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Summary record of the 717th meeting

Held at the Palais des Nations, Geneva, on Thursday, 4 October 2018, at 3 p.m.

Chair: Ms. Dalil.....(Afghanistan)

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

Consideration of reports on the work of the Standing Committee:

(b) Programme budgets, management, financial control and administrative oversight *(continued)*

1. **Ms. Gaertner** (United States of America) said that she would encourage the Office of the United Nations High Commissioner for Refugees (UNHCR) to use the matrix on follow-up to the recommendations contained in the 2017 report of the Board of Auditors and to implement the main recommendations, particularly those that were overdue, with a view to strengthening the transparency of its oversight processes. UNHCR must inform Member States of the expected time frame for the implementation of its results-based management system and take advantage of that overhaul to increase the efficiency and transparency of its work and to strengthen the planning and monitoring of its activities and their results. The implementation of the Risk Management 2.0 initiative must minimize the risks of fraud, corruption and misconduct. In 2017, the United States had contributed over US\$ 1.5 billion to UNHCR.

2. **Mr. Demerse** (Canada) said that he wished to know how UNHCR was strengthening its analytical and evaluation capacities, which would play a crucial role in the implementation of the global compact on refugees. UNHCR must establish a results-based management system that strengthened the links between budgeting, planning and results and promoted improved activity coordination. Canada welcomed the efforts made by UNHCR to improve the quality of its partnerships with local actors and the adoption of its age, gender and diversity policy. The country called upon UNHCR to ensure that gender equality and the empowerment of women and girls were key components of all its operational and institutional reforms and to strengthen its policies, systems and practices for preventing sexual exploitation and violence.

3. **Ms. Sato** (Japan) said that the funding gap was a cause for concern for her country. She commended UNHCR for seeking alternative sources of funding and mobilizing the private sector. Japan had contributed around US\$ 113 million to UNHCR at the end of September. The country supported the organization's capacity-building in such areas as risk management and the combating of sexual exploitation, violence and harassment and would appreciate further information on the planned reorganization of its headquarters and regional offices.

4. **Ms. Hopp** (Germany) said that Africa was the region that had the largest number of persons of concern to UNHCR yet received the least assistance in proportion to its needs. Germany welcomed the implementation of the Risk Management 2.0 initiative, on which it would appreciate further information, and encouraged UNHCR to mainstream the initiative across the organization in order to address the root causes of corruption and fraud. The country supported the planned establishment of regional human resources teams to increase the effectiveness of human resources management and the strengthening of the staffing of the Inspector General's Office, to which it would contribute by providing a legal officer. However, that structural reorganization must not entail additional costs, and Germany encouraged UNHCR to seek regular guidance from Member States.

5. **Mr. Nordengen Christensen** (Norway) said that he welcomed the measures taken to improve the internal organization of UNHCR and strengthen collaboration with other bodies and that he looked forward to seeing their first tangible results. It was important to increase the proportion of non-earmarked contributions so as to improve the predictability of funding flows, to which Norway was committed to making a contribution, and to broaden the donor base. Norway encouraged UNHCR to sustain its efforts to prevent fraud and corruption and to eradicate sexual exploitation and violence and welcomed the implementation of the Risk Management 2.0 initiative.

6. **Mr. Winder** (United Kingdom) said that his country welcomed the increase in the total value of contributions received in 2017 and the good level of liquidity. In order to strengthen risk and fraud management, it was important that UNHCR had an internal control framework that clearly defined responsibilities and made it possible to change

course, where necessary. In accordance with the report of the Board of Auditors, the United Kingdom encouraged UNHCR to work with its sister agencies to improve the stocking of core relief items, complete the implementation of the 2016 recommendations on partnership management and act upon the recommendations put forward in 2017. He was concerned about the significant fall in the total value of cash-based assistance and wished to know the reasons for it. He welcomed the increase in the budget and staffing of the internal audit function and the establishment of the Evaluation Service, which would help to make the implementation of the global compact on refugees more effective.

