

Statement to the 70th session of the
Executive Committee of the High Commissioner's Programme

Introductory remarks for item 4b:
Programme budgets, management, financial control and administrative oversight

Kelly T. Clements, Deputy High Commissioner
Assembly Hall, Palais des Nations
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Mister Chairperson,
Mister High Commissioner
Excellencies,
Distinguished delegates,

As High Commissioner Grandi noted in his opening remarks, tackling forced displacement calls for a bigger, broader ambition than we have mustered in the past: a vision which drove the development of the Global Compact on Refugees.

This vision has driven our ongoing transformation which, as I noted last year, is intended to bring broad, multifaceted and deep change to UNHCR. The High Commissioner mentioned some of these details in his opening remarks and I will now provide you with further detail on implemented and planned changes, including on how we exercise our control and oversight responsibilities and, ultimately, how we ensure greater efficiency in the use of the resources which you entrust to us.

Over the past year, our efforts to regionalise and decentralise have constituted a major area of focus. Translating the High Commissioner's vision of building strong, empowered country offices supported and overseen by Bureaux placed in the regions has been the singular focus of our change team operating under the leadership of the Director Daisy Dell.

We are now in the midst of the transition to this redesigned set-up. As part of the planning exercise for the 2020-2021 biennium, we repositioned or created dozens of technical positions to strengthen country operations, as well as the new bureau structures with the requisite expertise to support them. Country Representatives and their teams will be able to take faster decisions on the ground, to respond to dynamic operational contexts, and multi-country offices will be established in some operations, with Representatives accredited to more than one country where UNHCR previously maintained only a national presence or lacked any presence at all. And leadership at all levels will benefit from greater clarity on roles, accountabilities and authorities which were introduced to accompany structural changes.

These changes are about more than just a physical move of personnel among locations. Instead, they constitute a repositioning of the organisation, ensuring we entrust maximum authority and flexibility to our country offices, and front-load support to them, while focussing energies on an improved and streamlined resource allocation and management process. The work we have done to revise our resource allocation framework, strengthen Regional Committees on Contracts and the management of assets, and devolve further authority to country operations and Regional Bureaux to recruit and manage personnel serves as the fulcrum of this transformation.

Concretely, as of January 2020, Country Representatives will have the authority to make structural changes and, for the first time, Heads of Sub-Office will have certain formal delegated authorities for position and budget management. They and Regional Bureau Directors will benefit from clarified and simplified procurement and supply processes, rules and procedures, with new thresholds

governing procurement and asset management. They will also benefit from revised Human Resource-related authorities delegating authorities previously exercised in headquarters.

To capitalise on these changes, we have considered a revamped approach to planning. Our focus will be on programme implementation and monitoring which will enable better reporting and allow us to adjust more quickly to the dynamic context in our field operations.

This will build on the work to develop a Data Transformation Strategy, recognising that our ability to ensure protection, deliver aid, advocate support from the international community and leverage solutions is predicated on accurate data. This new strategy, which was recently endorsed by the High Commissioner, pulls together all three broad categories of data – financial, human resources and operational – under one umbrella.

This new approach to data will further reinforce the steps we have taken to integrate functions related to strategic planning, resource allocation, monitoring and results. These functions, coalesced in a Division of Strategic Planning and Results as of January 2020, will serve to further consolidate and strengthen all aspects of our annual and multi-year planning and reporting.

This new Division will both steer, and be reliant on the outcome of, the results-based management revision project; a project which has evolved from a relatively straightforward attempt to improve or replace Focus, our programme planning and reporting tool, to a more ambitious effort to transform the way results and impact are measured and used to inform future strategic planning. Ultimately, these functions, combined into the new Division, will help the organisation become more coherent and evidence-based in its resource allocation decisions and accelerate the translation of the vision of the Global Compact on Refugees into our operations.

We know that change of this significance can be hard, so have worked, and will continue to work, to ensure that our workforce is equipped to meet challenges ahead by taking every possible measure to accompany personnel through this transformation and mitigate the inevitable impact this will have on their lives and those of their family members. These measures included career transition and change management workshops, supported by an international career platform; communication materials and information packages on matters related to decentralization and regionalization, and; the fielding of several support missions to ensure clear communication and engagement with impacted colleagues around the world. We have also provided impacted personnel with individual career consultations and enhanced our psychosocial support capacity to accompany the transition, ensuring a dedicated counsellor is available to impacted personnel. Finally, we have put in place a voluntary separation programme which was offered to interested staff meeting established criteria.

Distinguished delegates,

Our transformation process includes several additional and complementary work-streams, some of which are cross-cutting in nature, others with built-in relationships and dependencies and all aiming to transform and modernize UNHCR. I won't elaborate on all of these – we have limited time and have had extensive dialogue about these at our most recent Standing Committee meeting – but will highlight a few key issues.

Ongoing reforms of the UN system, particularly those affecting the UN's Development System, are fundamental to how we are adapting to address a rapidly evolving global context. And, as noted by the Deputy Secretary General on Monday, we are working with others to lead parts of this change as we, along with the World Food Programme, lead the group tasked with maximizing programmatic gains through efficient and high-quality back-office operations.

Phase 1 of that work, which is focused on conceptual diagnosis and design models and solutions, should wrap-up early in 2020, with global roll-out and implementation to follow in successive years. Considerable progress has been made both on the core pillars of this work, such as a revised business operations strategies, common premises and establishing a global shared service network, and on fundamental enablers such as mutual recognition, and costing and client satisfaction principles. We are also focused on related initiatives such as the building of a Digital Solutions Centre, which we hope will contribute to bringing the system together and transform the way we function.

