

Remarks for the 78th Standing Committee meeting
Executive Committee of the High Commissioner's Programme
Kelly T. Clements, Deputy High Commissioner
Room 2-4, CIG
8 July 2020

Mister Chairperson,
Excellencies,

As the Irish delegation noted on Tuesday, it seems like a very long time since we last met in March when COVID-19's first major wave had just started to sweep through Europe. At the time, we called it an emergency of a very different nature. Four months later, with almost 5000 persons of concern having tested positive, and assumed large under-reporting, amongst nearly 12 million worldwide, that feels in retrospect like a massive understatement.

At the time, I noted that many meetings would shift largely to videoconference. Four months later, that is seemingly the norm, although it is very nice to see many of you here in person today, albeit at a safe distance.

And at the time, we signalled that one of the most significant risks we foresaw with COVID-19 was the financial impact. That is even more concerning now, given the state of the global economy, and its knock-on effects for jobs and livelihoods. We have discussed the immediate impact of many of these issues in our two Executive Committee briefs on COVID-19.

It is impossible not to begin this segment of the Standing Committee without a brief recap of our response over the past four months. We have significantly scaled up preparedness and response to mitigate both the public health and the devastating socio-economic impacts on persons of concern. We have prioritized: a) life-saving support through health, water, sanitation, hygiene and vital protection services; b) ramped up cash assistance; c) increased shelter capacity; d) strengthened life-saving information sharing and communication, including through community networks, and offered guidance on COVID prevention; e) ensured that the rights and protection of forcibly displaced people are respected, and f) working closely with partners to provide protection, including psychosocial counselling and sexual gender-based violence prevention and response.

We are very fortunate to be strongly supported by you in these challenging months. As of 1 July, we have recorded or received pledges of USD \$270 million against the USD \$745 million requested through the Global Humanitarian Response Plan (GHRP), the first ever appeal of this kind. UNHCR's rapid response was initially made possible by the generous unearmarked contributions of several donors, enabling UNHCR immediately to allocate funds to the operations most in need. We have also leveraged our financial flexibility and taken calculated risks to disburse resources without waiting for contracts with donors to be finalized, given the stakes and the evolution of the pandemic.

While we have been very much in emergency response mode over these past few months, supported by the remarkable commitment and courage of our teams who are delivering on the ground, we have also undertaken a detailed analysis of the potential long-term impacts of COVID-19, led by the new Division of Strategic Planning and Results (SPR), to allow pre-positioning even now, only six months in.

We have certainly all seen by now the dire economic forecasts, including the International Monetary Fund's prediction of a global economic recession with as much as 4.9% GDP contraction this year. The human consequences could, and in some cases already do, include massive unemployment, hunger and potential famine of historic proportions, tens of millions more people being pushed into extreme poverty. The World Food Programme estimates that approximately 265 million people in low- and middle-income countries will

suffer from acute hunger by the end of 2020, while UNESCO has warned that around 1.2 billion learners have already been affected from pre-primary through tertiary education.

Through our analysis, we have looked at key factors that affect our ability to deliver protection, aid and solutions, and the range of long-term risks we see, including increased gender inequality and gender-based violence, decreased access to asylum, exacerbated internal displacement and reduced freedom of movement. Our conclusion, however, is that it will be the economic impact that will be the most severe in the long run, even more so than the public health consequences.

Informed by these long-term forecasts, we are already taking steps to invest more in a few key areas. The first is cash-based interventions, building on our knowledge and experience accrued over years of investment in this type of support. Already a priority in our response, cash is an ideal modality to protect and aid in this situation - it is fast, safe and can help cover rent, food and other basic needs that arise for refugees and displaced persons due to financial instability and loss of livelihoods. Millions depend on fragile incomes that are now at risk, and cash, combined with redoubled emphasis on livelihoods support, will be crucial in the coming years. Our partnership with international financial institutions and development actors is critical in this regard.

The second is partnerships, as the pandemic has brought into greater focus the invaluable knowledge, access and trust that many of our local partners and leaders have with communities, something that is essential in the context of a pandemic where community acceptance is paramount. In the spirit of the Global Compact on Refugees, and in line with our commitment to greater localisation in the Grand Bargain, we have worked hard to support local partners by getting funds out quicker and with more flexibility, in order to enable our teams and those of partners to collectively serve.