7. **Ms. Clements** (Deputy High Commissioner) said that the timeline for the implementation of the results-based management system would be communicated to Member States by the end of 2018. That system would be implemented in lockstep with the regionalization of the operational structure, which remained under review. It was still too early to assess the impact of that structural and functional reorganization on the budget. The areas in which controls needed to be strengthened had been identified, and the Risk Management 2.0 initiative, which was a temporary arrangement for strengthening operational capacities, should make it possible to significantly reduce corruption and fraud. UNHCR planned to follow the example of other United Nations organs in publishing a statement of internal controls. Detailed information would be transmitted to Member States once the risk assessment stage had been completed. The Evaluation Service team was analysing the processes and results of the implementation of the comprehensive refugee response framework. In November 2018, UNHCR would launch its partner portal, the outcome of a partnership with the United Nations Children's Fund (UNICEF) and the World Food Programme, which would facilitate collaboration with non-governmental organizations (NGOs) and other partners. It was aimed at broadening the donor base and increasing the proportion of non-earmarked contributions. The fall in the value of cash-based assistance was the result of an increase in the amounts distributed in the Middle East and South Asia, but cash-based intervention programmes were now being implemented in 106 of the 128 countries in which UNHCR was active.

Consideration of reports relating to programme and administrative oversight and evaluation

Report on activities of the Inspector General's Office (A/AC.96/1182)

8. **Mr. Malmquist** (Head of the Investigation Service) said that the Inspector General's Office had received around 900 misconduct complaints during the period under consideration, compared with 500 for the previous period. Likely explanations for that increase included management's emphasis on the policy of zero tolerance towards fraud, corruption and sexual violence and harassment; encouragement to report such misconduct; enhanced protection measures for victims who came forward; growing confidence in the ability of UNHCR to respond; and the support given to victims. As during the previous period, the complaints received had largely concerned fraud with financial implications, refugee status determination and resettlement fraud, and sexual exploitation and violence; after assessment, 108 new investigations had been opened. In all, 120 complaints of sexual exploitation and violence had been received, and there had been sufficient information to investigate further in around 50 per cent of cases. Of those, one third related to UNHCR personnel and two thirds had concerned UNHCR partners. The Office had opened 16 investigations against UNHCR staff members: misconduct had been established in 2 cases, 5 had been closed and 9 were ongoing. The Office had opened 14 investigations into sexual harassment: 6 were ongoing and 3 had been referred to the Division of Human Resources for disciplinary action.

9. The Office had conducted several investigations into allegations of misconduct in Kenya. In Kakuma, six UNHCR staff members had been found to have intimidated other UNHCR staff members and refugees and to have asked for and accepted bribes from refugees. Of those, five had been dismissed or had resigned, and disciplinary proceedings were pending in one case. In addition, UNHCR had referred the cases of four of those staff members to the Kenyan authorities. In Dadaab, complaints against four staff members had been substantiated, and two investigations were ongoing. The Office had also conducted several investigations in Uganda, mainly into fraud with financial implications, corruption,

public procurement malpractice and theft of food items. Since January 2018, 11 cases had been closed and 6 substantiated and referred to the Division of Human Resources, and 7 investigations were ongoing. In the Sudan, the Office had opened two investigations in response to complaints of resettlement fraud and corruption. Those investigations were complex, as the right balance had to be struck between the need to gather evidence and witness statements and the need to protect refugees and other victims.

10. The Strategic Oversight Service, the creation of which had been approved by the High Commissioner in 2017, had filled all its positions. It was responsible for analysing risks, emerging trends and areas of vulnerability and bringing them to management's attention for action. It had recently launched two investigations, the first on partner selection and controls in three countries in which cases of fraud had been uncovered and the second on refugee registration in Uganda. The majority of the recommendations based on the 2016 review of UNHCR oversight functions had been implemented, leading to major changes in the Office's structure, roles and responsibilities.

