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

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**Standing Committee**

**Ninety-first meeting**

**12-13 September 2024**

Held at Palais des Nations • Room XVIII

**Summary record\*, Thursday, 12 September 2024, at 3 p.m.**

*Chairperson: Ms. Amanda Gorely.....(Australia)*

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(a) Finance and oversight

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(ii) Key issues and measures taken in response to the report of the Board of Auditors for 2023 (A/AC.96/75/4/Add.1) as well as recommendations from previous years. \*

*\* Sub-items (i) and (ii) are presented and considered together.*

(iii) Report of the Office of Internal Oversight Services on internal audit in the Office of the United Nations High Commissioner for Refugees (A/AC.96/75/7).

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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, 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](mailto: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.

*Ms. Amanda Gorely Vice-Chair (Australia) took the Chair.*

*The meeting was called to order at 3.05 p.m.*

## 2. Programme budgets and funding (continued)

### (b) Programme budget of the Office of the United Nations High Commissioner for Refugees for 2025 (A/AC.96/75/5) and the Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/AC.96/75/6). (continued)

1. The representative of **Pakistan, on behalf of the Organization of Islamic Cooperation**, expressed support for efforts to promote partnership and equitable burden- and responsibility-sharing. He said that the Organization of Islamic Cooperation had noted the reference to diversity, equity, and inclusion in the budget documents and appreciated the efforts to promote inclusion and equity but that the scope and definition of ‘diversity,’ and any programme envisioned under the framework, should be strictly aligned with international law to avoid being inconsistent with domestic laws. He reiterated the request by the Organization of Islamic Cooperation for UNHCR to adhere to universally recognized and non-controversial language in financial and technical documents.

2. The representative of **Egypt, on behalf of the Arab Group**, expressed her condolences to the Peruvian delegation. She expressed appreciation for the efforts of UNHCR to help persons under its mandate while being concerned about the decrease in the 2025 budget as compared with the budget of 2024. She noted the increasing number of refugees in host countries and urged donors to support humanitarian response plans, as difficulties in longstanding crises would affect the response to new crises. She drew attention to the displacement of 1.9 million Sudanese, further exacerbated by the economic, security, and humanitarian situation in the region, as well as the effects of climate, such as in Yemen where heavy rainfall had caused floods across the country in July and August of 2024.

3. She said that the group distanced itself from the use of controversial terminology that was contrary to the consensus between States, particularly with issues concerning migration and refugees. Based on the belief that international efforts, burdens, and responsibilities must be shared, the group called on the international community to abstain from political positions. The group commended the efforts of UNHCR in planning and implementing repatriation operations and underlined that the hosting of refugees should remain temporary, root causes should be addressed, and sustainable and complementary solutions should be prioritized, including voluntary return or settlement in third countries.

4. The representative of **Mexico** welcomed efforts by UNHCR in building partnerships to fulfil its mandate, the diversification of the sources of funding, and the whole-of-society approach, acknowledging that many partners were involved in providing international protection in countries of origin, transit and destination. She said Mexico supported efforts to promote inclusion and equality for refugees in their host communities but sought clarification on how the organization would deal with questions raised by the Advisory Committee on Administrative and Budgetary Questions and the Office of Internal Oversight Services with regard to working with partners.

5. She asked how the organization would respond to the needs of the growing number of forcibly displaced persons given the reduced budget. In reference to the needs in her country, she underscored the need for policies and action to address gender-based violence, protection of children, promotion of health and education and provision of housing. She thanked UNHCR for its work in supporting capacity building for institutions and organizations in her region towards helping refugees and welcomed the engagement with the Global Network on Refugees and Stateless Persons with Disabilities. Acknowledging plans of UNHCR to strengthen its policies to address sexual harassment, she requested additional information on its coordination plans with other United Nations agencies, more so as structural and institutional changes had been designed to achieve comprehensive solutions at a global level.

6. The representative of **Colombia** underlined the added value of UNHCR in addressing the needs of displaced persons in the country, including for their return and relocation, local integration and the promotion and protection of their rights. She commended the work accomplished in evaluating the comparative advantages of the various funds and programmes. Highlighting that the

Americas region was facing a mass influx of refugees and migrants in transit, she emphasized the need to guarantee the rights of displaced persons, including the approximately three million migrants on its territory. With regard to the 2025 programme budget, she called on UNHCR, donor countries and other actors to increase efforts to find sustainable solutions for refugees.

7. The representative of **Denmark** expressed her condolences to the delegation of Peru on the loss of its Ambassador. She said that Denmark aligned with the statement made on behalf of the European Union and its member States. She said that Denmark was deeply concerned about the many new and protracted displacement crises and the projected funding gap of almost 50 per cent for 2024. She noted that Denmark was proud to be among the top donors to UNHCR and that most of its funding was multi-year, unearmarked and flexible, emphasizing that in an environment where funding was insufficient to respond to growing needs, the need for that type of funding was even more pressing. She encouraged both new and established donors to join the Global Refugee Forum multi-stakeholder pledge on quality funding, which Denmark was co-leading with Finland, Iceland, the Netherlands (Kingdom of the) Norway, Sweden and Switzerland, to support the mobilization of flexible funding.

8. While noting that efforts to mobilize quality funding were insufficient, especially considering the projected increase in forcibly displaced persons in 2025, she said a move away from the short-term humanitarian service delivery model to a development model would place host governments at the centre with refugees increasingly getting inclusive access to national systems and self-reliance, in line with the Global Compact on Refugees as well as burden- and responsibility-sharing.

9. She welcomed the commitment of UNHCR to make a shift towards sustainable programming by strengthening efforts to support and facilitate such processes and requested information on how the 2025 budget would support that shift. She further requested more information on the ongoing assessment of the feasibility of introducing new funding models. She noted the priority given to strengthening the whole-of-route approach in the 2025 budget document and stressed the importance of cooperation with other actors, including the International Organization for Migration. She also welcomed the continued focus on addressing the impact of climate change on forced displacement and underlined the need to apply an age, gender and diversity approach in a consistent and crosscutting manner.

10. The representative of **Morocco** expressed condolences to the delegation of Peru for the loss of its Ambassador. He said that the budget of \$10.25 billion dollars demonstrated the urgent need for collective action to address challenges facing refugees, stateless and internally displaced persons with more resilient, inclusive solutions. He noted that Morocco was focused on three key pillars in the proposed budget: protection, inclusion and durable solutions. He expressed support for the projected implementation of core protection activities and the Global Compact on Refugees with regard to international cooperation and burden- and responsibility-sharing. He asked how the proposed budget would concretely strengthen the international cooperation framework and how UNHCR was planning to support policies to enhance access to basic services, including basic health services for refugees. He also requested information on the digital gateway project.

11. He sought clarification on how climate resilience would be implemented in the northern parts of Africa and requested further elaboration on the proposed budget actions to support host countries like Morocco in mitigating climate-related displacement. As voluntary return and resettlement were essential in view of achieving durable solutions, he asked whether UNHCR would continue to support solutions that secure long-term inclusion for displaced persons in 2025. He asked how UNHCR was planning to strengthen resettlement programmes, particularly in the context of increasing global displacement.

