humanitarian and development silos within their own internal structures. Flexible and integrated funding strategies should be developed to bridge those divides. Making institutional funding mechanisms more accessible to local actors would be another concrete way to play a transformative role.

62. Lastly, with regard to global resource allocation, core humanitarian principles should not be forgotten: addressing needs wherever they were found, prioritizing the most vulnerable, providing aid without discrimination and remaining uninfluenced by political or economic agendas. The incredible funding mobilization in response to the rapidly evolving Ukraine crisis was to be commended, but should not come at the expense of aid allocations to other severe crises.

63. **Ms Al-Khatat-Williams** (Deputy Director of the Division of Resilience and Solutions, UNHCR) thanked the Committee for their helpful and encouraging comments and suggestions regarding the framing of various themes included in the High Commissioner's Dialogues. Responding to a specific query from the representative of the United Kingdom, she noted that an action plan to take forward the High Commissioner's strategic directions was being considered and would hopefully be further articulated during the High Commissioner's Dialogue. She thanked the representative of Brazil for highlighting the country's positive, inclusive policies and looked forward to showcasing those and other examples of best practices during the Dialogue. She thanked the representative of Canada for encouraging comments on the diversity of the stakeholder groups involved in the Dialogue and on the approaches to a more robust approach to achieving solutions. The leadership of the United States on the MIRPS (Comprehensive Regional Protection and Solutions Framework) and other support platforms would also be highlighted during the Dialogue. Lastly, she thanked the representative of Germany for highlighting the issue of coordination. Indeed, humanitarian development integration was one of the main themes that would be discussed during the Dialogue and she looked forward to receiving impetus to make concrete steps towards fostering that level of coordination at both country, regional and global levels moving forward.

63. **Ms Ali** (Senior Policy Adviser on the Global Compact on Refugees, UNHCR) noted that the preparatory roundtables would be coordinated by the regional offices and would engage key partners in the region – including Governments, development actors, non-governmental organizations, refugee-led organizations, the private sector and international financial institutions – to discuss particular situations. She would be happy to forward any questions about the roundtables or expressions of interest from Governments wishing to participate to the regional offices. UNHCR very much supported the inclusion of refugees in the decision-making process and in the implementation of programmes, and was indeed working to do that systematically. In the context of

the Dialogue, refugee-led organizations from the regions or engaged in specific situations would be participating in the preparatory roundtables and, visa circumstances permitting, would also be attending the Dialogue in Geneva. Consideration had been given on how to include the question of coordination between humanitarian or development actors more systematically in the discussions. Protection was a cross-cutting issue and ensuring that there was an enabling environment for solutions was critical for any kind of development cooperation to succeed. Protection questions would therefore be a very important part of the framing of each of the spotlight sessions at the Dialogue. On the importance of the issue of inclusion, specifically economic inclusion, she noted that they were hoping to engage the private sector and key international financial institutions in further discussion at the Dialogue on how to advance in that area.

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

a. Finance and oversight

i. Financial statements for the year 2021 as contained in the Report of the Board of Auditors to the General Assembly on the financial report and audited financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2021 (A/AC.96/1223)

ii. Key issues and measures taken in response to the report of the Board of Auditors for 2021 (A/AC.96/1223/Add.1), as well as follow up to the recommendations from previous years

64. **Mr Baritt** (Controller and Director of the Division of Financial and Administrative Management, UNHCR), accompanied by a slide presentation, introduced the financial statements for the year 2021 as contained in the Report of the Board of Auditors to the General Assembly on the financial report and audited financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2021 (A/AC.96/1223).

65. In 2021, UNHCR had revenue of more than \$5 billion, most of which had been distributed to 130 operations. Hundreds of finance staff across the globe worked to ensure that the Organization's financial operations were efficient and properly coded, in order to ensure that the information provided in the report was accurate, reliable and conformed with International Public Sector Accounting Standards (IPSAS). The Board of Auditors then spent months reviewing the data and visiting field operations in order to form an opinion as to whether the report was accurate. Indeed, the Board had given a positive unqualified opinion for the year ended 31 December 2021.