Report on evaluation (A/AC.96/1183)

11. **Ms. Shroff** (Head of the Evaluation Service) said that the 23 centralized and decentralized evaluations conducted by the Evaluation Service in 2018 in around 30 countries had focused on the humanitarian-development nexus, livelihoods, cash-based interventions, the roll-out of the comprehensive refugee response framework, emergency response and the prevention of sexual violence and exploitation, among other issues. The Service had been able to draw several lessons from its completed and ongoing evaluations. For instance, cash-based interventions were a way of reducing reliance on negative coping mechanisms and reinforcing protective factors, such as the education of children. The presence or absence of livelihoods approaches had an impact not only on income, but also on indebtedness, risks of sexual and gender-based violence and nutritional intake. Social protection activities must be scheduled in a phased-in, sequenced manner over at least three years in order to be effective. Some of the evaluations had yielded insights on management effectiveness and value for money. For example, the early findings of the evaluation of the fleet management programme showed that, overall, investment costs had been offset by many benefits, including financial savings.

12. The Evaluation Service considered that the need for and potential utility of evaluations and the recommendations based on them were important parameters for determining what and when to evaluate. Furthermore, the evaluation strategy was based on an annual consultation process through which the issues of greatest pertinence or relevance to colleagues in the field and at headquarters were identified. With the significant changes that UNHCR was undergoing, evaluation was set to become more fundamental still as the organization moved towards greater transparency and accountability.

13. **Ms. Gaertner** (United States of America) said that her country was very pleased with the professionalization of UNHCR and the progress made in increasing the transparency of its investigations and evaluations. It was important to demonstrate to Member States how the organization conducted and followed up on investigations and what the specific impact of its evaluations was on operations and persons of concern.

14. **Ms. Hopp** (Germany) said that she commended UNHCR on its work, particularly the reinforcement of its investigative capacity in Kenya and Uganda. Member States were now better informed, and UNHCR should continue on that course. In addition, the evaluations of field operations would be crucial to the implementation of the global compact on refugees. However, she wondered what the connection was between the Evaluation Service and the "real-time learners" in the countries rolling out the comprehensive refugee response framework.

15. **Mr. Winder** (United Kingdom), thanking the Inspector General's Office and the Evaluation Service for their work, said that it was important to understand the potential impact of the comprehensive refugee response framework on roll-out countries.

16. **Ms. Gill** (Australia) said that UNHCR investigations, particularly those into cases of sexual exploitation and violence, had increased in transparency, and that she would

encourage the organization to make additional investments in activities aimed at preventing and combating such acts.

17. **Ms. Shroff** (Head of Evaluation Service) said the “real-time learners” reported to the comprehensive refugee response framework team rather than to the Evaluation Service. Nevertheless, the Service had recruited them and cooperated with them as part of their data-collection activities. The Service used those data to prepare its progress report.

Consideration and adoption of the biennial programme budget 2018–2019 (revised)
([A/AC.96/1180](#) and [A/AC.96/1180/Add.1](#))

18. **Mr. Winder** (United Kingdom) said that his country would continue to support UNHCR by making non-earmarked contributions and releasing funds in case of emergencies. Nevertheless, a number of clarifications would be welcome. First, as the widening gap between needs and resources made it necessary to target those most vulnerable first, he would like to know how UNHCR determined the hierarchy of need. Secondly, owing to the lack of funding for Syria, UNHCR had been forced to prioritize emergency needs over self-reliance activities. He wished to know what UNHCR was doing to ensure that development actors focused on those activities. Thirdly, he would appreciate more information on the budget for 2019. He remained open to the idea of a “hybrid” budget that maintained the global needs-based budget while taking into account how resources were deployed. Lastly, given the increase in the number of complaints filed with the Inspector General’s Office and the international focus on sexual exploitation and violence, he wondered whether the funds allocated to investigations into such acts should not be doubled, as had been done for 2018.