12. The representative of **Ukraine** expressed his condolences to the delegation of Peru for the loss of its Ambassador. He said that his country aligned with the statement made on behalf of the European Union and its member States. He commended the efforts of UNHCR aimed at meeting humanitarian and protection needs globally amid an ever-growing number of forced displacements. With the funding gap widening, he recognized that prioritization was crucial to keep the budget for 2025 realistic but noted with concern that the proposed budget for operations in Europe in 2025 reflected a decrease of 15 per cent when compared to 2024, which was the highest reduction globally.

13. He welcomed the five-year strategic plan for protection and solutions for internally displaced persons, which was developed in line with the strategic directions for 2022-2026, and called upon all countries concerned to support the implementation of the plan, including with predictable and flexible funding. He pointed out that UNHCR forecasted an increase in the number of internally displaced persons and the number of temporarily displaced Ukrainians returning home from abroad in 2025 and reiterated that the Ukraine Situation Regional Refugee Response Plan remained critically underfunded at only 8.7 per cent. For this reason, he called on UNHCR to take a needs-driven approach, focusing on the most vulnerable groups of temporarily displaced Ukrainians, including women, children, older persons and persons with disabilities, to ensure life-saving assistance and protection.

14. The representative of the **Republic of Korea**, while referring to paragraph 6 of the report of the Advisory Committee on Administrative and Budgetary Questions, expressed concern about the reduction in funds allocated to field operations. He stressed that the issue required a systemic approach and said his delegation hoped that aspect of the budget would remain an important matter for improvement. On the programme budget, he highlighted important differences in the budgets allocated to different regions, which ranged from 38 per cent to 62 per cent, and requested that member States be provided with relevant information on the reasons for the disparity in the allocation of funds to programs.

15. He expressed support for the increase in the human resources budget at headquarters, as an adequate level of human resources for oversight at headquarters was essential. He noted that the inclusion of the budget for the internal audit services by the Office of Internal Oversight Services in the budget of the Inspector General's Office made it difficult to trace the figures related to the Office of Internal Oversight Services and recommended that the data from both budgets be separated in subsequent budget documents to enable separate evaluation of the budgets allocated and guarantee the independence of audits. He also stressed the importance of the Advisory Committee on Administrative and Budgetary Questions recommendations and the need for regular UNHCR communication on the issue.

16. The representative of **Malawi** said that her country aligned with the statement made by Uganda on behalf of the Africa Group. She expressed her condolences to the people of Peru on the loss of their Ambassador. She further expressed concern about the ongoing funding gaps and the challenges with earmarked funds, which made it impossible for UNHCR to assign or re-assign funds as needed. She was particularly concerned about the reduced funds to the Southern Africa region, especially in view of the climate-related crises faced by the region. She called for an increase in unearmarked and flexible funding to refugee-hosting member States and communities to allow timely response to humanitarian needs and emergencies on the ground.

17. She commended UNHCR for its work in engaging other partners to complement its efforts and those of governments in view of addressing humanitarian issues through durable solutions. Malawi was grateful for the opportunity to exchange views on the proposed programme budget within the Southern Africa group. This had given her delegation the opportunity to raise concerns regarding the decline in funding and allocations for the Southern Africa region. She requested dialogue and effective consultations with member States in the planning stages on budgetary and programming activities prior to the finalization of the programmes and budget. While acknowledging that it is important to assist in the safe return of refugees to their countries of origin, she requested that member States work on addressing the root causes of humanitarian crises in the first place.

18. The representative of **Algeria** offered his condolences to the delegation of Peru. He said that his delegation aligned with the declarations of the regional groups. He noted that the programme budget for 2025 clearly depicted the increasingly difficult humanitarian landscape and the growing pressure on the organization to find solutions for the growing number of displaced persons despite the deficit in resources. His delegation agreed with the need for UNHCR to provide assistance and support to new emergencies but emphasized that this should not be detrimental to the response to protracted crises. He expressed concern about the reduced budget for 2025 and requested improved support for the Sahrawi refugees in his country as the Sahrawi refugees under his government's care were already grappling with malnutrition as evidenced by different reports from UNHCR and other humanitarian agencies. He said that an estimated budget of \$200 million was needed to support the 173,600 Sahrawi refugees in need. While he reaffirmed Algeria's support for UNHCR and other

humanitarian agencies, he underlined the collective responsibility of all partners to protect the organization from any political hindrances in carrying out its mandate.

19. The representative of **Egypt** said that her country aligned with the statements of the groups to which it belonged. She offered condolences to the delegation of Peru on the loss of its Permanent Representative. She further expressed concern about the significant funding gap, which had reached 48 per cent in 2023. This gap emerged at a time when the number of forcibly displaced persons worldwide was rapidly increasing due to emerging crises as well as new, ongoing and protracted conflicts. Egypt, with a history of hosting Sudanese refugees, had, once again, welcomed the second-highest number of refugees from the current crisis in the Sudan. She highlighted that the number of registered refugees and asylum-seekers from 62 countries was estimated at 756,000 by the end of 2024. That was in addition to the over 9 million migrants and refugees according to the International Organization for Migration estimations, including migrants in refugee-like situations. Those numbers reflected the large numbers of registered and unregistered refugees and asylum-seekers which underscored the need to find durable solutions for persons in need of protection and for countries like Egypt that hosted them.

20. Under its ‘one refugee approach,’ Egypt had been providing refugees and asylum-seekers with protection and basic services on an equal footing with Egyptian citizens, particularly in the areas of health and education. She stressed that Egypt would need additional support to cope, especially given the projected increase in individual asylum applications. She said insufficient funding, with most contributions being earmarked, threatened the quality and sustainability of services for refugees and asylum-seekers and placed a heavy burden on the Egyptian government and hosting communities without adequate development assistance.

21. She noted that despite the efforts of neighbouring countries and the awareness of the international community relative to the gravity of the situation, pledges that were made at the high-level pledging event to support the humanitarian response in the Sudan and the surrounding region were at a low percentage. The representative highlighted the critical need to operationalize the humanitarian-development nexus with the aim of addressing the underlying causes of the conflict while responding to the emergency needs of civilians, investing in the long-term development of local communities to enhance their resilience and decreasing their fragility to potential crises. Egypt invited States and other stakeholders to continue contributing to the multistakeholder pledge on peacebuilding that was jointly launched by Egypt, Colombia and Norway during the Global Refugee Forum.

22. The representative of **the Russian Federation** expressed condolences to the mission of Peru. He welcomed the introduction of core indicators for enabling areas in line with observations of the Advisory Committee on Administrative and Budgetary Questions. He urged UNHCR to consider introducing causative parameters for those indicators so that member States could evaluate the activities in that area and the adequacy of financial needs. It would be useful to look at the possible goals of the enabling areas and the original baselines. He requested further comments on the latest observations of the Advisory Committee and expressed the expectation that these would be submitted soon and as part of a separate briefing.