66. The statement of financial position provided a summary that could be used as a benchmark to compare with other United Nations agencies. Reference numbers indicated where further details could be found for each entry. The statement of financial performance summarized income and expenses for the year. The level of voluntary contributions had increased in 2021 by \$360 million to \$5.2 billion. The level of overall expenses had also increased by \$260 million. Implementing partner expenses had remained relatively constant and salaries had increased slightly, reflecting mainly the growing workforce. Cash-based interventions had decreased slightly but were on the rise again in 2022.

67. The statement of changes in net assets provided more detail regarding fund balances. After-service health insurance (ASHI) was one of the largest liabilities on the balance sheet and covered the cost of health insurance for retired staff members. The cost of pensions was not reflected, as those were held by the United Nations Joint Staff Pension Fund, which held both the liabilities and the assets and was fully funded. The ASHI was held by each agency separately and the Organization was gradually setting aside money to fund it. Liabilities had increased in 2021 to \$1.2 billion. The Committee had previously discussed the ASHI funding forecast and the plan was to be fully funded by around 2033. Good progress had been made, but there was still a way to go.

68. After adjustments to account for cash and receivables received for future years, the Organization had adjusted net assets of just \$235 million, which was very thin. Year-end cash balances showed that there was more than two months of cash available at the end of the year, which

was quite healthy. However, it was important to remember that there was a tendency to dip dangerously low to less than one month of operational cash during the first and second quarter of each year. Indeed, during a benchmarking exercise across the United Nations system, UNHCR had had the second lowest operational cash balance of all United Nations agencies.

69. With regard to the various categories of expenses, things had remained relatively consistent, although cash assistance and implementing partner expenses had decreased slightly. There had been some variations in implementing partner expenses by region, and the slight changes in expenses by implementing partner type could be explained by the Grand Bargain. Cash-based interventions had decreased in the past year, despite recently trending upwards, which was mainly related to the operations in Greece, Lebanon and Pakistan. The number was on the rise again as a result of operations relating to the Ukraine crisis.

70. The statement of internal control, which was an integral part of the financial statements, was based on internal control questionnaires and provided an interesting insight into the personal and professional opinions of various stakeholders. Those responses were then compared to those of the Enterprise Risk Management, the Office of Internal Oversight Services, the Inspector General's Office, the Board of Auditors and feedback from implementing partners in order to provide a fuller review of the internal controls. Areas that had been identified as needing improvement included: procurement planning; capacity and performance monitoring of partners entrusted with procurement functions; programme monitoring; updating and documenting standard operating procedures for cash-based intervention programmes; the systematic use of financial tracking tools; vehicle master data management; and adherence to the policy of continuous monitoring and analysis of emergency risks and preparedness, as well as business continuity plans.

71. **Mr Edelmann** (Director of External Audit, Germany), accompanied by a slide presentation, introduced the Report of the Board of Auditors and confirmed that the Board had issued an unqualified audit opinion, an achievement which the Organization could be proud of. Since his country had recently stepped down from the Board of Auditors, the overview of the past six years contained in the Report was his farewell gift to the Organization. He highlighted several elements of the financial report, including the significant increase in unrestricted funds. Earmarking was a sensitive topic, but – especially in view of the COVID-19 pandemic – it was important for the Organization to have a certain amount of flexibility. That also meant that it needed very good internal controls.

72. There were several findings relating to reform initiatives: there was no systematic approach to comprehensively evaluate the impact of the decentralization and regionalization reform; the comprehensive accountability framework was yet to be finalized; the new results-based management approach and strategic reorientation had not yet been fully incorporated; there was room for improvement in the reporting functionalities of the new results-based management approach (COMPASS); and there were major challenges posed by the complexity of the business transformation programme and the interdependencies of software projects. With regard to human resources the findings included a lack of overarching strategic workforce planning framework and the need to strengthen the role of human resource partners and their participation in the budget and annual programme review process.

