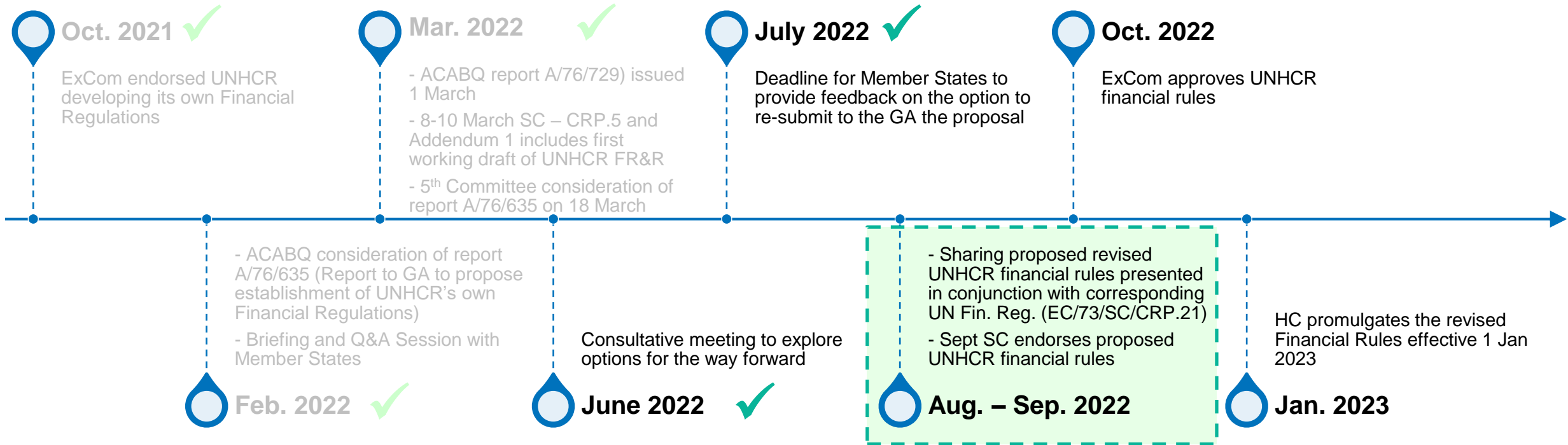


# Proposed revised UNHCR financial rules EC/73/SC/CRP.21

September 2022

# Timeline (updated)



Initiative to develop UNHCR financial regulations & rules

Approval of revised UNHCR financial rules

Effective

# ACABQ Observations (Report A/76/729)

1. **Operational Urgency** – not clear from ExCom Decision
2. **Approval Authority** - Approval and adoption of any revised regulations is under the sole purview of the Assembly
3. **Proliferation** of more requests
4. **Inconsistencies** from multiple regulations impacting SG reform

**CONCLUSION:** Committee recommends against proposal made by UNHCR ExCom to grant UNHCR the authority to develop its own financial regulations.

# 5<sup>th</sup> Committee Consideration

## Extract from draft resolution:

7.alt.6 *Recalls* paragraph 11 of the report of the Advisory Committee on Administrative and Budgetary Questions, **acknowledges the need for a separate set of financial rules and regulations** of the Office of the United Nations High Commissioner for Refugees in order for it to be fit for purpose when responding to the specific needs and operational requirements of this office;

## Conclusions

- **Supported** the need for UNHCR to have separate set of financial rules and regulations fit for purpose
- Overcame ACABQ concerns (report A/76/729) who recommended against proposal to grant UNHCR the authority to develop its own financial regulations

# 5<sup>th</sup> Committee Consideration

## Extract from draft resolution:

7.alt.6.bis *Recognizes* merit in the request of the Office of the United Nations High Commissioner to establish its own set of financial regulations, which are specifically applicable to the organization and **assents to the submission of a comprehensive set of draft rules and regulations for the consideration of the General Assembly at its seventy-seventh session.**

## Conclusions

- **No agreement reached on FRR approval process** - proposal to submit financial rules and regulations for consideration of GA [while ExCom already has delegation to approve rules since 1957, no other UN agency submits FRR to GA]
- **Conclusion:** after extensive deliberations decision was to take “**no action**” on the ExCom request to the GA to grant UNHCR its own financial regulations

# Next steps – Options Presented June 2022



1

## **No action.**

UNHCR continues to operate with UN Regulations and UNHCR Rules



2

## **Explore further 5<sup>th</sup> Committee options for coming year.**

Establishing Advisory Group of Member States to guide whether resubmission to 5<sup>th</sup> Committee feasible.



