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EXECUTIVE COMMITTEE OF THE
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Forty-seventh session

REPORT OF THE SECOND MEETING OF THE STANDING COMMITTEE
(10-11 APRIL 1996)

I. INTRODUCTION

1. The second meeting of the Executive Committee's Standing Committee was opened by the Vice-Chairman of the Executive Committee, His Excellency Ambassador Ali Said Mchumo (United Republic of Tanzania).

II. ADOPTION OF THE AGENDA AND OF THE REPORT OF THE SECOND MEETING

2. The *Provisional Annotated Agenda* (EC/46/SC/CRP.14) and the *Draft Report of the 30-31 January Meeting of the Standing Committee* (EC/46/SC/CRP.15) were both adopted without revision.

3. The Deputy High Commissioner then delivered an opening statement to the Standing Committee.

III. PROGRAMME AND FUNDING ISSUES

4. The Standing Committee had before it two documents: *Update on Programme and Funding Projections for 1996* (EC/46/SC/CRP.18) and its annexed draft decision, and an *Update on Voluntary Repatriation Programmes* (EC/46/SC/CRP.23).

5. In the review of programmes, it was pointed out that the General Programmes remained at the approved level of \$ 445.3 million. Programme needs under 1996 Special Programmes were now projected at \$ 930.6 million, an increase of some \$ 75 million over that presented to the last Standing Committee. This rise related primarily to increased needs for the former Yugoslavia of \$ 50 million; other increases related to voluntary repatriation programmes and

the Comprehensive Plan of Action for Indo-Chinese refugees (CPA). The uses made of, and reimbursements to, the Emergency Fund and the Voluntary Repatriation Fund were also reviewed. Drawings on the Programme Reserve, in particular the uses made of the exceptional provision for losses on the exchange rate at Headquarters, were also considered. The current funding situation was also presented; this was comparable to the level of contributions at the same time in 1995. With overall 1996 needs projected at some \$ 1.4 billion, donors were asked to be generous. The Standing Committee was reminded of the funding priority which the Office attaches to General Programmes; the trend of increased contributions over the last two years to these programmes was welcomed. Funds to support operations related to solutions (e.g., Horn of Africa, West Africa, Angola, Guatemala, Afghanistan, Myanmar, South-East Asia and the former Yugoslavia) and for the Caucasus were needed urgently, as were funds for operations in the Great Lakes Region of Central Africa.

6. Delegations made statements on a number of particular operations (Horn of Africa, CPA) and posed a number of questions (secondary income; the drawings on the Programme Reserve for Headquarters operations). One delegation noted that the increase in currently estimated programme needs was not being matched by increased contributions. The need to broaden UNHCR's donor base was underlined by several delegations. The trend of increased contributions to General Programmes was welcomed.

7. The paper on voluntary repatriation programmes (EC/46/SC/CRP.23) was the subject of a number of interventions. Making a clarification concerning paras. 31 and 33, one delegation explained that only the portion of the Tanzanian border shared with Burundi had been closed, for security reasons. He recalled that notwithstanding this closure, the Government of the United Republic of Tanzania had allowed entry to some 30,000 refugees, for humanitarian considerations, between January and February of this year. Another delegation stated that the proposal to do away with the annual *Update on Voluntary Repatriation Programmes* (see EC/46/SC/CRP.22, para. 7) was only acceptable if there was no net loss of information on voluntary repatriation operations under the proposed new reporting arrangements; moreover, it was felt that in the light of the importance that the Executive Committee attached to this durable solution, the Executive Committee should be given at its annual plenary session a summary presentation of developments in regard to voluntary repatriation operations. The Secretariat responded positively to both of the concerns regarding the reporting on voluntary repatriation operations.

8. The Standing Committee adopted the related Decision on Programme and Funding (annexed).

IV. REGIONAL REVIEWS

9. The Standing Committee had before it two documents under this agenda item: an *Update on Regional Developments in Europe* (EC/46/SC/CRP.24, and Corr. 1) and an *Update on Regional Developments in South West Asia, North Africa and the Middle East* (EC/46/SC/CRP.25, and Corr.1).