19. **Mr. Choon** (Australia) said that UNHCR funds and activities must be based on needs and that the organization must have the necessary resources to meet protection and assistance needs across the world. He understood that the funding gap of 51 per cent in 2018 complicated resource allocation and thanked UNHCR for its continued attention to the Asia-Pacific region. Multi-year funding was essential in that regard and should thus be highlighted by UNHCR in its budget reports. He thanked UNHCR for its transparency drive, as the increased visibility of expenditure incentivized donors to make more generous contributions.

20. **Ms. Gaertner** (United States of America) said that her country was the largest donor to UNHCR, having contributed US\$ 1.5 billion in 2018. However, despite that and other major contributions, the gap between needs and available resources continued to grow. In that regard, it was important that both new and established donors contributed to the funding of multilateral humanitarian structures. UNHCR should sustain its people-centred approach and keep partners, Member States and persons of concern informed of its decisions. In particular, greater granularity on the budget for the current cycle and the 2019 budget should be provided, as should an indication of the programmes, projects and activities that had been prioritized. She wished to know whether the budget adjustments called for in the comprehensive refugee response framework were having a negative impact on field activities. UNHCR should analyse how it drew up its budget in order to strike a balance between overall costs and expected contributions and review its policy of allocating 7 per cent of earmarked contributions to programme support costs, which required some donors to pay much more than others to subsidize the overall needs of the UNHCR system.

21. **Ms. Clements** (Deputy High Commissioner) said that a presentation would soon be made on how UNHCR hierarchized needs, particularly with regard to decisions taken at the field level. UNHCR was already mobilizing development and private sector actors in the knowledge that the resources allocated to resilience activities were often insufficient. Concerning the proposal for a “hybrid budget”, she did not wish to amend the budget structure at the current time, as UNHCR was undergoing major changes, particularly its decentralization shift towards regionalization. With regard to allegations of sexual exploitation and violence, an integrity initiative for the period 2018–2019 had just been launched. It consisted of a package of measures to strengthen the organization and focused on five areas: risk management; investigations and compliance; systems and tools; cultural change and capacity-building; and support to staff, coordination and framework. While the Inspector General’s Office had primary responsibility for the initiative, the Division of

Human Resources and the Legal Affairs Office also had roles to play. She invited countries that wished to strengthen UNHCR capacities in that regard to explore those measures, as they had not been included in the budget under consideration.

22. She thanked the United States for its financial support, which was extraordinary in terms of both quantity and quality, and its broadly earmarked contributions, which gave the organization ample room for manoeuvre. Together with financial and practical support from the private sector, those contributions would add to the strength of the comprehensive refugee response framework, once adopted. It was difficult to make projections and identify which projects would be prioritized until donors' future contributions were known. The results of the internal analysis of spending and uses of contributions would soon be available, but it was clear that a significant portion of the funds was allocated to field operations for improving service and programme delivery.

Draft general decision on administrative and financial matters (A/AC.96/1180, annex VI)

23. **Mr. Moreno Gutierrez** (Rapporteur) said that he wished to draw delegations' attention to the draft general decision on administrative, financial and programme matters (A/AC.96/1180, annex VI), paragraph (a) of which contained a proposal to approve the revised programmes and budgets for regional programmes, global programmes and headquarters for 2018, for the amount of US\$ 8,275,322,789. He also drew attention to paragraph (c) of the draft general decision, which contained a proposal to approve the programmes and budgets for regional programmes, global programmes and headquarters for 2019, which amounted to US\$ 8,591,122,136. Furthermore, the draft decision authorized the High Commissioner, in the case of additional emergency needs that could not be met fully from the operational reserve, to create supplementary budgets and issue special appeals.

24. **The Chair** said she took it that the Executive Committee wished to adopt the draft biennial programme budget 2018/19, as contained in the draft general decision.