As we know, change is not only about structures, business processes and systems, it is about adjusting our culture and the way we work. Within the organisation, in addition to changing the way we work by devolving greater authority to the field and simplifying business processes, we are making a concerted effort to transform our organisational culture.

We are working to ensure personnel are equipped with the information, motivation, and mind-set needed to take the regionalization process forward successfully. This includes aspects of our culture and behaviours which we need to adjust to make the most of the new structures, such as enhanced internal communication and information sharing, greater clarity on decision making, and creating a less stratified and hierarchical working environment.

The High Commissioner has also worked to set a strong and consistent tone, with clear and ongoing messaging on our organisation's integrity. And we have backed up these words with a range of actions, including the creation of a Speak Up Helpline allowing all personnel to report concerns confidentially; the rolling out of an active bystander campaign and revamping the manner in which the annual code of conduct sessions are conducted, and; making training on 'fraud and corruption awareness' mandatory and available in multiple languages for greater impact. We have also engaged in a range of activities to ensure our vision of providing a trusted, respectful and inclusive environment where the people UNHCR serves, and those who work for the organisation, feel safe, heard, equipped and empowered to speak up for themselves and . We are taking robust and visible action with the aim of eradicating sexual misconduct.

These investments go hand in hand with ongoing efforts to professionalise and strengthen the Inspector General's Office and the other bodies engaged in the disciplinary processes. In this respect, I thank our Inspector General, Ms. Karen Farkas, who has helped us lay the groundwork necessary to enable the position of Inspector General to be competed externally, with the new Inspector General to serve under a time-limited mandate. These steps are well underway and a widely advertised selection process is nearing completion.

All of these changes, and the investments we are making to reinvigorate the integrity culture of the organisation, should be considered through the lens of Risk Management, one of the cross-cutting themes of the transformation, and one of our most advanced work-streams. Since the launch of the Risk Management 2.0 initiative in 2017, we have worked to systematically strengthen the risk management capacity of the organisation and further mainstreamed risk management in the organisation's day to day activities. This has been done through the deployment of additional personnel to support operations, renewed investments in training personnel, embedding risk management into the regular processes of the organization, strengthening tools and reporting, and ensuring that best practices are identified and shared across the organization.

As we work to reinforce integrity, we remain aware of the fact that we share risks with partners in the field, and must work together with these partners to better manage them. To this effect, we

have introduced a new policy of contributions towards partner integrity capacity which is one of the many expressions of UNHCR's commitment to advance the Grand Bargain.

I would be remiss if I were to speak to the integrity of the organisation without speaking to our partnership and engagement with internal and external auditors. The reforms of the oversight bodies initiated in 2016 have led to a better integration of the internal audit function within UNHCR and an improved interface between UNHCR's management and oversight functions.

Our collaboration with the UN Board of Auditors remains close and we welcome their recommendations and guidance to improve the effectiveness of the organisation. Ultimately, I am happy to note that, in its report on UNHCR's financial statements for 2018, the Board concluded that these fairly presented, in all material aspects, UNHCR's financial position and its financial performance and cash flows for the year.

Insights provided by both internal and external auditors are critical to ensuring we improve the organisation's control framework while improving the delivery of protection and solutions for people we serve. Our work this year has focussed on consolidating gains from the reforms of the oversight architecture, working to ensure greater proactivity in the way managers address weaknesses identified through audits, and reinforcing our follow-up to audit findings, all the while reporting on our actions transparently to you.

Distinguished delegates,

I want to touch briefly on our budget in anticipation of item 6 on the agenda. I am pleased to report that the budget for the coming biennium was positively received by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) last month. This budget reflects not only comprehensive needs and the most likely scenarios regarding refugees and the forcibly displaced worldwide, it also reflects our vision of a repositioned organisation, with country operations entrusted with maximum authority and flexibility and benefiting from a revamped approach to planning.

We will continue to contend with a significant funding gap which, with current estimates, stands at US\$ 4 billion for this calendar year, close to half of our total budget. This has been a constant feature since the introduction of the Global Needs Assessment-based budgeting which was first introduced in the 2010-2011 biennium to allow us to fundraise comprehensively for protection and aid. This funding gap jeopardises our ability to meet displaced populations' critical needs and continues to force us to make difficult choices. Critically, this affects not only the people we serve but also the countries and communities hosting them.

As we speak to our funding gap, I must remind you that the UN system is now facing its worse cash crisis in a decade and risks depleting liquidity reserves by the end of the month, leading to a default on payments. This crisis will impact our own funding, as the bulk of the admittedly modest funds we receive from the UN regular budget remain outstanding. Critically, such a default would have a negative reputational impact on all UN entities with partners, vendors, and myriad others. We therefore join the Secretary General in calling on all member states to pay their regular budget assessments urgently and in full.

We continue to diversify our funding sources in response to this situation and you are by now familiar with the investment we have made in fundraising from the private sector in previous years: increasing income from just over US\$ 70 million in 2010 to US\$ 423 million in 2018. We remain

committed to this approach and are on track to raising US\$ 470 million this year and, ultimately, to reaching our target of USD 1 billion in revenue from private sector sources by 2025.

The high levels of funding your governments and the private sector continue to provide reflects the considerable confidence you have in us. We are most grateful for this and committed to ensuring that UNHCR is best suited to meet the needs of refugees, displaced populations, and stateless both today and in the future.

Thank you for your steadfast support.