23. While noting that UNHCR was planning to improve the sustainability of the supply chain, he recalled that the United Nations financial rules and the UNHCR financial regulations did not have a criterion of sustainability. In this regard, he encouraged UNHCR to carry out these activities without compromising the traditional procurement criteria of value for money and effective competition. If not, conditions for systemic discrimination against supplies from developing countries and countries with transitional economies could be created. His delegation noted that, in the latest report of UNHCR, it was concluded that procurement from the above-mentioned categories of countries should be increased. He requested that more information be made available to member States on sustainable programming from the point of view of the options of financing that initiative. To improve the draft program budget, he stated that it is essential to clearly outline in the document, the identified risks and the strategies to address them, specifying which risks the organization was willing to take and which it was not willing to take. He stated that given the existing risk appetite statement, UNHCR had the capacity to implement this proposal, which would improve the quality of the document. He stated that there was a need to improve the draft decision of the Executive Committee on Administrative, Financial and Programme Questions by taking note of the Advisory Committee on Administrative and Budgetary Questions report, as well as by recognizing the efforts

of the Office to make use of the Advisory Committee's conclusions in its work.

24. The representative of **Australia** welcomed the increase of \$22 million in the 2025 programme budget for securing solutions in the Asia and the Pacific region. She said that would complement the ongoing support of Australia to the region through the expansion of their refugee resettlement and complementary pathways work and support other States in establishing and expanding on their own efforts. She said Australia welcomed the focus on sustainable reintegration of returnees, including in Afghanistan. Her delegation commended host States for their ongoing generosity to large numbers of displaced and stateless persons in protracted crises and thanked UNHCR and fellow donors for providing support in those situations.

25. She noted that the budget cited relative increases in funding to headquarters, while funding to country and regional offices was broadly declining, with a 15 per cent reduction to the Bureau for Asia and the Pacific compared to 2024. She asked how that situation was aligned with the decentralization agenda. She emphasized that Australia supported the shift towards a more sustainable programming approach in the 2025 proposed budget, and its focus on advancing self-reliance and inclusion solutions. Recognizing the comment by the Deputy High Commissioner to the effect that there will be further consultation on that approach, she drew attention to the gradual roll-out of the approach across country operations and asked how prioritization decisions would be made and what the key challenges to implementation were. Australia acknowledged the ongoing commitment to promote age, gender and diversity inclusive planning and programming, which was central to the protection mandate. She commended the focus of UNHCR on strengthening the protection response, particularly in preventing, mitigating and responding to gender-based violence, and in establishing a global network for forcibly displaced and stateless persons living with disabilities.

26. The representative of **Finland** expressed condolences to Peru for the tragic loss of its Ambassador. He said that Finland aligned itself with the statement made by the European Union. He noted that while the budget was slightly reduced compared to the previous year, it was based on a greater predicted number of displaced and stateless persons by the end of 2025. Consequently, it was imperative for the international community to join forces to address the root causes of forced displacement including through increased efforts in conflict resolution and investments in the international human rights system.

27. Finland commended the continued efforts of UNHCR to seek effectiveness and efficiency, including through its business transformation processes, the use of digitalization and, increased coordination and synergy with other United Nations agencies. Although donors often highlighted the importance of prioritization, this was not straightforward in the present complex humanitarian landscape with a myriad of unexpected events. He noted that while UNHCR was best placed to make choices about the budget, transparency would always be appreciated regarding the selection of areas of prioritization. Finland supported the sustainable programming approach seeking to reduce dependency on humanitarian funding in protracted crises through a central focus on durable solutions and new partnerships with development agencies and relevant host country actors.

28. Finland supported the core protection activities outlined in the programme budget for 2025, including accountability for affected populations, strengthened response to gender-based violence as well as child protection. Finland particularly appreciated the reference to the implementation of the United Nations Disability Inclusion Strategy and the establishment of partnerships with the global network of forcibly displaced persons with disabilities and other relevant organizations. Persons with disabilities represented the world's largest minority as over 1 billion persons worldwide lived with at least one disability. He said that engaging with persons with disabilities and their organizations was key to finding long-lasting solutions for their inclusion in humanitarian action.

29. The representative of the **Kingdom of the Netherlands** said that her country aligned with the statements made by the European Union and its member States. She appreciated the strong programme document in terms of results-based budgeting and its orientation towards outcomes but requested improved communication on budget prioritization and allocation decisions throughout the year, relating those to the trade-off between different outcome areas and results.

30. Regarding the budget for 2025, she noted the reduced funding for the regional bureaux and

requested continued reflection on whether those budgets were sufficient to support the effectiveness and oversight role of the bureaux. The Netherlands (Kingdom of the) supported the focus on the organization's unique mandates and its comparative advantage with attention to both protection and solutions. She found it encouraging that the route-based approach was mentioned, but as it was not linked to a budget line, requested if that approach could be made more tangible. Appreciation was expressed for the attention to mental health and psychosocial support and localization and the inclusion of sustainable programming in the programme budget for 2025.

31. The representative of **the Islamic Republic of Iran** expressed his condolences for the loss of the Ambassador of Peru. He said the Islamic Republic of Iran aligned itself with the statement of the Organization of Islamic Cooperation delivered by Pakistan. He expressed appreciation for ongoing humanitarian efforts of UNHCR and its life-saving role in assisting vulnerable populations. He said that while the Islamic Republic of Iran had become the largest host country for refugees, international support and financing to safeguard and seek durable solutions for those refugees remained insufficient. This was particularly distressing given the reliance of many displaced persons on the limited resources of their host communities, pointing to a clear need for increased financial support to strengthen the humanitarian infrastructure in the Islamic Republic of Iran.

32. He expressed appreciation for the efforts of UNHCR to strengthen partnerships for fair burden- and responsibility-sharing, but said he shared the concern of the Organization of Islamic Cooperation regarding certain aspects of the diversity, equity and inclusion definition in the strategic framework for 2024-2026. The Islamic Republic of Iran requested the use of universally accepted and neutral language in budgetary and technical documents to ensure inclusivity and respect for the legal and cultural contexts of all member States.

33. He highlighted the critical role of host countries like the Islamic Republic of Iran in supporting the mandate of UNHCR. Concerned that the figures outlined in the 2025 programme budget would be insufficient to address the needs of host communities. He said that it was critical that the 2025 budget adopt a more balanced and equitable approach, ensuring that host countries, which shoulder a significant share of the global refugee burden, receive appropriate and impartial support. He expressed a concern that new and emerging crises would divert attention and funding from longstanding crisis situations and requested further clarification on how host communities had been intentionally included and adequately considered in the 2025 programme budget.

34. The representative of **Norway** presented condolences to the mission of Peru for the loss of its Ambassador. He recognized the extraordinary challenges faced by UNHCR as the needs of displaced populations continued to exceed funding. He said that protection of forcibly displaced and stateless persons should continue to be prioritized, including responding to sexual and gender-based violence and child protection. In that regard, he noted the proposed reduction of 7 per cent in the budget area for child protection and requested more details on the rationale for that.

35. He said Norway supported the gradual shift of UNHCR towards self-reliance, inclusion, and solutions for forcibly displaced populations and encouraged the organization to enhance cooperation with relevant authorities, affected and displaced populations, host communities, and development actors to gain leverage with those efforts. He stressed that Norway shared the concern regarding the funding gap and encouraged the organization to intensify its efforts to diversify funding sources and increase the quality of funding. He underscored that Norway continued to contribute to unearmarked multi-year funding and encouraged other donors to join in ensuring financial flexibility and predictability.