And the third would be in our ways of working, aspects of which have already changed dramatically in the past few months. We shifted almost overnight to complete teleworking, and although that will rebalance itself over time, we have learned valuable lessons on what functions are essential on the ground and in-situ, and what activities may be more location independent than perhaps we previously understood. We are harvesting these lessons and will use them to inform how we carry forward with our transformation and engage with partners on the future of work.

Distinguished delegates,

The discussion about location independent versus location dependent functions is especially prescient in the context of our efforts towards achieving greater efficiency, and the UN system's ongoing push towards reform. Last week we formally concluded our two-year term as co-chairs, with the World Food Programme, of the UNSDG Strategic Results Group on Business Innovations, more commonly known as the BIG. As I mentioned in March, the BIG, led by an independent project team, has now delivered several tools to the UN system for the purpose of reforming enabling functions.

At the country level, these include an upgraded Business Operations Strategy (BOS), which focuses on collaboration in business operations at country level, and a model for a Common Back Office (CBO), which was approved at the final meeting of the BIG last month, and builds on the BOS in providing a common structure for the consolidation of location-dependent activities where agencies in-country identify opportunities to do so. Whereas the BOS aims to leverage common bargaining power and maximise economies of scale, for example with a local vendor, the CBO goes further, providing a common structure and governance platform to formalise consolidation in six areas: administration, finance, human resources, information and communications technology, logistics and procurement.

While both the BOS and CBO are significant steps toward greater efficiency, coordination and coherence amongst the UN Country Teams (UNCTs) and Operations Management Teams (OMTs) in country operations around the world, our strong recommendation to the UNSDG, as they are rolled out, is to be careful to

maintain a clear definition of what is location dependent and relevant to those two processes. COVID-19 has reminded us of just how many enabling functions can be performed outside a country office setting, and even before the pandemic, the data suggested that the real potential gains, in the long-term, are in how we centralise and combine location-independent services at the global level.

The BIG Project Team did extensive analysis on what services could potentially be delivered effectively in this way and invited UN agencies to indicate which services they currently, and/or would be prepared to, offer in a global shared service centre. The conclusion, validated in consultations with subject matter experts, is that while there are numerous service offerings at the global level, the scale and sophistication of the shared service centres need time to mature.

Leveraging global shared service centres to their full potential is a long-term project. Most agencies' service centres, ours included, have been traditionally focused on meeting internal requirements rather than satisfying demands from external partners. Further mainstreaming Mutual Recognition, as well as the broader promotion and application of the Costing and Pricing Principles, and Client Satisfaction Principles, both developed by the BIG, will help accelerate the expansion of this network of Global Shared Service Centres, freeing up resources for other programmatic activities and support functions.

While the BIG has concluded its work by delivering the above models, tools and data to the Development Coordination Office (DCO) for implementation, the gains in efficiency and effectiveness will be realised as the design is rolled out. Internally within UNHCR, we remain committed to this broader drive towards efficiency and transformation, and to that end, have created a new Global Mobility and Infrastructure Service in the Division of Finance and Administrative Management, as of 1 July.

This new Service will better integrate functions and processes related to the delivery of facilities management, global fleet management, asset management and travel, functions which were previously scattered between Finance and Administrative Management and the Division of Emergency, Security and Supply. The Global Mobility and Infrastructure Service better positions UNHCR to pursue many of the same objectives that underpinned the work of the BIG, to simplify, harmonise and consolidate business practices, and is also consistent with Regionalisation and Decentralisation, streamlining support functions at HQ and bringing them in line with the structures of a Country Office.

Delegates,

As we discussed in March, the seven Bureaux have established themselves in their respective regions. Initial feedback from our Country Representatives confirms that the repositioning of the Bureaux was extremely timely and, although still in its early implementation, has enhanced the support provided to operations. The global pandemic has also, in a sense, stress-tested regionalisation and decentralisation and provided us with valuable feedback for course-corrections.

The Headquarters Realignment is the final piece of UNHCR's decentralization and regionalization. This phase consists of realigning the roles of the Headquarters Divisions and making adjustments in view of the increased capacity in the field. Earlier this year, we held several high-level inter-divisional consultations focusing on prioritization, overlaps, and gaps among Divisions and with the field. These were followed by more structured virtual discussions with Bureaux and each Division, which clarified mutual expectations, and highlighted areas where further clarity was needed on the distinction of their respective roles. Feedback from these various consultations will inform a roadmap for transformation over the coming months and will also guide our annual planning and resource allocation process for 2021.