It was so decided.

Review of the annual consultations with non-governmental organizations

25. **Ms. Agha** (Rapporteur of the annual consultations with non-governmental organizations) said that the 2018 annual consultations with NGOs, which had addressed the theme "Putting People First", had brought together 523 representatives of 287 organizations from 88 countries. Four broad themes had emerged: including refugees in discussions on policies and programmes; creating and maintaining global partnerships between UNHCR, NGOs, States and the private sector; enhancing the data collection, security and accessibility needed to develop programmes and initiatives for and with refugees and displaced persons; and adopting a "whole of society" approach as a means of forging effective tools that could be applied on a global scale. Unlike in the past, current population displacements were having the effect of creating and strengthening partnerships and were encouraging the various stakeholders to seek innovative refugee protection and integration solutions. Following the adoption of the New York Declaration for Refugees and Migrants by the 193 States Members of the United Nations in September 2016, the global compact on refugees had brought about fundamental change, its provisions including the international sharing of refugee protection responsibilities.

26. During the 2018 consultations, it had been asserted that not only refugees, but also displaced persons, stateless persons, host communities and NGOs had to have a say in all decision-making processes. Emphasis had also been placed on the importance of being inclusive and taking the needs of refugees who were often marginalized, such as young people, women and girls, and lesbian, gay, bisexual, transgender and intersex persons, into account in all decisions affecting them. Policies and programmes for refugees must also change, be implemented on a multi-year basis and provide for the participation of displaced persons and the communities that hosted them. Another major recommendation to emerge from the 2018 consultations had been to create mechanisms for information-sharing through data collection, storage and accessibility. In addition, it had been deemed essential to create more global partnerships and develop more integrated methods for supporting

refugees. Now that needs and best practices had been identified, it was critical to move beyond the traditional partnership between UNHCR, NGOs and refugees themselves by setting up partnerships with private sector entities active in the same area. National health-care, education and water, sanitation and hygiene systems must also be strengthened in order to help States to ensure the delivery of essential services to host communities and refugees. The implementation of high-quality inclusive education strategies played a vital role in the long-term prospects of displaced persons, particularly unaccompanied children from a refugee background.

27. The issue of the legacy of statelessness must also be addressed. The intergenerational impact of displacement on families and communities could not be overlooked. Too often, people were forced to move multiple times or were encouraged to return to their homes, which showed the need to build peace and address protracted internal displacement, including through regional peace processes.

28. **Ms. Gaertner** (United States of America) said that UNHCR would be unable to discharge its mandate without the help of NGOs, which played a key role in the field and in decision-making processes. She hoped that UNHCR would not neglect the importance of that partnership in the course of the current reform process. Two members of her delegation were NGO representatives, and she would encourage other States to include members of civil society in their delegations, going forward, as their participation enriched discussions. The theme of the 2018 regional NGO consultations, “Putting People First”, was particularly timely, as it reaffirmed the centrality of the human being and emphasized both accountability for commitments made towards crisis-hit communities under the Grand Bargain, in which the United States Government was proud to participate, and the duty of transparency in the provision of assistance. There would be benefit in holding such consultations more frequently in the future, including at the national and local levels. It would be interesting to learn how UNHCR would report on the implementation of the recommendations from the regional consultations.

29. **Ms. Hopp** (Germany) said that she, too, welcomed the NGO consultations, which reflected the close partnership between UNHCR and civil society. The German Government was pleased that the need to prioritize persons in various situations, including internal displacement, disaster displacement and statelessness, and the impact of those displacements on host communities had been discussed during the 2018 consultations on the theme “Putting People First”. The German Government encouraged civil society, UNHCR, States and other stakeholders to ensure that refugees had their say in the assessment of the implementation of the global compact on refugees and the comprehensive refugee response framework. German civil society organizations would play a crucial role in the country’s contribution to the first Global Refugee Forum in 2019.