73. The Board had made 53 new recommendations, with the majority relating to finance and reform initiatives. There were also 80 outstanding recommendations, some of which could be implemented easily and others that would take more time but should not drag on for years. A comparison of recommendations over the past six years showed that the main area of focus had consistently been finance and internal controls, but most areas had been covered to some degree.

74. **Mr. Baritt** (Controller and Director of the Division of Financial and Administrative Management, UNHCR), accompanied by a slide presentation, outlined the key issues and measures taken in response to the Report of the Board of Auditors for 2021 (A/AC.96/1223/Add.1). There were three key findings from the 2021 audit, the first of which related to decentralization and regionalization. In response, a comprehensive evaluation had been included in the 2023-2024 work plan for the Evaluation Service. They were also in the process of integrating the roles, accountabilities and authorities for decentralization and regionalization and other normative guidance into one framework. Second, there were three key recommendations relating to the new

results-based management system (COMPASS), as a result of which a multi-year process was being designed and implemented, the guidance for 2022 was being streamlined to improve the planning process and improve training, and reporting functionalities were being developed that would include business intelligence tools for COMPASS data analysis. The last key finding related to the business transformation programme, in response to which the budget performance of the programme and its various elements were being regularly reviewed, including the go-live dates and the interdependencies between systems. UNHCR had also already put in place the practice of not extending frame agreements beyond five years.

75. Turning to the 80 outstanding recommendations highlighted by the Report, he noted that 43 of those had since been implemented, 23 were in the process of implementation and 13 had been overtaken by events, leaving just one not implemented.

76. In closing, he thanked Mr Edelmann and his team for their years of support and hard work, noting that they had taken a constructive approach in order to make the Organization better.

77. **Mr. Adam Smith** (United States) thanked the Chair and UNHCR for the report and the important presentation. He commended UNHCR on its work and appreciated the Board's conclusion that the financial statements fairly presented in all material aspects, its financial position, financial performance and cashflows, for the year ended on December 31, 2021. The Board noted that UNHCR had not yet fully evaluated the impact of decentralization and regionalization and recommended that a cost-tracking mechanism and performance indicators should be integrated into a comprehensive evaluation in order to determine the real and tangible benefits of the reform. The United States supported and welcomed such an evaluation and noted its inclusion in the 2023-2024 work programme of the evaluation service.

78. The United States noted with concern the Board's finding that the reporting functionalities encompassed had room for improvement, and looked forward to hearing UNHCR's plans for enhanced functionality. It also supported the Board's recommendation that additional, objectively calculated key performance indicators could be used to complement other information when generating the organization's statement of internal control.

79. On cash assistance, the United States supported the Board's recommendation that UNHCR should include benchmarks and parameters in its guidance to determine the minimum-required staffing levels for cash-based intervention programmes.

80. Lastly, the United States would continue to review the Board's recommendations leading up to ExCom. He stressed the importance of UNHCR addressing the Board's recommendations in a timely manner and closing any remaining recommendations as soon as possible.

81. **Ms. Susanne Mallaun** (European Union), speaking on behalf of the EU and its Member States, said her statement concerned all the sub-items in agenda item 4(a). She thanked the UNHCR for the overview of the internal audit activities undertaken by the Office of Internal Oversight Services as well as the presentation of the annual report of the Independent Audit and Oversight Committee for 2021-2022. As regards the annual report released by the Independent Audit and Oversight Committee, she welcomed the efforts of UNHCR to strengthen internal controls, fraud prevention and detection, as demonstrated by the unqualified audit opinion for 2021. She supported the drive to further enhance accountability, internal controls and anti-fraud measures as part of UNHCR's transformation programme.

82. The EU recognized the leadership by the Office of the Inspector General in oversight coordination within UNHCR, and appreciated UNHCR's proactive engagement with Members and donors on issues related to oversight and integrity. It encouraged UNHCR to continue to tackle sexual exploitation, abuse and harassment as a top priority, applying a zero-tolerance policy and a victim-centred approach. Those efforts should extend to the management of implementing and collaborating partners, including governments.