36. As highlighted in the Advisory Committee on Administrative and Budgetary Questions report, Norway had taken note of the decrease in the allocated resources for country and regional programs. Although the explanation provided seemed reasonable, his delegation planned to keep close track of results concerning gains in the efficiency of management to ensure more resources to field operations. Norway had also taken note of the changes with reference to the workforce, including the reduction of the number of posts. Understandably, this represented a challenge for the organization. He said that his delegation trusted that UNHCR would move forward with internal restructuring in an inclusive and transparent manner by focusing on a good work environment. For future changes in the workforce, Norway encouraged improved geographical representation and gender parity. Norway paid tribute to the UNHCR staff for their dedication and their willingness to stay and deliver, often under highly challenging circumstances.

37. The representative of **Bangladesh** presented condolences to the delegation of Peru on the loss of their Permanent Representative. He noted the reduction of 5 per cent in the 2025 budget in comparison to that of 2024 and the stated reasons behind it and expressed hope that this would not disrupt opportunities and facilities for forcibly displaced persons worldwide. He welcomed the five-year strategic plan for addressing the needs of internally displaced persons. He commended the work on climate change through the projected strategic plan for climate action, including the identification of 22 highly vulnerable countries to the impacts of climate change.

38. He noted the increase in the budget for securing solutions under Impact Area 4 and expressed concern regarding the decline in the budget for humanitarian assistance to the forcibly displaced and stateless persons. He further expressed concern about the general trend of budget cuts for the Asia and Pacific region, which would directly undermine the annual programme budget for Bangladesh, in particular the programme support to the 1.2 million Rohingyas in the country. With half of those refugees being children, addressing malnutrition in children and lactating mothers represented key challenges in the camps. He also highlighted the difficult situation in Myanmar, with the urgent need for critical infrastructure in the Rakhine state of Myanmar for at least 20,000 Rohingyas who had fled violence and atrocities. He urged the international community and UNHCR to take immediate action to provide more humanitarian aid for those refugees.

39. The representative of **Jordan** expressed condolences to the delegation of Peru on the loss of its Ambassador. He said that although UNHCR provided vital relief services and protection to refugees while working in coordination with host countries, ensuring sufficient funding to face the consequences of displacement constituted a collective responsibility. He stressed that it must not be forgotten that caring for refugees helped preserve human dignity and provided security for refugees and their families and that the reduced budget of UNHCR would cover only a fraction of the needs of refugees worldwide. He pointed out that while Jordan hosted 1.3 million Syrian refugees, the funding allocated to support them was decreasing even as their needs continued to grow. The situation exerted considerable pressure on the economy, the infrastructure, the education system and the natural resources of his country. Unless the international community continued to provide support to the Syrian refugees, to United Nations bodies caring for them, and to Jordan as a host country, the level of support given to Syrians in the 14 years of the crisis could not be maintained.

40. The representative of **France** said that his delegation supported the efforts of UNHCR in protecting forcibly displaced persons and refugees from all types of persecution, including persecution linked to gender. He expressed concern about the increasing number of crises and needs with more than 120 million persons having been forced to flee their homes. He said that France continued to respect its engagements made during the Global Refugee Forum and recalled the Paris Conference on the Sudan in April 2024 where €2 billion were mobilized for the Sudan and its neighbouring countries and over 66 per cent of that was committed to the humanitarian aspect. His delegation called for the improvement of the financial situation by focusing on two aspects: first, the control of expenses with an increased effort towards transparency, and second, the mobilization of States whose contributions to UNHCR were insufficient despite their financial capacity.

41. The representative of the **United Kingdom of Great Britain and Northern Ireland** conveyed her condolences to the Peruvian mission regarding the passing of its Permanent Representative. The United Kingdom of Great Britain and Northern Ireland appreciated the assessment of projected needs and the useful comparisons looking both back and forward on upcoming key initiatives, many of which aligned with the priorities of her country. She acknowledged that the projected 2025 budgetary decreases were a result of difficult prioritization, workforce restructuring, and process efficiencies and said that her country welcomed and supported the continued focus on efficiency.

42. Although she commended efforts to continue diversifying the donor base, she said that that was not the only way to close the funding gap. She welcomed the initiative from the High Commissioner to approach displacement in a more intentional and systematic way. Transparency and collaboration were vital in preparations and in implementing meaningful changes that continued to contribute to the core protection work. She looked forward to working closely with UNHCR on developing the thinking on sustainable programming ahead of the upcoming Executive Committee. The improvements in population group data showed that, although progress had been made in tackling statelessness, work remained to be done, and the United Kingdom of Great Britain and Northern Ireland welcomed the budgetary increases for this important work and the focus on this



topic at the upcoming Executive Committee. Given the increasingly challenging global context, it was important to take a long-term view to contribute to the reduction of overall humanitarian needs. She noted that climate action and anticipatory work were vital in those efforts, and the United Kingdom of Great Britain and Northern Ireland was committed to providing support and unlocking much-needed financial aid.

43. The representative of **the Bolivarian Republic of Venezuela** welcomed the increase of 16 per cent for securing solutions while expressing concern that the budget reductions would affect impact areas such as attaining favourable protection environments, realizing basic rights in safe environments and empowering communities for gender equality. Concern was expressed about budget cuts in the global South, in Latin America, the Caribbean and in particular, the Southern Africa region where there was a forecasted budget cut of 8 per cent and the Middle East and North Africa region which was also facing a 9 per cent budget cut. While budget reductions in some regions were inevitable, she stated that it was crucial to prioritize the regions where the humanitarian needs were the highest. Her delegation noted that, according to the forecast, voluntary contributions should increase in 2025.

44. The budget highlighted the persistence of the funding gap, which suggested a severely limited capacity to meet the global needs of refugees. She stressed that it was crucial to ensure more transparency concerning the allocation of resources so that aid would more effectively reach the regions facing the greatest challenges. This would require a more accessible and clear system for monitoring the use of funds and the creation of mechanisms where member States could participate in decision-making. A system review of the earmarked or conditional contributions would also be needed, as such conditions often politicize and limit the capacity of UNHCR. Private sector contribution should also be subjected to transparency and accountability mechanisms since it had become the second largest source of unconditional funds. The sector should be brought under a joint framework for oversight involving member States to ensure fair and effective use of the resources in line with priorities and needs. She said that her country agreed with the Advisory Committee on Administrative and Budgetary Questions observations on more in-depth participation by member States and local governments in decision-making processes and planning.

45. The representative of **Nigeria** extended her condolences to the mission of Peru on the passing of its Ambassador and Permanent Representative. Nigeria aligned with the statements delivered by the African Group and the Organization of Islamic Cooperation. Her delegation thanked the Assistant High Commissioner for Operations and Protection) for the recent visit to Nigeria to engage the country's leadership on the strategic plan to advance sustainable programming and solutions in her country, and underlined that sustainable financing was required for UNHCR to meet its obligations, particularly under Impact Area 4. While commending the efforts to secure adequate finances to implement those commitments, she called on member States and partners to advance financial commitments.

46. Her delegation noted the increase in the budget to address the concerns of stateless persons and resettlement programmes in Nigeria. She further noted the support for internally displaced persons in Nigeria to access national services as well as programmes aimed at strengthening resilience and urged UNHCR to coordinate with the office of the Secretary-General's Special Adviser on Solutions to Internal Displacement for coherence and efficiency.