10. Introducing the first document, the Director of UNHCR's Regional Bureau for Europe began with Western Europe, underlining UNHCR's commitment to continuing dialogue with the European Union and the European Commission, and stating that

refugee questions in Europe should not be seen in isolation from overall migratory patterns. The further development of a temporary protection regime, was mentioned as part of a comprehensive approach to address the complexity of contemporary refugee flows.

11. In Central Europe, UNHCR would seek to formulate a comprehensive policy on transit migration movements. It would also continue to be involved in the legislative process, institution-building, training and integration. The Director then drew attention to the Regional Conference to Address the Problems of Refugees, Displaced Persons, Other forms of Involuntary Displacement and Returnees in the Countries of the Commonwealth of Independent States and Relevant Neighbouring States (CIS Conference) scheduled for the end of May.

12. Delegations expressed support for UNHCR's role in the CIS Conference and in post-conflict Yugoslavia. One delegation noted with satisfaction UNHCR's intention to pursue programmes in the field of integration in Eastern Europe. One delegation pointed out that the welcome reduction in the length of Standing Committee documents had resulted in lack of precision concerning proposed legislation in her country.

13. Introducing the second regional review, EC/46/SC/CRP.25 and Corr.1, the Director of UNHCR's Regional Bureau for South West Asia, North Africa and the Middle East began by noting that the region had been relatively stable in recent times, and highlighted the major programmes in the region geared towards the facilitation of durable solutions, such as voluntary repatriation, reintegration and rehabilitation in returnee areas. The Director added that resettlement was being pursued as a durable solution only for the most vulnerable groups in the Middle East, such as groups affected by the Persian Gulf War. He underlined UNHCR's concern in protecting refugees and asylum-seekers in the region in view of the fact that most of the countries in question neither were neither party to the international refugee instruments, nor had they adopted national procedures for determining refugee status. Two major problems - Palestinian and Turkish Kurd refugees - were cited.

14. In addition to its traditional activities in providing protection to and seeking durable solutions for refugees, the Regional Bureau had also initiated non-traditional, pro-active approaches, in Central Asia, for example, aimed at prevention of population displacements and capacity-building of local authorities. The Director concluded by saying that the Bureau saw 1996 as the year of consolidation of its efforts towards durable solutions and prevention, and of enhancement of its efforts in creating greater regional public awareness of UNHCR's activities.

15. Delegations noted with interest UNHCR's objectives and activities in the region, and asked several questions. One delegation sought more information on Western Saharan refugees in North Africa. Another delegation requested clarification on education assistance provided to certain refugees in Central Asia, and also asked for information on elderly European refugees in North Africa.

V. CONSIDERATION OF ECOSOC RESOLUTION 1995/56

16. Documentation under this agenda item consisted of two conference room papers (*UNHCR Assistance Activities in Countries of Origin* (EC/46/SC/CRP.16) and *UNHCR's Protection Role in Countries of Origin* (EC/46/SC/CRP.17)), a background paper on post-conflict reconstruction and a copy of the recently signed Memorandum of Understanding between UNHCR and UNICEF.

17. Two speakers -- the Director of DHA's Geneva office, and the Assistant High Commissioner -- initiated discussions on this topic, which at this meeting focused on solutions and UNHCR involvement in countries of origin. The first speaker briefed the Standing Committee on the role of DHA in the follow-up to the ECOSOC resolution, notably on progress made in inter-agency consultations.

18. The Assistant High Commissioner noted that UNHCR continued to attach great importance to achieving a better interface between relief, rehabilitation and development, saying that an important outcome of the ECOSOC process would be to establish the parameters within which this interface can be more systematically achieved. He emphasized that UNHCR's assistance activities in countries of origin cannot be reduced to their assistance component alone and underlined that the protection and monitoring of returnees plays a crucial role in promoting and consolidating repatriation solutions. He concluded saying that while Governments are right in demanding coherence, complementarity and cost-effectiveness from the United Nations and its agencies, so are these agencies entitled to expect coherent direction from Governments to guide them in a manner that helps them establish similar priorities within a common strategy.