83. In line with the report of the Office of Internal Oversight Services, the EU noted that out of 105 recommendations, none was considered critical. Acknowledging the reduced impact of COVID-19, she welcomed the resumption of physical verifications and on-site assessments in the field. She called on UNHCR senior management to improve the implementation rate of IOS

recommendations, which had declined over the last three reporting periods. As the timeliness of implementation was also paramount, she would appreciate more information on how UNHCR would address that issue. The EU understood that several of the recommendations required robust monitoring and control by the regional bureau concerned, for instance the Regional Bureau for the East and Horn of Africa and the Great Lakes, given the number of pending recommendations. The EU would appreciate more information on how UNHCR would achieve that in the context of its decentralization.

84. With regard to the decentralization and regionalization process, the EU would welcome more information on the outcome of two audits on the adequacy and effectiveness of regional bureaux in improving the speed and responsiveness of service delivery. Due to the systemic issues identified in multi-country offices, it invited UNHCR to elaborate on how the organization would further define structures, clarify roles and responsibilities and review strategic directions if necessary. The EU welcomed the finding that the operationalization of COMPASS presented opportunities for strengthening strategic planning for country operations and more credible performance information. It would appreciate regular updates by UNHCR to its membership on the rollout of COMPASS, along with the initial results and the challenges.

85. The EU and its Member States underlined the need to address the root cause of irregularities, both in the field and at headquarters. As regards UNHCR's need to adjust to the COVID-19 situation, it was now time to ensure universal adherence to core policy requirements, in order to increase the number of people reached and the quality of services. It welcomed UNHCR's request for an OIOS advisory team to assess the organization's level of risk maturity. The EU would appreciate information on its results, and encouraged UNHCR's continued engagement to embed risk management properly in core processes. In addition, it encouraged UNHCR to continue to strengthen information security capabilities, to ensure that with the increasing digitalization of processes, no digital harm was done. Given that UNHCR continued to rely on its implementing partners, both local and international NGOs, it was essential to uphold due diligence and conduct regular monitoring. On collaboration with national governments, the EU would appreciate more information on the results of the related OIOS audit, since national systems should be fully equipped to take over assistance programmes where possible. It welcomed the analysis of audit recommendations against the 2021 Global Strategic Priorities. UNHCR had to ensure that protection was at the heart of its mandate and was matched by sufficient financial resources and technical expertise, including that relating to child protection and sexual and gender-based violence. While appreciating UNHCR's efforts to scale up cash assistance, the EU would be interested in receiving more information on initiatives to better target the most vulnerable, especially in Africa. Lastly and significantly, it appreciated the useful update on financial rules and regulations. The proposed alternative way forward, amending UNHCR's financial rules within the existing framework of UN financial regulations, appeared to be a reasonable solution with a view to supporting the efficiencies sought through the current transformation. The EU counted on UNHCR to complete that process in a transparent manner and through a robust consultative process.

86. **Mr. Ivan Tatzrin** (Russian Federation) thanked the Chair, the UNHCR and the Board of Auditors for the work performed and the documents submitted. He also congratulated the Office on the unqualified opinion received from financial entities. He called on UNHCR to implement all the recommendations made by the auditors as soon as possible, and to report to Member States on their implementation. Comments by internal and external auditors would enhance the management system, increase the organization's efficiency and allow for sufficient transparency. That was particularly required in the context of ongoing reforms at UNHCR. He stressed that both auditors found shortcomings in the decentralization, regionalization and business transformation programme. In the light of such comments, he would like to ask the Office whether there was a detailed plan or roadmap for the reforms, and when would his and other delegations be given information on an assessment of the decentralization and regionalization processes planned for 2023 and 2024. Would there be a mid-term review? Also, in terms of the problems identified, he trusted that there would be speedy development of the comprehensive accountability framework, in line with best practices in the UN system. Had progress already been made in that area? Lastly, he wished to ask the external auditor about the experience of working remotely, and whether that should have happened? How effective had it been compared with the traditional in-person format? He wished the external auditor from Germany every future success.