47. On the programme budget for 2025, she said that her delegation strongly opposed the approach of UNHCR to include age, gender and diversity components in its planning and programming, particularly as this violated national legislation, cultural norms and values of Nigeria. She said the flagrant disregard of national specificities under the guise of humanitarian support was unacceptable.

48. Her delegation noted, with concern, the decrease in resources for field operations, as opposed to the increase in costs at headquarters, and reiterated a call to prioritize the needs of the people the organization sought to serve. She further urged UNHCR to take note of the recommendations of the Advisory Committee on Administrative and Budgetary Questions to achieve a more equitable geographical representation of member States among its staff and continue to cooperate with other United Nations entities in order to seek efficiencies.

49. The representative of **Cuba** said that his delegation had taken note of the programme budget

for 2025 as well as the budget reduction of 2 per cent for his region. He emphasized that this was problematic given the rise in the number of people requiring international protection, and encouraged the use of unconditional and unearmarked contributions in order for the organization to direct funds to persons who were most in need. Emphasizing that Cuba would like to see more participation by member States in decisions that affect the budget, he said that his delegation would like to see more transparency in the way resources were allocated, which should be made on the basis of objective, verifiable information, in accordance with the definition in the 1951 Refugee Convention. He expressed the need for clarity and accountability about how UNHCR worked with other international organizations including the International Olympic Committee, and also the need for assurance that such partnerships benefitted people who truly needed international protection. He asked for more transparency regarding the work of the Refugee Olympic Foundation, saying that the politicization of refugees was contrary to the spirit of the 1951 Refugee Convention.

50. The **Director of the Division of Strategic Planning and Results (UNHCR)**, while acknowledging that the gap between the budget and funding resources would impact implementation, emphasized that the budgetary changes had been discussed and there was alignment between country operations, governments and other partners at the country level. She reiterated that UNHCR had increasingly been prioritizing investments in solutions since the adoption of the Global Compact on Refugees and, at the behest of the Committee, was re-examining plans and strategies to reinforce those investments. She explained that the organization had prioritized urgent life-saving assistance, core protection activities and the achievement of core protection outcomes, which often took the form of advocacy, generating data and evidence, partnerships, advice, policy support and protection analysis, so it did not amount to large financial requirements. She further noted that focus area strategic plans on statelessness, engagement with development actors, climate action, and internally displaced persons provided prioritization information, and reassured that her division would continue to provide information on the prioritization processes.

51. She said that the reduction in budget for the regional bureaux was due to the staff reduction exercise implemented in 2023 as part of the realignment process. Changes in the Ukraine operation budget were driven by increased targeting of vulnerable households for cash, shelter and protection, which moved the focus to where the support of UNHCR was most needed. The change did not represent a reduction in overall commitment in Ukraine – a campaign for the winter had been launched to increase support and UNHCR would continue to monitor the situation to evaluate if supplementary budgets were needed. In the Asia and the Pacific region, the 4 per cent decrease was driven by a greater focus and consolidation of activities in Bangladesh and Myanmar. As previously explained, the decreases in Middle East and North Africa region were largely driven by allocations. Operations in the Islamic Republic of Iran and Pakistan had maintained their budgets, but there were some strategic reallocations as an increase in support in the form of assistance in Afghanistan, in terms of solutions for returnees. In the Americas region, the decrease was driven primarily by a reduction in assistance due to a consolidation of the inter-agency model where that assistance was shared with partners. As previously stated, the aggregate decrease in child protection was small, with the proportion of the budget remaining the same.

52. On how sustainable programming and our work with partners was reflected in the 2025 budget, she stressed that UNHCR was actively engaging on this at the country level. The organization was committed to holding regular dialogues with all partners to ensure information on the process was shared openly and transparently.

53. Regarding the route-based approach, the indicators and activities were not reflected in the budget due to the similarity to other activities such as communicating with communities and providing protection or strengthening asylum systems. Efforts were, however, underway to accurately elaborate how to represent the route-based approach and share that information with the Standing Committee. She informed that a briefing would be provided in January 2025 on the Advisory Committee on Administrative and Budgetary Questions observations.

54. With regard to the language on diversity, she said UNHCR had liaised with the United Nations Headquarters in New York to ensure that all terminology in the budget reflected the United Nations practices and agreed definitions. On the digital gateway, she said that this was an effort to increase communication with communities and accountability to affected populations and that it had been trialled in several countries. With regard to climate resilience, she deferred to the UNHCR climate action focus area strategic plan which outlined how the organization would support

communities to become climate resilient through, for instance, economic recovery and community recovery.

### 3. Management, financial control, administrative oversight and of human resources

#### (a) Finance and oversight

(i) **Financial statements for 2023 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 2023 (A/AC.96/75/4).** \*

(ii) **Key issues and measures taken in response to the report of the Board of Auditors for 2023 (A/AC.96/75/4/Add.1) as well as recommendations from previous years.** \*

*\*Sub-items (i) and (ii) were presented and considered together.*

55. **The Controller and Director, Division of Financial and Administrative Management (UNHCR)**, after providing detailed information on the implementation of the enterprise resource planning system, the core accounting and procurement system, began his presentation on the financial statements for 2023, that had been compiled in accordance with the International Public Sector Accounting Standards, by noting that the audit process had resulted in an unqualified opinion and finances had been adjudged sound.

56. With regard to the financial position of the organization, he said that cash available was low while contributions receivable remained stable. As highlighted by the Board of Auditors, other monetary assets and monetary liabilities had increased due to delays in the processing of partner reports. He explained that, for instance, per privileges and immunities and host country agreements, the organization did not pay value-added tax, and if paid, claims were made at the end of the year to governments for a refund. However, at the end of 2023, UNHCR had \$37 million in pending value-added tax claims to governments. For this reason, he called on all partners to provide the needed support in processing those value-added tax claims to free up funds for operations.

57. On financial performance, while emphasizing the decline in the quantity, quality and timeliness of voluntary contributions, he said that UNHCR had three years of surpluses, which meant multi-year contributions had been received. He explained that multi-year contributions that were received in 2022 were used in 2023, and as UNHCR received less in new voluntary contributions that year compared to the same period in 2022, it was reflected in the deficit recorded. He noted that although there was a deficit in 2023, UNHCR had a total of \$3 billion in assets, which represented the total of all accumulated multi-year contributions available in future years.

58. He pointed out that the effect of staff reduction had become evident in 2024 and would continue into 2025, explaining that even though the downsizing plan was initiated in 2023, not all staff left the organization, some stayed on in-between assignments with contractual services remaining the same. Relative to the After Service Health Insurance plan, which consisted of pension and medical cost liabilities to retired staff, he said it was agreed that the benefit should be tracked as a separate fund and, until it was fully funded, indicate it as a deficit. He informed the Committee that the pension component had been fully funded, but the schedule for fully funding the medical cost liability had been set to 2032.

59. While recalling that the first Statement of internal control had proven to be a very effective tool, he pointed out the risk frameworks, audits, oversight, and many other mechanisms that were interconnected when risk profiles were considered. He noted that even though UNHCR went live with the enterprise resource planning system at the end of 2023, the overall score only dipped from a composite score of 3.61 in 2022 to 3.56 in 2023, and strong compliance was noted in planning and resourcing, organizational governance and management, and financial tracking.