19. Taking the floor on this issue, a number of delegations spoke on the need to take into account different mandates, and complementarities for human rights, development and humanitarian assistance. DHA's role, and that of the IASC, were stressed. The newly signed UNHCR-UNICEF Memorandum of Understanding was warmly welcomed by delegations. One delegation called for further elaboration of certain aspects of the Memorandum; others urged UNHCR to sign detailed Memoranda with other agencies. One delegation cited the importance of developing both medium-term and long-term strategies, and underlined the need to recognize that socio-economic variables are inherent in return. Another urged the Office to bear in mind the 'quick' aspect of quick impact projects. Two delegations spoke of state responsibility, stressing that UNHCR's role must not be to substitute for such responsibility. One delegation noted that a focus should be maintained on prevention and combating root causes in the country of origin. Finally, one delegation urged the retention of a terminological distinction between the voluntary repatriation of refugees, and the repatriation of non-refugees.

VI. IMPLEMENTING PARTNERS: OVERHEAD COSTS

20. The Standing Committee had before it a paper entitled *Report on Informal Technical Consultations on Overhead Costs of NGO Partners* (EC/46/SC/CRP.21). The Executive Committee Rapporteur, who had chaired the informal consultations, reported on the consultative process. The Director of the Division of Programmes and Operational Support reviewed the proposal before the Standing Committee in the draft decision; in particular, he addressed the questions of the initial proposed standard percentage of 8 per cent as the level of UNHCR's

contribution, under certain conditions, towards Headquarters costs and the likely financial impact of the proposal; the latter was hard to estimate because of the variables involved, but it was felt that the impact would not be significant.

21. Some delegations expressed satisfaction with the proposed decision, including the initial ceiling figure of 8 per cent (which several delegations recognized as a compromise, but nonetheless reasonable, figure); they stressed that this was an initial figure, subject to review. Other delegations felt, however, that further consultations were required on both the level of the initial standard percentage and the financial impact of the proposal. It was felt that the way the figure was arrived at should be more transparent. Another delegation expressed doubts as to whether the conditions under which the standard percentage would be applied were readily implementable. Questions were also asked about the impact of the proposal on UNHCR's overhead costs. One delegation asked about the United Nations system-wide implications should the proposal be adopted. The Director of the Division of Programmes and Operational Support responded to these observations and questions.

22. It was decided that the consultations would continue on the level of the initial standard percentage, so as to enable a decision to be taken on this matter at the June 1996 meeting of the Standing Committee. The proposed decision before the Standing Committee, with the relevant amendments, was adopted (annexed).

VII. REPORTS RELATING TO OVERSIGHT

23. The Standing Committee had before it a document entitled: *Follow-Up to Audit Recommendations: Programme and Financial Management* (EC/46/SC/CRP.20). The Secretariat also drew attention to a related document recently published by UNHCR: *Partnership: a Programme Management Handbook for UNHCR's Partners* (UNHCR, March 1996). UNHCR's Directors of the Division of Programmes and Operational Support, and of the Division of the Controller and Management Services introduced the item.

24. Delegations in their interventions focused on audit recommendations related to work plans, the proliferation of implementing partners, the selection criteria for such partners, audit certification, the maintenance by implementing partners of separate accounts for UNHCR funds, and monitoring of project implementation. It was stated that NGO capacity in the area of financial management needed to be enhanced. On the question of audit certification, one delegation felt that should the Board of Auditors require certification at the sub-project level, this should be undertaken by UNHCR, despite the costs. In its response to the various interventions, the Secretariat noted, *inter alia*, that it was making sustained efforts to ensure compliance with the requirement for separate accounts for UNHCR funds.