87. **Ms. Jennifer Nelson** (United Kingdom) thanked the Chair, the Financial Controller and the Board of Auditors for their presentations, and the whole of the German audit team for their work over the past six years. She expressed her best wishes to the French audit team who would be taking over. Her statement was intended to cover item 4(a)(i) to (iv). The UK would like to thank the Board of Auditors, the Office of Internal Oversight Services and the Independent Oversight Committee for their informative reports. Each of them made a vital contribution to ensuring effective oversight over UNHCR, while helping UNHCR to strengthen its institutional effectiveness. She also thanked UNHCR's management for their management response to the Board of Auditors' report, and congratulated them on achieving an unqualified audit opinion on their financial statements. Each of the reports now presented acknowledged the significant efforts that UNHCR had made, and was making, to further strengthen its effectiveness. That was welcome. Each of the reports also flagged areas for continued improvements, particularly with regard to decentralization and regionalization, results-based management and wider transformation, and more broadly as regards internal control, risk management, implementing partner management and protection. She urged UNHCR management to take timely steps to address those areas.

88. Turning to two specific points in the reports, she noted that the Board of Auditors' report raised concern as to the handling of the frame agreement for the provision of cloud technologies, and specifically -that through several amendments made by adding additional services, the ceiling for the agreement had increased from \$3.7 million to \$46.6 million. The Board had also faced difficulties in gathering comprehensive information on the documentation underlying the decision-making. The United Kingdom urged UNHCR to implement the Board's recommendation on that point, and requested it to provide additional clarity on the decision-making process, together with assurances that procurement achieved value for money.

89. As regards the OIOS report, she noted with concern the reported decline in UNHCR's implementation rate of the Board's recommendations over the past three reporting periods, from 46% to 29%, and that as of 30 June 2022, 137 recommendations remained open, of which 56% had passed their target implementation date. She recognized that the COVID-19 pandemic may have been a contributing factor, but urged management to expedite action now to ensure that all audit recommendations were being appropriately implemented in an expeditious manner.

90. Finally, she encouraged UNHCR to consider in the future providing the committee with a management response to accompany the OIOS and IAOC reports, was already done for the Board of Auditors' report. That would give the management an opportunity to respond directly to the important points raised by the oversight bodies, and demonstrate the steps they were taking, while providing additional assurances to the Member States.

91. **Mr. Alexander Widmer** (Switzerland), commenting on the report of the Board of Auditors, congratulated UNHCR on its considerable progress on implementing recommendations, and encouraged it to pursue and accelerate that commitment, which would have beneficial impacts on the efficiency of the organization and would achieve better results. He congratulated the internal auditors on their significant work despite COVID-19 restrictions. He was however concerned at the falling proportion of recommendations implemented, and called on UNHCR to reverse that trend as soon as possible, in order to prevent any risk to operations and to increase their efficiency. In the various reports submitted, he noted that there was a reference to a series of measures aimed at strengthening UNHCR's internal components, such as decentralization, field-headquarters communication, the risk management system, integrity and improved management of human and financial resources. They were all important. However, such internal management measures also necessarily impacted UNHCR's efforts to strengthen the localisation system. That was why his delegation had asked UNHCR to secure a link between the two dimensions and also ensure that the necessary measures were identified and implemented.

92. **Mr. Jorge Gonzalez Mayagoitia** (Mexico), addressing the points raised under agenda item 4(a), congratulated the Board of Auditors and the OIOS and the Secretariat on their presentation of the documents. He acknowledged the efforts by UNHCR to give assistance to approximately 100 million people, and welcomed its commitment to governance and accountability through the transformation programme and the budgetary reform based on results-based management, as well as decentralization and regionalization. He supported the Board of Auditors' recommendations and

thanked UNHCR for its commitment to continuously improving its oversight capacity. He encouraged UNHCR to speed up the implementation of existing recommendations, as well as of those pending from previous years.

