

Agenda item 6 (ii) - Proposed revision of UNHCR's financial rules concerning the programme budget (EC/71/SC/CRP.22)

- Mr. Chairman, Excellencies, Distinguished Delegates, Ladies and Gentlemen, I am pleased to introduce the conference room paper (CRP) 22, which presents the proposed revision to the financial rules governing UNHCR's programme budget.
- As you already know, UNHCR is in the process of renewing its approach to planning, budget and reporting. We have provided greater detail to ExCom Member States and the Standing Committee observers in previous discussions in November 2019, July 2020, and again earlier this month, with the two informal technical-level briefings organized.
- In summary, UNHCR is moving into a multiyear programming cycle, with a simplified and contextualized results chain in line with other UN agencies, and a global results and indicators framework to allow for global reporting. Core Impact and Outcome indicators will tell the story of UNHCR's persons of concern, and how their well-being and the systems that provide them with protection evolve, enabling us to celebrate where improvements are made and solicit additional support where challenges are acknowledged.
- This is the **real spirit of the Global Compact on Refugees** - whereby host government efforts are recognized and support is catalyzed with all stakeholders.
- To take this renewed approach forward, **UNHCR is proposing two changes pertaining to the financial rules**. These are:
 - 1) Replacing pillars with impact areas as the basis for the budget structure and
 - 2) Eliminating the reference to a specific duration of the budget period but asking the HC to submit the programme as of 2022 only on an annual basis.
- These **revisions are necessary for UNHCR to implement its new approach** to planning, budgeting and reporting, which **aims at enhancing our capacity to deliver and report on results**.
- UNHCR is **ready to implement** this new approach for its 2022 programme, and **we seek your support** for the necessary proposed changes to move forward.

Presenting our budget annually

- ✓ UNHCR's current annual planning cycle makes it difficult to engage with national and inter-agency development processes, which are normally of a multi-year nature and discourages longer-term strategic thinking towards sustainable solutions. It also constrains the reporting on our commitments to the GCR and the SDG.
- ✓ Under the new approach, UNHCR operations will develop three to five-year multi-year strategies better aligned to national planning cycles. As a result, operations will no longer have the same planning cycle. Aggregating budget at the biennium level will therefore no longer be meaningful. For any given biennium, there will always be operations starting their planning cycle in the middle of the biennium, entailing two different programmatic frameworks for a single biennium budget.
- ✓ It is therefore proposed that as of 2022 UNCHR presents its budget only annually for ExCom review. This is also in line with the new United Nations, which has moved to an annual cycle on a trial basis to streamline its programme and budget process and increase the agility of the organization.

Structuring our programme and budget around results

- ✓ The current pillar-based programme and budget structure does not facilitate UNHCR's engagement across humanitarian and development systems, whose programmes are usually articulated around results areas. In addition, it forces UNHCR's operations working with several population groups to "artificially" develop parallel programmes for each group.
- ✓ For these reasons, UNHCR has restructured its programme around results or impact areas. The budget structure would need to be aligned to this new programme structure to enable closer links between the tracking of results and financial information.
- ✓ The proposed change to the main budget structure will not affect the capacity of UNHCR to present its budget by type of population, when required. On the contrary, the new system will increase the number of criteria by which UNHCR will be able to present its budget (by outcome area, by population of concern, by region, by SDG...)
- ✓ The new system will capture information on the populations of concern at all levels of the new results structure. For each impact and outcome statement operations will specify the targeted population. Many of the Core Impact and Outcome Indicators are disaggregated by population type, as well as gender, age group and disability. Outputs, which will continue to be the basis for the budget, will be assigned to one of the four population types, making it possible to aggregate the investment UNHCR makes for each of the population types.