30. **Ms. Agha** (Rapporteur of the annual consultations with non-governmental organizations) said that the consultations gave NGOs from around the world that were not able to meet UNHCR staff the opportunity to express their concerns and views regarding their experience of assisting refugees in the field. Follow-up to the recommendations from those consultations could be presented to NGOs in thematic sessions during the 2019 consultations or in forums organized for that purpose. She hoped that refugees themselves, particularly the most vulnerable among them, would also be included in the consultations in coming years.

Other statements

31. **Mr. Avognon** (Chair of UNHCR Staff Council) said that, since the Executive Committee’s previous session, UNHCR had adopted a new administrative instruction containing recommendations aimed at alleviating the hardships suffered by civil servants working at high-risk duty stations. The security and well-being of UNHCR personnel had always been the Staff Council’s top priority. In addition, the Staff Council welcomed the fact that the organization was striving to further strengthen its duty of care towards staff. The decentralization and regionalization planned as part of the current reform process were a source of anxiety for some staff categories, and it seemed unlikely that the road map setting out how the relevant decisions would be implemented, which the High Commissioner had mentioned in his introductory statement, could be drawn up in three

months. However, the Staff Council welcomed the fact that the High Commissioner had undertaken to continue holding transparent consultations on the matter with the members of the Executive Committee and requested that it, too, should be consulted and involved in the preparation of the implementation plans, thereby ensuring that the human resources dimension was taken into account. Although regionalization would certainly create opportunities in the regions, the fact remained that staff at headquarters would suffer the consequences and that mitigating measures would have to be taken.

32. With regard to contracts, the Staff Council called upon the organization to revise the recruitment policy adopted in 2017 and to allow the three contract types provided for in the Staff Regulations and Rules, namely temporary, fixed-term and continuing appointments, to be offered, which would serve to fulfil staff aspirations for stability and job security and to adapt the workforce to the organization's needs. The disparities and unequal treatment between staff members and the 4,000 or so service providers recruited by UNHCR to perform the same functions without enjoying the same social benefits caused many frustrations. The Staff Council therefore called upon the organization to review its policy on the matter. Staff members had lost faith in the International Civil Service Commission (ICSC), which seemed to be steadily eroding their rights and conditions of service. For example, it would seem that, at States' request, ICSC had deliberately manipulated the results of the salary surveys conducted in several regions in order to recommend that salaries should be reduced. It was for that reason that, like other United Nations civil servants, UNHCR staff members were calling upon ICSC to show greater transparency and neutrality and cease acting like a political entity out of touch with the reality on the ground. The Staff Council thus wished to draw the Executive Committee's attention to the negative impact of ICSC decisions on staff morale.

Meetings of the Standing Committee in 2019

Consideration of the provisional agenda of the seventieth session of the Executive Committee

33. **Mr. Moreno Gutierrez** (Rapporteur) said that he wished to draw delegations' attention to decisions 2 to 5, which, respectively, concerned the programme of work of the Standing Committee in 2019; observer participation in the meetings of the Standing Committee in 2018–2019; the provisional agenda of the seventieth session of the Executive Committee; and the participation of intergovernmental organizations in private meetings. The decisions would be annexed to the report of the current session, which would be submitted for adoption at the end of the session.

34. **The Chair** said that, with regard to the draft decision on observer participation in the meetings of the Standing Committee in 2018–2019, a number of States had made official requests to participate in the meetings of the Standing Committee as observers, namely Angola, Bosnia and Herzegovina, El Salvador, Guatemala, Honduras, Iceland, Indonesia, Iraq, Mali, Malta and Ukraine. Those requests being in order, she proposed that the names of the States concerned should be added to the agreed text of the draft decision.

It was so decided.

35. **The Chair** said she took it that the Executive Committee wished to adopt the four decisions in question.

It was so decided.

The meeting rose at 5.30 p.m.