93. Both the OIOS and the IAOC had identified issues relating to a lack of funding for certain programmes, exacerbated by an increase in funding for other current emergencies. That had occurred in line with a strong reliance on the aid given by UNHCR's partners, with certain programmes accounting for over 60% of its budget. He strongly advised UNHCR to develop a strategy that would help raise awareness among possible donors, particularly from the private sector, on the most critical refugee emergencies and those most in need of their assistance. That would help to increase the funding intended to deal with those situations. In that light, and since the problems identified in the auditing exercises only accounted for 10% of the budget, Mexico believed that it was important to have a broader perspective of those problems in all or most of the programmes. It acknowledged the work performed by the Board of Auditors in Germany, and welcomed the acceptance by France of that responsibility.

94. **Ms. Veronica Nordlund** (Sweden) thanked Mr. Baritt for the presentation of the financial statements and the Board of Auditors (BoA) for their report. She reiterated the point made earlier about the importance of a strong internal oversight system as an essential criterion for more flexible funding for the organization. As a longstanding provider of unearmarked funding to UNHCR, Sweden attached great importance to the audit and oversight activities undertaken by UNHCR, and emphasized the importance of following up on recommendations. She congratulated UNHCR on the unqualified audit opinion, and noted that all but one of the previous year's recommendations in the BoA report were considered to be under implementation, completed or overtaken by events. As regards the BoA recommendations, she reiterated the recommendations to UNHCR to further address and complete the clarification of the different roles and responsibilities in the regionalization and decentralization process, and would welcome further action in that regard, which would be crucial in achieving the intended results of the process. She also welcomed action taken by UNHCR to proceed with the implementation of COMPASS as a tool for multi-year planning, and stressed the need for further efforts to make the system more user-friendly and provide effective reporting functionalities. Sweden agreed with the Board's recommendation for UNHCR to expand its guidance on determining minimum required staffing levels for cash-based intervention programmes, given the importance of ensuring adequate technical knowledge and support to ensure quality programming as well as adequate data protection. She also welcomed UNHCR's upcoming revision of the handbook for designing field presences. Lastly, she noted that UNHCR would document lessons learned from cash-based programming, and welcomed that initiative to enhance the quality and sustainability of programming, while facilitating the potential handover and integration into governmental and social welfare systems. She looked forward to learning more about that work.

95. **Mr. Olivier Lacroix** (France) commented on agenda item 4(a). He congratulated the auditors on the high quality and thoroughness of their reports, in spite of a difficult context which remained unresolved, due to COVID-19. France congratulated the UNHCR leadership and staff on its progress in many areas. The results-based management and COMPASS system had strengthened strategic planning in UNHCR. Institutional risk management, which had seen considerable progress as noted by the OIOS rapporteurs, had been implemented to combat COVID-19 and pandemics in general. He regretted, however, that 58% of OIOS recommendations had not been implemented and that explanations from the Secretariat on that were still awaited. There had been reduced budgets for some operations, leading to a reduced quality of essential services for persons in a vulnerable situation. He encouraged UNHCR to be more vigilant when choosing partners, in order to improve cost-effectiveness and the services provided by such partners. Lastly, he congratulated the independent auditor and the UNHCR on the progress made in many areas, including on its institutional transformation, the promotion of internal oversight and the ongoing process of regionalization and decentralization.

96. **Mr. Markus Mayr** (Germany) said that Germany appreciated the efforts and progress in strengthening internal control systems, as well as the unqualified audit. Germany recognized the challenges in addressing a multitude of risks, and the conditions of an increasing funding gap in many operations. The results of audits and child protection in country operations such as in South

Sudan underlined the challenge, but also showed pathways to increase efficiencies and protection efforts. While important progress had been made on enterprise risk management, several audits pointed to underlying gaps in managing and more importantly using risk registers. He called on UNHCR to systematically combine risk registers and prioritise risk mitigation measures, with an emphasis on measures that were cost-effective and could address several risks at a time, for example, complaints mechanisms and a basic infrastructure to assist child protection as well as protection from gender-based violence and sexual exploitation and abuse. He appreciated that UNHCR had focused on protection and service outcomes in its oversight. At the same time, important and high-risk support functions such as procurement should not be neglected in exercising control. The gaps identified in such areas at both country level and regional bureau level had to be addressed. UNHCR rightfully relied on partners both for programme delivery and control functions. Among others, most complaints received by UNHCR referred to partners. Well-coordinated systems could help realise efficiency gains. At the same time, UNHCR needed to exercise adequate oversight of partner performance and should where necessary ensure training of partners and capacity development, for example in areas such as the prevention of sexual exploitation and abuse and harassment, risk management and harm prevention. Both implementing NGOs and governments should benefit from such support. He wished to congratulate colleagues from the Court of Auditors for their successful tenure, and the UNHCR colleagues. Such words of praise from the Court of Auditors, as he knew from his own experience, was not easy to come by.