3

## **Change UNHCR financial rules.**

Build off of draft regulations and see how we can capture majority of improvements through adjustments to rules only to develop an improved UN Regulations and UNHCR Rules in a new document.

# Next steps – Options Presented June 2022

**From:** UNHCR ExCom Secretariat <[hqexcom@unhcr.org](mailto:hqexcom@unhcr.org)>  
**Sent:** 30 June 2022 16:42  
**To:** UNHCR ExCom Secretariat <[hqexcom@unhcr.org](mailto:hqexcom@unhcr.org)>  
**Subject:** Follow-up on the side-event on UNHCR's financial regulations and rules

**To/A:** Executive Committee Members and  
European Union

**From/De:** Anne Keah  
Secretary of the Executive Committee

**Date:** 30 June 2022

**Tel:** +41 22 739 8644

**Ref:** 2022/GS/085

**Email:** [hqexcom@unhcr.org](mailto:hqexcom@unhcr.org)

[Voir version française ci-dessous]

**Subject** Follow-up on the side-event on UNHCR's financial regulations and rules

On behalf of Mr. Hans Baritt, Controller and Director of the Division of Financial and Administrative Management (DFAM), I would like to thank you all for your participation and the interest that you have shown during yesterday's side event on UNHCR Financial Regulations and Rules. The event was an opportunity to update you on the process to seek the General Assembly's approval to grant UNHCR the authority to develop its own financial regulations. As highlighted yesterday, the Fifth Committee unfortunately took "no action" on this request earlier this year, leaving UNHCR with the option to either re-submit the request or to work to improve the UNHCR financial rules only (i.e. no change to the UN Financial Regulations). Attached please find a copy of the Controller's presentation.

To determine whether the option to re-submit the request to the General Assembly would be successful, The Controller proposed that an Advisory Group of Member States be formed with representatives from the various regional groups. This group would interact with their Fifth Committee counterparts and would provide feedback by mid-August 2022 so a decision could be made on a way forward at the 85th meeting of the Standing Committee, on 19 -20 September, 2022. Any Member States who have an interest to join this group are kindly asked to contact DFAM by 15 of July 2022 at [HQPACS@unhcr.org](mailto:HQPACS@unhcr.org).

UNHCR would like to thank you once again for all the support extended to the organization throughout the process of transforming its financial framework. This is one of many important efforts we are undertaking to find the most efficient and effective means to meet the needs of the people we serve.

7  
Best regards.

# Option 2 – Details

- **Process:** Establish an Advisory Group of Member States from different regional groupings.
- **Task:** Work together to determine likelihood of success in resubmitting the request to the General Assembly to reconsider the decision to take “no action” on the ExCom request to the GA to grant UNHCR its own financial regulations
- **Outcome:** Provide guidance to UNHCR to present way forward at September 2022 Standing Committee (resubmit or work to improve rules).