25. The related draft decision, amended to reflect the above interventions, was adopted (annexed).

VIII. MANAGEMENT AND ADMINISTRATIVE MATTERS

26. The Deputy High Commissioner made an oral presentation on progress made in a number of recent management initiatives undertaken by UNHCR. This was followed by a presentation by the Deputy Director of the Division of Controller and Management Services on information management.

IX. END OF YEAR ACCOUNTS FOR 1995

27. UNHCR's Director of the Division of the Controller and Management Services presented this item, for which the Standing Committee had before it an *Information Note on Income and Expenditure for the Year 1995* (EC/46/SC/CRP.19).

X. EXECUTIVE COMMITTEE DOCUMENTATION

28. The Standing Committee had before it a document entitled *Executive Committee Documentation* (EC/46/SC/CRP. 22). The one delegation to intervene on this issue stated the value that his Government attached to the country specific information in the 'country chapters', as well as the information in the update on voluntary repatriation. He said that his delegation could only accept the draft decision if there was an assurance given that none of this information would be lost in the proposed new documentation. This assurance was given by the Secretariat.

29. The Standing Committee then adopted a draft resolution (with some technical additions) on Executive Committee Documentation (annexed).

XI. ANY OTHER BUSINESS

30. The Secretary of the Executive Committee suggested some changes to the work programme of the Standing Committee, which were agreed to through a decision on amendments to the work programme of the Standing Committee (annexed). The Secretary agreed with a suggestion by one delegation that in future the text of any such decisions be made available to delegations on their desks. There being no further business, the Chairman adjourned the meeting.

DECISIONS ADOPTED BY THE STANDING COMMITTEE

I. DECISION ON PROGRAMME AND FUNDING

The Standing Committee,

Recalling the decision of the forty-sixth session of the Executive Committee on programme, administrative and financial matters

(a) Notes that overall revised needs for 1996 are currently estimated at some \$ 1.4 billion of which projected needs for General Programmes remain at \$ 445.3 million, as approved by the Executive Committee at its forty-sixth session, and those for Special Programmes are \$ 930.6 million, including \$ 190.8 million for voluntary repatriation programmes;

(b) Notes the uses made of the Emergency Fund, the Programme Reserve and the Voluntary Repatriation Fund in accord with the governing criteria;

(c) Expresses appreciation for the additional information on contributions to UNHCR's programmes and notes the appeal of the High Commissioner to donor Governments for an early announcement of contributions so as to permit continuation and timely implementation of the various assistance programmes;

II. DECISION ON THE SUPPORT COSTS OF INTERNATIONAL NGO PARTNERS

The Standing Committee,

(a) Welcomes the proposals for a revised and clarified policy on support costs available to international NGOs set out in EC/46/SC/CRP.21;

(b) Reaffirms the importance of the principle of partnership whereby NGOs contribute to refugee programmes with resources that they themselves raise;

(c) Encourages all those in a position to do so to assist NGOs to continue to meet, or to develop the capacity to meet, these support costs, and particularly headquarters support costs, noting the already heavy burden on UNHCR voluntary funds;

(d) Recognizes nevertheless that the headquarters support costs of international NGOs implementing programmes on behalf of UNHCR are a legitimate charge to UNHCR voluntary funds;

(e) Decides that UNHCR should, on request from an NGO, participate in bearing headquarters support costs on the conditions set out below:

- (i) that a standard percentage would be applied by UNHCR in respect of such costs to all funds provided by UNHCR, with the exception of funds provided for activities that do not entail headquarters support costs for that programme;