97. **Mr. Yoomin Kang** (Republic of Korea) thanked the Chair, the Board of Auditors and the UNHCR Controller for the presentations, which provided a thorough overview of the challenges and progress made in terms of UNHCR management, finance and internal efforts. His statement would address the points raised under item 4(a) (i) to (iv). The Republic of Korea echoed the congratulations for UNHCR's unqualified audit opinion. He much appreciated UNHCR's continued efforts to make progress in internal transformation in particularly difficult times. He would ask UNHCR to continue its internal and external audit with full transparency and make efforts to fully implement the recommendations of audit findings. In that regard, he reiterated what had been said by the other delegations, and took note of the finding of the OIOS that the implementation rate had decreased. He believed that UNHCR had developed innovative tools and ways of remote working to remain stable in its delivery during the pandemic. With such improvements, he recommended that UNHCR not only further raise the implementation rate but also apply the lessons learned to improve the efficiency and effectiveness of the organization in general, in the course of the return to normalization. The Republic of Korea would wish to identify with the IAOC's key conclusion and observations, and particularly with the fact that further clarification of the roles between the headquarters and regional bureaux was needed. It strongly supported the expected effectiveness of decentralization and regionalization in UNHCR's work process. However, it sincerely hoped that those processes would not lead to a lack of timely and active communication or information-sharing with all responsible colleagues and relevant cooperation partners, which might in turn lead to a lack of time for consideration and decision-making. Looking forward to seeing further progress, he reiterated his country's continuous support for UNHCR and its mandate.

98. **Mr. Driessen** (Netherlands) thanked the Chair and said that the Netherlands aligned itself with the statement made by the EU and its Member States. Turning to the points raised under item 4(a), he congratulated UNHCR on the unqualified audit opinion. Although it had become customary in the past few years, as Mr. Edelman had rightfully reminded the meeting, it was not necessarily a given. He thanked him and the German audit team for their work over the past six years, and welcomed his French incoming colleague. The importance of a robust and independent audit and oversight system had recently come to the fore again in the UN as a result of the UNOPS case. It made clear that all parts of the system must work together to ensure that nothing of that kind could happen within UNHCR. He called upon all to ensure that lessons learned from UNOPS were acted upon within the wider UN system, including in UNHCR. On the prevention of sexual exploitation and abuse (PSEA), he again commended UNHCR on the steps taken to date to address it, and the catalysing role of UNHCR senior management in achieving system-wide change. He urged UNHCR to continue actively sharing, learning from and coordinating with other agencies. He also encouraged more join-up financing at the country level of PSEA coordinators, investigations and core PSEA infrastructure. However, it must be noted that efforts needed to continue, as also mentioned by ACABQ, particularly in countries of operations. What would be the main interventions in the

upcoming period to strengthen the system in those countries and in relation to implementing partners? He very much supported the tracking of open recommendations by OIOS, and would also be glad if the Inspector General's Office would also track open recommendations and share its findings with the Standing Committee. On the OIOS recommendations, he remained concerned about implementation. For the past three years the implementation level had decreased. He called on UNHCR to address all the OIOS recommendations as soon as possible, especially the long-standing and critical recommendations, and those pertaining to protection such as sexual and gender-based violence (SGBV) and registration-related recommendations. Further, the Netherlands called on UNHCR to further strengthen risk management, with a clear focus on establishing a clear policy on risk appetite. Lastly, he wished to question Mr. Edelmann on the BoA recommendation for stronger exit strategies from cash interventions, and would like to ask what were the current weaknesses in the system, and if it were possible for him to elaborate further on that recommendation.