The new Resource Allocation Framework (RAF) also entered into force on 1 January, decentralizing further authorities for resource management to Bureau Directors, Representatives, and Heads of Sub-Office. In mid June, an additional revision of the RAF reformed the Budget Committee into the Resource Planning and Management Board, which now also includes the Assistant High Commissioner for Operations. The primary

role of the Board is to advise the High Commissioner on strategic financial management and the management of resources, including additional allocations from Headquarters, management of reserves, creation of some international professional positions, and cross-divisional allocation of resources, amongst others.

As the focus of our Transformation shifts away from regionalisation and decentralisation to other initiatives such as Next Generation Enterprise Resource Planning (NextGen ERP), the Change Team is phasing out. The Transformation and Change Service (TCS) has been created, whose role focuses on providing management advice to the Senior Executive Team and respective Divisions who are leading on other major projects. As a change engine, TCS will significantly contribute to overall coherence in the organization and ensure that the modernization of our regulatory frameworks, systems and processes is done in alignment with the decentralization and will further strengthen UNHCR's operations in the field for the benefit of the populations we serve.

Colleagues,

Looking forward to 2021, UNHCR appreciates the continued strong support from donors considering our critical work in these unprecedented times. Without such support, programmes and operations around the world will face a situation with exacerbated humanitarian and protection needs, deepening socio-economic impacts on persons of concern, and greater challenges to operational delivery. UNHCR is planning carefully for 2021 given rising overall need.

COVID-19 is occurring against the backdrop of existing conflicts, natural disasters, insecurity and large-scale displacement. With the pandemic compounding already significant humanitarian needs globally, and with the majority of refugees being hosted in low and middle-income countries with weak health systems and water, sanitation and hygiene infrastructure, this has required UNHCR to revamp its efforts with Governments, partners, persons of concern and host communities to mitigate the pandemic's impacts.

UNHCR's Strategic Directions continue to guide our work, and the organization continues to move ahead towards more evidence-based approaches, including continuing to advance with the renewal of our planning, monitoring and reporting approach. As a follow-up to the briefing held last November, UNHCR intends to provide an update on RBM at the ICM later this month, to continue to engage with you and seek your support for this important transformation. The new approach requires some changes to the financial rules that will be presented for your consideration this autumn.

New emergencies in 2020 along with the COVID-19 pandemic have forced UNHCR to reprioritize its activities and resources. While some of the additional needs are met by reprioritizing 2020 activities, UNHCR's programme remains underfunded, including the COVID-19 appeal of USD \$745 million. Perhaps most notably, the crisis in the Central Sahel has deteriorated further, contributed to increased displacement, and with limited resources, an additional USD \$59.7 million is urgently required.

For 2021, as you will see over the coming days when we introduce the UNHCR Programme Budget for 2020-2021, we have adjusted within the overall appropriation that was approved last year for 2021. This includes transferring USD \$194.8 million from our reserves and prioritizing resources for our response to the most acute emergencies, including COVID-19, the Sahel crisis, and the deteriorating North of Central America and Venezuela situations.

Distinguished delegates,

I would like to close with a note on UNHCR's financial situation, especially regarding our liquidity position, which remains constrained. We have on average only two months of cash on hand to meet organisational obligations and would therefore request donors to provide their contributions as soon as possible to help

us meet the minimum liquidity requirements to match budgetary resource allocations and to enable us to continue implementing in an efficient, effective and accountable manner.

UNHCR requires a degree of predictability to translate operational requirements into sustainable day-to-day management, covering 130 countries in some 90 currencies with equivalent cash flows of US \$4 billion per annum.

To reiterate what we do not say often enough, we are enormously grateful for your strong support in 2020. We have recorded a higher income compared to the same time last year, and that is sincerely appreciated, especially given the economic uncertainty.

We also remain committed to doing everything we can to diversify and strengthen our donor base. I am happy to share that we are on track to achieve our income objective of USD \$480 million from the private sector in 2020, and are ahead by almost USD \$40 million our totals at the same time last year, demonstrating solidarity at multiple levels for the world's displaced.

We count on your strong support throughout this year, not only for COVID-19, but the many other critical humanitarian crises and protracted displacements that continue unabated. To that end, some of our most underfunded operations in 2020, include South Sudan, DRC, Tanzania, Bangladesh, Turkey, Iraq and Colombia. We appeal to you for generous and speedy support, and in turn a strong commitment from us for a continued investment in efficiency, accountability and agility throughout the organisation and in our operations around the world.

Thank you.