- (ii) that, in cases where the actual audited percentage of headquarters support costs of an NGO is lower than the standard percentage, the lower figure shall be applied;
 - (iii) that, in order to qualify for such support, the contribution of an NGO to the programme concerned must be determined by UNHCR to be at least sufficient to offset UNHCR's total contribution to all support costs for that programme;
 - (iv) that an NGO contribution to a programme shall be defined as an input which would otherwise be an appropriate charge on UNHCR funds;
 - (v) that the time frame over which an NGO contribution will be taken into account shall be the current and previous calendar years;
 - (vi) that the geographical scope within which an NGO contribution will qualify for consideration shall be that of a UNHCR regional programme, where such a programme exists or, otherwise, of an entire country programme;
- (f) Decides that the initial standard percentage shall be determined by the Standing Committee at its June 1996 meeting.
- (g) Encourages UNHCR to continue dialogue with NGOs on other issues of mutual concern;
- (h) Requests the High Commissioner to keep the Standing Committee regularly informed on the implementation and financial impact of the modified policy, bearing in mind the observations of the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions, and to recommend any change to the agreed standard percentage that may be considered necessary in the light of experience.

III. DECISION ON AUDIT FOLLOW-UP: PROGRAMME AND FINANCIAL MANAGEMENT

The Standing Committee,

- (a) Recalls the serious concern expressed by the Executive Committee at its forty-sixth session in respect of the observations of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on aspects of programme and financial management, in particular those relating to the monitoring and control implementing partners,
- (b) Urges UNHCR to take all necessary steps to ensure adequate managerial and financial control of its programmes, including those implemented by its partners;
- (c) Notes with satisfaction initiatives taken by the Office to ensure improved compliance by implementing partners with established policies and procedures and urges the continuation of these efforts;

(d) Welcomes in this regard the publication of UNHCR's Programme Management Handbook for Implementing Partners, as well as additional steps taken to promote the training of implementing partners and of UNHCR staff dealing with programme management;

(e) Recognizes the constraints UNHCR may face in the selection of implementing partners in emergency situations but calls, nevertheless, on the Office to make every effort to ensure that such partners are selected on the basis of the criteria set out in section 1.6 of the Programme Management Handbook for Implementing Partners, in particular their financial reliability, as well as their proven efficiency and effectiveness;

(f) Welcomes examination by the UNHCR Audit Committee of the question of audit certification of implementing partners and looks forward to its recommendations in this respect;

(g) Asks to be kept informed of progress made in respect of this decision at the forty-seventh session of the Executive Committee.

IV. DECISION ON EXECUTIVE COMMITTEE DOCUMENTATION

The Standing Committee

Recalling its earlier decisions on Executive Committee Working Methods (A/AC.96/860, para.32) and on Budget Structure and Governance (A/AC.96/860, para.22), as they relate to documentation,

(a) Decides, in the light of its experience of its systematic review of UNHCR programmes at the country level and of the need to ensure efficiencies in relation to associated documentation, to modify the range of documentation prepared for the Executive Committee;

(b) Decides further, in accordance with the proposals set out in document EC/46/SC/CRP.22, para.7, that:

- (i) the "country chapters" prepared for each regional review by the Standing Committee will replace those that have been traditionally prepared for the annual session of the Executive Committee;
- (ii) the Overview document prepared by the Secretariat for the annual Executive Committee session and the Standing Committee immediately prior to it will continue to cover in summary form the various regions (as well as Headquarters and the category "Other Programmes"); this Overview document will have in an additional annex the country tables which have traditionally been included in each of the Executive Committee's "country chapters";
- (iii) the annual document on Voluntary Repatriation will be discontinued; information on the various voluntary repatriations will be integrated as of 1997 into the new "country chapters" prepared for the regional reviews undertaken

by the Standing Committee, or in the Overview document submitted to the annual plenary session of the Executive Committee.

(c) Decides to review these new arrangements at the first session of the Standing Committee in 1997.

V. DECISION ON AMENDMENTS TO THE WORK PROGRAMME
OF THE STANDING COMMITTEE

The Standing Committee,

(a) Decides to add to the agenda of the June meeting of the Standing Committee consideration of the Secretary-General's draft report on enhancing the internal oversight mechanisms in operational funds and programmes,

(b) Notes that the final report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) will not be received in time for consideration at the September meeting of the Standing Committee,

(c) Decides, therefore, to hold an additional half-day meeting in early October, before the forty-seventh session of the Executive Committee convenes on 7 October, to review the ACABQ report.