99. **Mr. Marc Banzet** (Canada) thanked the German audit team for their years of work. Canada expressed appreciation for the thorough briefings and reports, including the report of the High Commissioner on actions taken in response to the 2021 report of the Board of Auditors. He commended UNHCR on following up on the different audit recommendations, and the progress made in closing many of them. At the same time, he encouraged ongoing efforts to continue to close open recommendations, especially any long-standing ones. It noted with appreciation that in response to the Board's recommendation, a comprehensive evaluation of decentralization and regionalization reform had been included in the 2023-2024 work programme of the evaluation service. He also appreciated the valuable work of the Office of Internal Oversight Services and the Independent Audit and Oversight Committee (IAOC). He had been pleased to read that the IAOC had recognised UNHCR's continued efforts to strengthen internal controls and fraud prevention and detection, including by enhancing cybersecurity and by launching a fraud risk tool. Canada recognized that having a relevant set of financial regulations and rules well adapted to its specific needs would provide UNHCR with a foundation from which the organization could build increased efficiencies when developing corresponding policies, procedures and processes. Canada agreed with UNHCR's proposal to make amendments to the UNHCR financial rules within the existing framework of the UN financial regulations.

100. **Mr. Edelmann** (Director of External Audit, Germany) said that he was very thankful for the kind words. There had been two questions: one from the Russian delegation and another from the Netherlands. It had been true that the COVID-19 situation had posed a challenge to the Board of Auditors, but along with other entities, not only the UNHCR, the Board had been a reliable partner. There had been extensive use of IT systems, but that was not the way to conduct audits in the future. An essential part of the Board's work was on-the-spot audits, during which a lot of information could be gathered so the Board would continue to use the systems and approaches it had developed during the pandemic, but would also revert to on-the-spot audits. On the second question, on exit strategies for cash-based intervention programmes, the report dealt with that question at length, starting at paragraph 349. The specific information in which the Netherlands might be interested started at paragraph 353, with a breakdown on a country level and in practical terms.

101. **Mr. Baritt** (Controller and Director, UNHCR, in response to the question from the United States, said he had noted the support for the enhanced functionality for COMPASS and for the benchmarking of minimum staffing levels for cash-based interventions. As for the comments by the EU representative about the Board of Auditors, that would be discussed at the following meeting. The Russian Federation had commented on the fact that both auditors found shortcomings in regionalization and decentralization. There would be a future full evaluation in the 2023-2024 work plan, which showed that the processes had achieved the delegation of decision-making authority objectives and certain efficiency-related ones. Feedback from the field had also demonstrated that the move had been timely, due to the COVID-19 crisis. On the question of accountability, raised under the Board's report, he stated that UNHCR had multiple accountability frameworks across various functions in the organization, and those various systems and revisions to the processes aimed to improve accountability, including in the business transformation programme. With regard to compiling them in a comprehensive framework that would be best-in-class and benchmarked across other UN agencies, there was an ongoing Joint Inspection Unit review about best practices in consolidating accountability frameworks. He explained that with the results of the upcoming review,

UNHCR would identify which best practices existed, and look at making the necessary adjustments. As for the comments by the United Kingdom concerning the frame agreement ceiling being raised from \$3.7 to \$46 million in the Board's report, it was important to point out that the initial ceiling dated back to 2014, and since then the scope of the IT services required had greatly increased, most of the increase occurring to fund 5-year licenses for the proposed cloud-based ERP system. Vendor selection and value for money would be addressed in the coming months. On the comments from France on choosing partners, partnership management had evolved and there had been a review of partner management, as well as comprehensive training on risk management, which had become a focus of the organization. As for the comments from the Netherlands on the UNOPS case, UNHCR had been following the UNOPS case very closely and had had communication with UNOPS on those very significant issues, with UNHCR and the wider UN learning important lessons.

The meeting rose at 3.15 p.m.