60. He noted that the areas needing improvement listed in the Statement of internal control, some of which were also highlighted in the Board of Auditors Report, were the result of self-reflection and included ongoing efforts to improve the enterprise resource planning system and maximize its benefit, strengthening procurement planning, cybersecurity, workforce planning and staffing

indicators, as well as increasing adherence to monitoring and analysis of security risks, emergency risks and preparedness, including business continuity. In addition, reinforcing the cash-based intervention processes and improving the quality of the vehicle master data and fleet management were other areas of attention. In 2023, fleet management, for instance, had been significantly improved with \$5.2 million dollars of savings identified.

61. The **Director of External Audit, France (United Nations Board of Auditors)** presented the report of the Board of Auditors on voluntary funds for the year, which ended on 31 December 2023, and said that the Board had issued an unqualified audit opinion. This meant that the financial statements accurately represented, in all significant aspects, the financial situation of the administered voluntary funds. With regard to the scope of activities of the external auditors in 2023, he noted that they visited headquarters in Geneva, as well as the Global Services Centre in Budapest and undertook missions to the six country offices in Bangladesh, Jordan, Mauritania, Rwanda, the United Republic of Tanzania, and Uganda, with a remote mission to audit operations in Algeria.

62. Relative to the follow-up on previous recommendations, he said there were 58 recommendations that were still pending at the end of 2021, of which 34 had since been implemented. This was an improvement on the previous year and the proportion was higher than the average rate observed by the Committee for the whole of its portfolio. Moreover, 21 recommendations were in the process of being implemented, while three recommendations were outdated. He informed that in 2024, the Committee issued 19 new recommendations.

63. He said that the main financial indicators had deteriorated because of a decrease in assets and an increase in liabilities, but the indicators remained at a high level. Therefore, the financial situation remained relatively stable.

64. Referring to the main audit findings on the business transformation programme, he said the programme had resulted in significant delays in processing the financial reports of implementing partners in 2023. He informed the Committee that the total volume of activities of implementing partners in 2023 was \$1.3 billion, so the Board agreed to extend its audit work period to obtain a reasonable estimate of the undeclared expenses of implementing partners. For this reason, the Board of Auditors expected implementing partners to respect the deadlines prescribed in the administrative instructions of UNHCR for 2024.

65. The cloud enterprise resource planning system had been implemented at a very impressive speed to enable automation and integration in the processes. Nonetheless, the system had not yet delivered the expected enhancements in the reliability of financial reporting. In addition, the auditors noted weaknesses in the management of user access and in technical incidents, as well as certain analytical weaknesses such as the impossibility of generating a comprehensive report of products and services received for which invoices had not yet been issued by providers. At the time of the audit in April 2024, the automation of processes had not yet been completed, which resulted in a higher proportion of estimates and manual adjustments in the 2023 reports compared with the previous year. For these reasons, the Auditors had planned a complementary audit in the fall of 2024 in order to support UNHCR in the best possible way.

66. Regarding the management of budget processes, he specified that the programme budget adopted annually by the Executive Committee was based on an assessment of the needs, not on estimated revenue. He said that by approving the programme budget each year, the Executive Committee indirectly set the maximum funding level that the organization was authorized to raise and limited the number and type of positions authorized for recruitment. Concerning budget preparation and planning, the Board of Auditors considered that the programme budget presented several limits. The actual funding amounted to only about half the aspirational level set in the programme budget. This raised the question of the relevance of the assessment of needs and of the approval granted. He noted that the funding concentration risk was critical with UNHCR remaining dependent on a very limited number of donors. However, funding from the private sector showed a positive trend, but continued development was needed in line with the resource development strategy.

67. The Auditors noted that budget implementation rested on rather robust management and internal controls. Budgetary reporting to the Executive Committee was aligned with governance requirements but could be strengthened. He described the budgetary operating level as representing

the maximum number of commitments and payments that could be pledged until the end of the fiscal year. An automated internal budgetary control was conceived to guarantee that, for each operation and in each budget category, no purchase could be realized beyond the available amounts established by the operating levels. However, that system did not consider the resource limitations determined by the UNHCR financial management rule 501.3 regarding the real availability of funds. A distinct periodical control to verify conformity to the rule was required. The system of accountability and reporting processes on performance and results were in place. However, at the time of the audit, the functioning of those processes remained variable. The quality and relevance of result indicators needed improvement. There was space to increase ownership among staff and use the performance framework as managerial leverage.

68. Concerning the management of large camps, for the purpose of the audit and in agreement with UNHCR, camps that hosted more than 50,000 refugees were considered as large camps. The field missions included a visit to the world's largest camp at Cox's Bazar, and number of other large camps that were considered significant. One main observation was that no specific strategy existed for the management of large camps compared to other camps, even though the majority were the result of long-standing situations, sometimes spanning several decades. There was great diversity among the camps, reflecting the multiple situations faced by displaced persons and the various conditions offered to them by the host countries, for example concerning freedom of movement or access to work. In that context, ensuring up-to-date real time knowledge of the situation in the large camps remained challenging. Camps that have continued to exist over time and protracted situations raised the issue of exit solutions. Considerable efforts had been made to implement solutions, such as better integration in the host communities and the transformation of camps into regular towns. Certain efforts yielded some success. Work was in progress, notably in Ethiopia, Kenya and Mauritania, and. In such situations, UNHCR and/or host governments had defined a global and durable solution in the camp. Globally, however, a more proactive, collaborative, and operational approach remained necessary. UNHCR noted significant discrepancies between country offices in the procedures used for refugee registration, which remained fragile and vulnerable to fraud.

69. Regarding the role of UNHCR in the coordination of activities in the camps, he said that the organization coordinated several sectors together with the governments such as protection, public health, nutrition and education. However, the Committee noted that, in certain limited instances, UNHCR had directly implemented part of the core mandate of other United Nations agencies without clearly justifying the necessity to intervene. Concerning the protection mandate, protection against gender-based violence in all its components was evidently crucial. It was found that the mandate was managed unequally and sometimes insufficiently. He said that there was insufficient information on the costs and performance of large camp management. Donors, host countries and beneficiaries were not able to compare the costs of camps with other solutions because the UNHCR budget did not separate the costs related to the refugees in camps and the costs related to refugees in urban areas. In the context of financial constraints, he said reflecting on ways to improve responsibility sharing and efficiency in these large camps would be beneficial.

70. The representative of the **European Union**, speaking on behalf of the European Union and its member States, welcomed the efforts to strengthen internal controls and prevent and detect fraud, as demonstrated by the unqualified audit opinion for 2023. In the face of an ever-growing number of complaints, the role of the Inspector General's Office in launching timely and efficient investigations could not be overemphasized. He said it was reassuring that UNHCR remained sound in terms of oversight and accountability and had made progress on the business transformation programme, decentralization and other innovations. He also noted the efforts of UNHCR in engaging with the external auditors of the *Cour des Comptes* of France, and its willingness to address difficulties and delays encountered in producing the financial statements.

