To be delivered by Rachel Criswell of World Vision.

EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME
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NGO Programme Statement
(programme budgets, management, financial control, and administrative oversight)

Agenda Item 5(b)

Preamble

Thank you Mister Chair.

This statement is delivered on behalf of a wide range of non-governmental organizations. It has been drafted in consultation with, and aims to reflect the diversity of views of, the NGO community.

The Future of Humanitarian Finance report [1]released in spring of 2015 reminds us that funding appeals in recent years have reached record levels of contribution but that the challenges of response in middle-income and insecure countries have made costs increase exponentially. It also highlighted the failure of the humanitarian finance architecture to provide sufficiently differentiated, flexible approaches to the varied, dynamic contexts and networked world in which we operate. The High Level Panel review of the gap between humanitarian needs and resources will make some suggestions on needed change as will the dialogue for the World Humanitarian Summit, making 2016 a year of key decisions.

However, the highly visible recent increase of persons of concern arriving in Europe in recent months tangibly reminds us that real solutions for displacement are needed *now*. Global displacement numbers are at levels not seen since World War II. Often the most impacting short-term changes we can make are in how we approach and implement budgets. Therefore, as UNHCR partners we offer the following matters for consideration.

Budgeting

Project Prioritisation Process

For many 2015 crises, funds available were a fraction of the need with the result that UNHCR partners were asked not only to invest in both needs assessment and re-prioritisation between different life-saving needs later in the programme cycle. As needs will inevitably exceed funds in 2016, we urge UNHCR to have clear roadmaps in place at the start of the year/response to avoid costly re-prioritisation exercises and potential termination of projects on short notice. This is critical for both partners and programme beneficiaries.

[1] http://futurehumanitarianfinancing.org

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Education and Protection as Lifesaving Activities

Globally, nearly half of displaced populations and over half of all refugees are children[2]. Despite the fact that children themselves consistently prioritize their education and protection in all types of emergencies, education on average, receives less than 2% of humanitarian aid and child protection even less. [3] Within the humanitarian system we recognise the leadership role UNHCR played in 2015 highlighting education in emergencies as a lifesaving need as well as its critical leadership in the steering group of the Inter-Agency International Network for Education in Emergencies (INEE) and supporting the work of the Champions Group on Education in Emergencies and Protracted Crises.[4] We urge UNHCR to ensure consistency between this policy leadership and its project implementation budgets by ensuring that education and child protection are prioritized and adequately funded in Refugee Response Plans.

Management

We thank the High Commissioner for his continued investment in the quality of UNHCR/NGO partnerships in 2015 via Structured Dialogues on UNHCR-IFRC-NGO Partnership. Key learnings from the workshops in Bangkok, Kenya and the 2015 HIAS global survey of the UNHCR-NGO partnership (which includes responses from 213 NGOs across 58 countries) indicated that:

- Forty percent of HIAS respondents perceived their relationships with UNHCR to be excellent but partnership is dynamic and must be constantly nurtured
- Priority areas for improvement remain information sharing, capacity strengthening, joint planning and advocacy as well as institutionalising the thematic linkages between the Protection and Regional Structured Dialogues that were tested in Bangkok
- Senior UNHCR staff in general demonstrate the Principles of Partnership, but uneven power dynamics continue creating tension and inhibit open communication
- Sectors must collaborate in the process to prioritise needs and 2016 programmes should reflect continuity with previous objectives

We note that only 55% of HIAS respondents indicated they had been invited to the Country Operations Planning stakeholder meeting. We urge UNHCR country teams to improve partner engagement in these, as this would help address the issues raised.