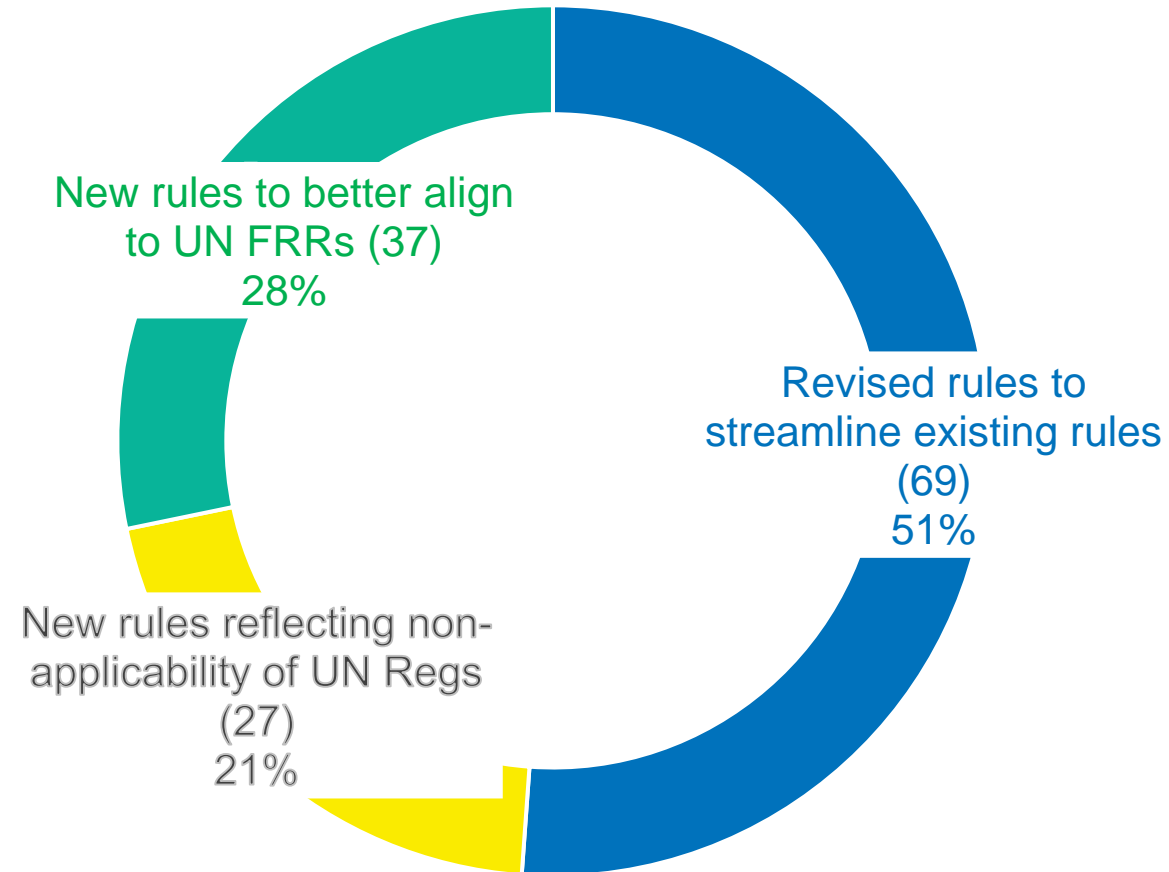
# Option 3 – Financial Rules ✓

**Process:** Propose to improve UNHCR Financial Rules only and try to capture any UNHCR specifications.

- *Present draft\* at September 2022 Standing Committee.*
- *Revising and presenting UNHCR financial rules in conjunction with corresponding UN Financial Regulations with the aim to:*
  - *capture in the rules those aspects specific to UNHCR in the application of UN Regs, and*
  - *flag UN Regs which are not applicable to UNHCR.*
- *Propose to ExCom to endorse for 1 January 2023.*

*\*Original was to present plan*

# Overview UNHCR financial rules – Updated Draft (Annex I of EC/73/SC/CRP.21)



# Main changes

## Budgeting Process

New rules on **budgeting process** to clarify aspects related to the budget preparation and submission which are specific to UNHCR's governance structure

New rules on **UN regular budget** to reflect the process for the regular budget allotment received by UNHCR from the UN

## UN regular budget

## Internal Control

Revising the **internal control** provisions with describing the overall concepts and key principles; considering UN Regs and Rules

# Main changes (continued)

## Write-Off

Simplified rule on **write-off** to remove delegation of authority's details to approve write-off as details are covered in internal instructions (no need to be rules)

New rules on **available period of appropriations for commitments** in line with UN

## Commitment period

# Main changes (continued)

## Asset Management

New rules on **asset management** reflecting former UNHCR rules with updated language of UN Rules and UNHCR processes

Simplified language on **implementation of programmes** as details are covered in internal instructions (Rule 509.2-509.5)

## Programme Implementation

## Ex-gratia Payments

Raising threshold of authority delegated by HC to Controller for approval of **ex-gratia** (\$5k -> \$25k)

# Main changes (continued)




## Procurement

Including all UN Rules on **procurement** with minor adjustments to reflect UNHCR terms. UNHCR already applies those, but they were not embedded in UNHCR rules.