71. The European Union encouraged UNHCR to prioritize the consolidation of the systems and processes underpinning the financial statements, including the business transformation programme, the framework of internal controls and related fraud prevention mechanisms. The European Union further recommended exploring specific tools and best practices that could improve transparency and cost tracking, to ensure resources were used efficiently. He said the European Union and its member States would be interested to know when such difficulties and delays were expected to be fully resolved. While noting that the European Union supported a more effective classification of audit recommendations, he stressed that the European Union also shared the concern expressed by the Independent Audit and Oversight Committee on the lack of progress in the scheduled review of

internal audit arrangements, as well as delays in the implementation of internal oversight recommendations. He stated that the European Union looked forward to the results of the evaluation on decentralization and regionalization and called on UNHCR to consult widely on the draft rolling work plan of the Evaluation Office for the period 2025-2026.

72. He said that the European Union recognized the progress achieved on protection against sexual exploitation and abuse as well as sexual harassment, including through the adoption of the new policy on addressing sexual misconduct in May 2024, and strongly encouraged UNHCR to continue treating this as a top priority, applying a zero-tolerance policy and a victim-centred approach. He stressed the importance of ensuring an effective balance between prevention and response and said that efforts should extend to the management of implementing and collaborating partners, including governments. In that regard, he called for further strengthening of the overall joint approach with other United Nations agencies, within the Inter-Agency Standing Committee framework.

73. The European Union also commended the commitment to a safe and respectful workplace and stressed the importance of promoting a speak-up culture and ensuring protection against retaliation. With regard to the identification and mitigation of risks, including fraud and corruption, he said that the European Union wanted to hear more about the results of the corporate risk appetite approach piloted in Ethiopia, Kenya, the Sudan and Ukraine. The European Union also requested UNHCR to provide more information on how those risk management strategies were integrated with inter-agency collaboration efforts, particularly with the International Organization for Migration, to ensure a cohesive approach.

74. Finally, the European Union and its member States called on UNHCR to carefully consider the findings of the Board of Auditors, internal audit reports and the internal advisory reports of the Office of Internal Oversight Services. The representative underlined the need for the UNHCR senior management to address the root causes of irregularities in the field and at headquarters, and to ensure timely implementation of all audit recommendations.

75. The representative of the **Russian Federation** highlighted the need to improve accountability mechanisms around performance monitoring and recommended considering an online portal that would provide States and donors the opportunity to study the extent to which UNHCR had implemented the changes in real-time as well as the volume of financial resources expended.

76. Concerning the assessment of refugee camp operations by the auditors, he requested UNHCR and the Board of Auditors to provide information on ways to improve efficiency in the camps and enhance the effective use of funds. With regard to fraud, the representative called on UNHCR to take the necessary steps to combat and prevent it. He asked the organization to explain how the process of decentralization had had an impact on attracting funds. He wished to know if new opportunities had been identified with the delegation of authority to missions with the view to ensuring sustainability for the finances of the programme. He asked whether the Board of Auditors could share its thoughts on the risk management system in UNHCR and the necessary steps to improve it. Furthermore, the representative asked if the use of artificial intelligence was considered a risk.

77. The representative of **Switzerland** pointed out that the documents under discussion had not been received early and were not available in French, a situation which hampered an in-depth and consolidated deliberation on the topic. He expressed the wish that the situation would not reoccur in the future because the Standing Committee served not only to inform member States but also to promote dialogue. He said that his delegation had taken note of the recommendations on the management of refugee camps, which were perfectly aligned with the sustainable programming approach and compatible with his country's priorities, which were being implemented through initiatives such as the Geneva Technical Hub launched in 2021 with UNHCR. In its second phase, the Geneva Technical Hub initiative would allow a multidisciplinary and multi-partner approach to tackle the environmental and climatic challenges in the camps and in other contexts. He informed that UNHCR was continuing to receive support from experts, partners in academia and other organizations with a humanitarian mandate, such as the International Organization for Migration, the United Nations Children's Fund, the United Nations Human Settlements Programme (UN Habitat), and the International Red Cross and Red Crescent Movement, to transform refugee camps into more sustainable communities and called on States and partners to support the Geneva

Technical Hub to enable the organization to attain its objective.

78. The representative of **Uganda** said her delegation was aware of the low cash availability in 2023 and 2024 and emphasized that Uganda had contributed to the organization's efforts to reduce spending. She asked about whether the initiatives being implemented to save money, such as reducing staff numbers and limiting service for those who needed help, were yielding the expected results. While commending the Board of Auditors for their rigorous work, she asked whether there were any proposals or recommendations similar or connected to those provided by the Advisory Committee on Administrative and Budgetary Questions. While also acknowledging the achievement of gender parity, and in consideration of the recurring recommendation to UNHCR to achieve geographical diversity in staffing, she asked whether that aspect had been considered by the Board of Auditors, and if geographical diversity was attainable.

79. The representative of **France** commended the Board of Auditors for the quality of its work that had resulted in precise recommendations to improve the performance of UNHCR, and its programmes dedicated to refugees and their host countries. He said that France appreciated the will of the High Commissioner to implement concrete measures that incorporated recommendations, particularly with regard to the mobilization of the private sector and coordination with other agencies. He reaffirmed the specific mandate of UNHCR and the commitment of his delegation to ensure that the UNHCR can take decisions independently, in conformity with its independent analysis of crisis situations, taking into account donor and host countries.

80. The representative of the **United Kingdom of Great Britain and Northern Ireland** welcomed the unqualified audit opinion issued by the external auditor on the financial statements of UNHCR. He noted that UNHCR had concluded 2023 with a deficit of \$590 million and asked how UNHCR managed that deficit and what impact it had on the reserves. He also noted the reference to continued growth in salaries and associated costs in 2023, following the workforce reduction exercise, and asked how the expenditure on such budget line items was reduced in 2024 and by what amount. The external auditors' report included a range of important recommendations, and his delegation appreciated the relevant response by UNHCR. He underlined the organization's commitment to the adoption of a comprehensive efficiency agenda and said his delegation would be grateful for further information on that agenda. He also referred to the commitment of UNHCR in addressing the external auditor's concerns about camp registration processes with changes to guidelines and requested more information on the current practice, changes envisaged, and the delays involved in implementing those changes. Concerning the commitment towards nominating anti-fraud focal points in large camps, he noted that his delegation would be interested in more information on the number of focal points currently in place and precisions about future plans.

81. The representative of **Mexico** noted that the reports of the Board of Auditors and the internal audit of the Office of Oversight Services were designed to improve transparency and reporting from the organization, and said that her delegation recognized the efforts to address gaps in various operational activities and adjustments made to effectively oversee operations in a highly complex environment.

82. She noted that some of the recommendations pointed to increasing regional and national oversight and, while bearing in mind that the decentralization process must incorporate the necessary safeguards, she looked forward to receiving updates on their implementation. She said her delegation welcomed the initiative of refugee and asylum-seeker volunteers who had been able to contribute to the work of the organization. She further welcomed the attainment of gender parity and said her delegation looked forward to the improvement of equitable geographic distribution and inclusion of more people from the least represented regions. In that vein, she welcomed the report on equality and thanked the various offices for their work on issues such as sexual exploitation and abuse and other workplace difficulties, including measures to promote mental health among staff and create an inclusive, diverse and respectful environment. She asked whether the Independent Audit and Oversight Committee could include a review of issues on ethics in its terms of reference.