Enhanced Framework

In 2015 NGO partners saw progress on the implementation of the Enhanced Framework, but we ask UNHCR leadership to consider the following matters in 2016:

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[2] UNHCR, World at War; Global Trends 2014, 2015

[3] World Humanitarian Summit Advisory Group on Children, "Putting Children at the heart of the World Humanitarian Summit", 2015

[4] Group launched the Oslo Education Summit on 6-7 July, 2015. Chair's statement – the Oslo Declaration: https://www.regjeringen.no/globalassets/departementene/ud/dokumenter/oslo-summit-on-education-for-development--chairs-statement.pdf

- We ask that a meaningful, consultative process continue during the creation of the remaining 8 of 12 anticipated framework guidance notes. Lessons learned around Prequalification for Procurement and Partner Personnel also need to be reflected in process and policy.

- Continuing support and training to UNHCR country-office staff on the application of the new, multi-year partner retention approach. When the process for dropping a partner is followed, sufficient transition time between implementers is needed to avoid negative impacts on service delivery for beneficiaries.

- We commend UNHCR for the work it has done in its new databases to consider the safety of staff in contexts where personal information like names and identification numbers are a sensitive issue and encourage this effort to continue in 2016.

- We welcome the new UNHCR Partner Portal and hope that those UNHCR Offices that continue to conduct the selection process outside the Portal will soon be integrated into the platform to avoid unnecessary duplication of work

- We ask UNHCR leadership to consider the interaction between the different databases, so that it is not necessary for partners to go to one on-line portal to submit a concept note, a second for reporting, and a third for demographic data on the persons of concern that their programme is serving.

The framework is foundational to partnership, but with nearly 1000 partners and an increasing commitment to work with national and locals NGOs, on-going capacity strengthening is required both to manage risk and ensure successful programme implementation. We therefore call on both UNHCR leadership and funding member states to make a structural and financial commitment to capacity strengthening in 2016.

Financial Controls

UNHCR works in 125 countries globally, with major operations in some of the countries struggling the most with corruption[5]. Within UNHCR's risk management framework, we ask the executive body of UNHCR to define clear risk appetites and tolerances for the different contexts of UNHCR's work and that these be aligned with the work currently being completed by the IASC subsidiary bodies on risk management.

UNHCR's audit bodies and ExCom Member States are asking UNHCR to demonstrate increased oversight and control of its NGO partners, such as the 2014 audit recommendation to scrutinize the administrative costs of partners to better evidence value for money. In 2014 ICVA report *In the Spirit of Parntership*[6] anticipated that meeting requirements under the

[5] According to the 2014 Transparency International Corruptions Perception Index where Afghanistan, Iraq, South Sudan, Sudan, Somalia were all ranked on the 'highly corrupt' end of the scale.

[6] ICVA, "In the Spirit of Parntership", 2014. https://icvanetwork.org/system/files/versions/In%20the%20spirit%20of%20partnership_0.pdf

Enhanced Framework would require additional partner resources for reporting, monitoring and accountability. This has proven true in 2015, with a number of NGOs seeing an increase in their expenses for UNHCR awards as result. While UNHCR scrutinizes partner administrative costs, it should therefore also reflect the additional cost burden new Guidance Notes and procedures make on partners.

Additionally, timely payment is a critical value point for many NGO partners. In the HIAS results:

- 49% of respondents signed their award by conclusion of 1st month of planned implementation, but for an additional 36% the agreement was only signed in months 2 or 3 of planned implementation.
- 57% did not get first payment within 2 weeks of signing the agreement and only 11% of respondents indicated they knew why such delays had taken place.

We recognize the need for due diligence and low administrative costs, but strongly believe in a balanced approach that provides partners with the funding and flexibility they need to effectively deliver to persons of concern.

A Final Challenge

The NGO community in partnership with UNHCR will continue to do what it can in the short-term to adapt to budgets and processes to meet the varied and dynamic needs of the persons of concern. However, average displacement in a refugee camp is now 20 years and we are trying to meet the needs this creates with a bi-annual budget and single-year funding awards. We therefore challenge UNHCR's Executive Committee to make the changes needed to UNHCR's budget structure to allow it to plan for the long-term and receive funding in a more predictable way that will make it fit-for-purpose for the 21st century needs of populations of concern.