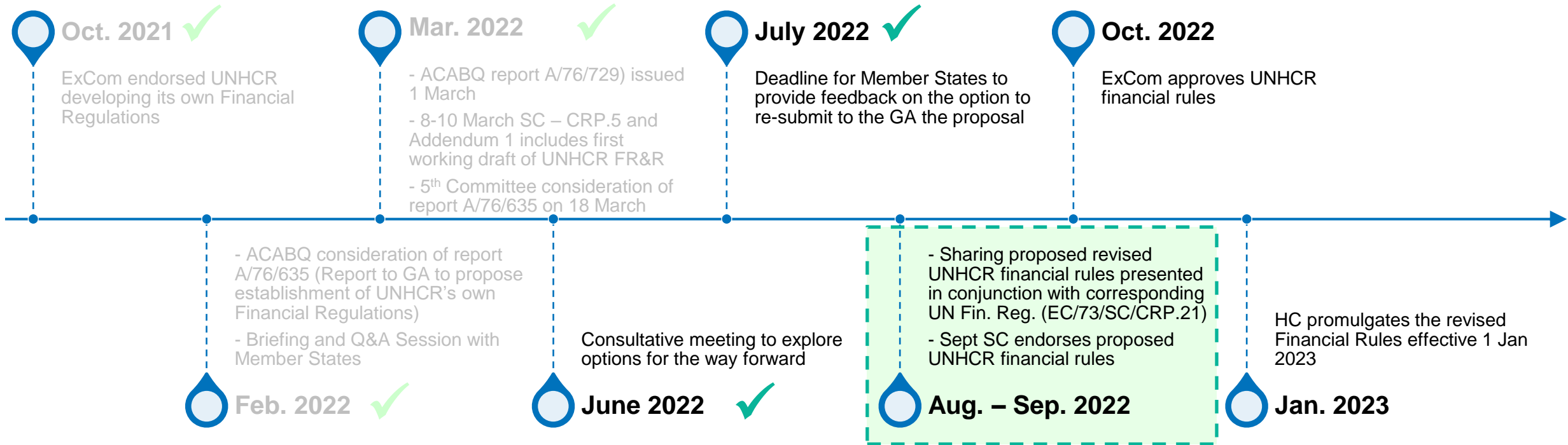
Simplified language on **Working Capital Fund for Voluntary Contributions** to reflect current UNHCR processes and aligning to UN Regs

## Working Capital Fund

# Improvements from updating UNHCR financial rules:

-  Reduced risk of misinterpretation and increased clarity over the application of the financial framework of governing UN Financial Regulations and UNHCR financial rules
-  Improved basis for training and accountability at all levels
-  Facilitate understanding by external donors/partners of the internal control framework applicable to UNHCR

# Timeline (updated)



Initiative to develop UNHCR financial regulations & rules

Approval of revised UNHCR financial rules

Effective



# Decision

## Annex II

### **Decision for consideration by the Standing Committee**

*The Standing Committee,*

*Having considered* the proposed revision of the financial rules for voluntary funds administered by the High Commissioner for Refugees (A/AC.96/503/Rev.11) as set out in annex I of the conference room paper EC/73/SC/CRP.21,

*Requests* the High Commissioner to submit a final draft of the revised financial rules (A/AC.96/503/Rev.12) to the seventy-third session of the Executive Committee for endorsement, and for subsequent promulgation by the High Commissioner with effect from 1 January 2023.

# Questions?