83. The **Controller and Director, Division of Financial and Administrative Management (UNHCR)**, responding to questions, said that the business transformation programme was the broader term for all systems, not just the enterprise resource planning system. While noting that there remained work to be done on integration and improvement of data in the reporting, he said a definitive answer could not be provided for the timeline in completing transformations because the

old systems had been in use for 20 years and would continue to necessitate maintenance. With regard to cost efficiencies and transparency for the enterprise resource planning and the business transformation programme systems, he said those systems should be considered as foundational platforms that had helped UNHCR to digitize, reduce paper and costs and had enabled the organization to rethink its business model and how things were done. He stated that better data would lead to better transparency.

84. Relative to pilots on risk management in Ethiopia, Kenya, the Sudan, and Ukraine, he noted that those were still at an early stage. There was a draft risk appetite statement being worked on and influenced by the results of those pilots, and insights from the process had informed the organization's overall risk management strategies, including the inter-agency collaboration with the International Organization for Migration.

85. On increasing efficiency in expenditures for refugee camps, he reiterated that the planning and budgeting took place at the country level as a bottom-up approach focused on needs assessments. He stressed that the global report should be strengthened with the results at the output level using the core output indicators to better understand the costs and results achieved in the large camps. He noted that the business transformation programme could be applied to places where UNHCR also had large camps. Specifically on the question about improvements, he said UNHCR would develop a methodology for statistical estimates for camps to establish a site management system that would be combined with the enterprise data from UNHCR as the only source of operational data.

86. With regard to the question on fraud, he acknowledged that fraud was a persistent issue for all United Nations agencies. He said that better systems, data and connectivity, as well as technology, could help detect fraud. Connecting the various data points, risk frameworks, statements of internal controls, findings by oversight bodies, and lessons learned were all considered as part of a strategy to detect and combat fraud. He underscored that the best approach for dealing with fraud was to provide awareness and training for staff; as such, an anti-fraud campaign was implemented every year to achieve that.

87. Referring to questions about decentralization and fundraising, he pointed out that UNHCR had seen new opportunities where funding was initiated locally and strengthening country offices and regional bureaux had assisted in tapping into those opportunities. He noted that as per the United Nations sources, funding had increased from \$143 million in 2021 to \$225 million in 2022 and to \$253 million in 2023 at local levels.

88. The **Director of External Audit, France (UN Board of Auditors)**, responding to the question of whether the risk management policy was functioning well and what further steps could be taken to ensure efficiency, emphasized that the key to a functioning risk management system was a reliable cloud enterprise resource planning system. In that respect, UNHCR had to complete the relevant implementation work and mitigate the weaknesses identified in the previous report. Regarding further steps, he recalled that an audit was completed on the risk management system the previous year for which implementation of recommendations was ongoing, such as for the development of a corporate risk appetite statement and the revision of the procurement framework.

89. He said that the potential impact of artificial intelligence in terms of risk was huge and was being considered for audit purposes by the Board of Auditors. With regard to the question from the representative of Uganda about whether the Board of Auditors considered the Advisory Committee on Administrative and Budgetary Questions recommendations and comments, he said that although the Board, by principle, seriously considered observations, comments and recommendations of the Advisory Committee, those considerations did not form a legal basis for its own recommendations because the Board audits individual cases before making a relevant recommendation.

90. The **Controller and Director, Division of Financial and Administrative Management (UNHCR)** while providing further comments on fraud focal points, clarified that UNHCR had a robust individual registration system with a biometric verification methodology. He emphasized that compliance with the anti-fraud policy was mandatory and the organization had issued a revised policy on fraud committed by forcibly displaced and stateless persons with accompanying administrative instructions and monitoring tools for representatives and regional bureaux.

91. Responding to the question from the representative of Uganda on costs, he said that



approximate savings could be in the range of \$100 million and explained that the reorganization consisted of both a reduction in costs and realignment. He pointed out that realignment and rationalization included several components. First, it included a reduction in the overall staffing footprint for headquarters and the regional bureaux. Second, it included streamlining and planning management structures. Third, it entailed the nationalization of posts. Fourth, it involved reviewing office structures with a view to consolidating or closing them where possible. Fifth, it included pursuing better functional alignment between headquarters and the regional bureaux. He said that the Division of Human Resources was providing comprehensive support to managers and affected staff to ensure that the process was rolled out in a people-centred way. He announced that approximately 10 per cent of posts had been affected globally, but that did not translate into a 10 per cent reduction of individual staff because although some posts could be reduced, the affected staff could also fill other posts through rotation.

92. He said that the comprehensive efficiency agenda was a core principle of UNHCR, that would be strengthened with the new tools. He emphasized that trust, efficiency, transparency, and the ability to get things done on the ground were some of the top reasons individuals and governments donated money to UNHCR.

### 3. Management, financial control, administrative oversight and of human resources (continued)

#### (a) Finance and oversight (continued)

##### (iii) Report of the Office of Internal Oversight Services on internal audit in the Office of the United Nations High Commissioner for Refugees (A/AC.96/75/7).

93. The **Director, Internal Audit Division, Office of Internal Oversight Services** reviewed the summary of results and conclusions from the internal audit for the period 1 July 2023 to 30 June 2024 and said that the Office of Internal Oversight Services recommendations sought to improve governance, risk management and control processes in UNHCR and had been guided by an assurance strategy and risk-based work planning. The Office of Internal Oversight Services assurance strategy aimed to ensure that activities that were assessed as high-risk would be audited every three years, those of medium risk would be audited every five years, and limited-scope reviews would be conducted for low-risk activities every five years.

94. He pointed out that the 25 audits that had been completed in 2024 which contained 160 recommendations, with 72 of those directed towards improvements in the regional bureaux and country operations. The audits showed gaps in: (a) non-compliance by staff with UNHCR policies and procedures, (b) weaknesses in the implementation of programme activities by selected partners, and (c) inadequate support and oversight by the responsible headquarters divisions and regional bureaux. While highlighting the inherent risk of operating in challenging contexts with insufficient resources, he informed the Committee that UNHCR had accepted all recommendations and had implemented 41 of them by 30 June 2024. Taking into account recommendations that had been issued in previous years, he noted that a total of 145 recommendations remained unimplemented at the end of the period, with 36 per cent of recommendations past their due date, even though that figure was down from the 77 per cent reported on 30 June 2023. He stressed that the Office of Internal Oversight Services continued to work closely with UNHCR management to address long-standing recommendations.

95. He said that the Office of Internal Oversight Services had received effective cooperation from UNHCR management and staff and had coordinated its activities with the Inspector General's Office, the Evaluation Service, the United Nations Board of Auditors and the Joint Inspection Unit. The Independent Audit and Oversight Committee also continued to provide guidance to strengthen the Office of Internal Oversight Services processes and results. He noted that while the Office of Internal Oversight Services did not experience any interference that might have impeded the independence of its internal audit function, full implementation of the audit workplan had been impacted by resource constraints, which compelled the continued use of remote working modalities whenever feasible and effective, resulting in the cancellation of five planned audits for field operations. He reassured that those audits would, however, be reconsidered as part of the 2025 annual work planning process.

*The meeting adjourned at 6 p.m.*