

EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME
67th Session
October 2016

**NGO Programme Statement
(Programme budgets, management, financial control, and administrative oversight)**

Agenda Item 4b

Preamble

Thank you Mister/Madam Chair.

This statement is delivered on behalf of a wide range of non-governmental organizations. It has been drafted in consultation with, and aims to reflect the diverse views of the NGO community. A written version of this statement will be posted at www.icvanetwork.org.

In the March meeting of this body the Deputy High Commissioner called for an urgent rethinking of the way the world approached humanitarian financing.¹ A number of efforts have taken place in UNHCR programmes and management this year to adjust systems, which have—in our opinion—met with varying degrees of success.

World Humanitarian Summit Commitments²

In May partners welcomed UNHCR's commitment to harmonise and simplify reporting requirements in the World Humanitarian Summit and Grand Bargain. We note efforts already underway in coordinating with other UN agencies, including a shared e-platform with UNICEF and World Food Programme (WFP). We look forward to concrete outcomes from this commitment and encourage the involvement of NGOs to inform programmatic aspects.

We welcome UNHCR's commitment to transfer at least 25 percent of its programme expenditures to national first responders by the end of 2020. In implementing this we encourage:

- Clear definitions of 'national first responders' be used, such as those outlined in the 2016 Global Humanitarian Assistance Report
- A clear explanation is given in terms of the calculation of UNHCR's baseline
- Targets be balanced against best-fit partnership for the needs of affected populations³
- Time and financial resources are prioritised for capacity strengthening of national first responders.⁴ In this regard, we look forward to the finalisation of UNHCR's forthcoming

1 UNHCR, 'A/AC.95/1156 Report of the sixty-fifth meeting of the Standing Committee (15-17 March 2016),' VIII,59.

2 UNHCR, 'UNHCR Commitments at the World Humanitarian Summit.' May 2016 http://www.unhcr.org/rw/wp-content/uploads/sites/4/2016/06/unhcr_commitments_at_the_world_humanitarian_summit.pdf

3 The HIAS survey is a voluntary, annual self-assessment effort on the quality and productivity of UNHCR/NGO partnerships, the results of which are shared at the Annual Partners Consultation. Full results of the 2016 survey can be found both on the UNHCR partner portal and at: <https://icvanetwork.org/system/files/versions/HIAS%20UNHCR%20NGO%20Survey%20Report%20June%202016%20FINAL.pdf>

Thirty-nine percent of UNHCR staff responding to the HIAS survey indicated they would currently meet the target by simply reducing funding to international NGOs or UNHCR direct implementation.

guidance note on capacity strengthening, and follow-up to the September Structured Dialogue capacity strengthening workshop in Bangkok.

We support the WHS commitment made by UNHCR to multi-year programming⁵ and ask that capacity strengthening of UNHCR staff and partners on the 2+2 partnership framework continue in 2017.⁶

We also welcome UNHCR's on-going commitment to reduce duplication in management costs. Transitioning to the electronic Partner Portal was one of these commitments. However, 53 percent of HIAS survey respondents indicated that the existing portal was not yet used for concept note submission in 2016.⁷ We ask that UNHCR stand by its commitment to use one common process wherever feasible in this critical partnership transaction.

Country Operations Planning

The HIAS survey--a voluntary, annual self-assessment on the quality of UNHCR/NGO partnerships--indicated this year that 65 percent of respondents were invited to Country Operations Planning (COP), a 10 percent increase over 2015. In addition to participation in the COP planning nearly 44 percent of HIAS respondents indicated that UNHCR contributed to the NGO's own planning process. We encourage this work to continue and that it especially that it take into consideration joint planning with new partners.

Project Agreements

Challenges continued in the finalisation of project agreements. HIAS respondents indicated that in 61percent of cases where project agreements were not finalised by the proposed project start date, UNHCR was either the primary or contributing source of the delays. Interaction's NGO Review Series on Partnership in Iraq and South Sudan as well as anecdotal evidence from elsewhere indicates that budget renegotiation was a key issue in these delays. This underscores the practical challenges with a 62percent gap⁸ between budget and received contributions, especially when much of the budget is received later in the fiscal year. We thank member states for their earlier remittance of funds in 2016 and ask that this be done again in 2017 to minimise the negative impacts on operations.

Ongoing policy negotiations with partners

UNHCR and partners engaged in significant negotiation in 2016 on procurement, partner personnel costs (NGO staff salaries) and the Framework for Implementing With Partners. On these we note:

- The High Commissioner's comments earlier this week on simplification of processes and a certain policy fatigue on all sides related to the outstanding guidance notes for the Enhanced Framework for Implementing With Partners.⁹ We affirm the need for a meaningful, consultative

4 15.5 percent of UNHCR HIAS respondents did not believe national NGOs can assume more responsibility and management of larger amounts without additional capacity building, beyond that which is funded by current budget

5 Multi-year partnerships was a central request of the 2015 NGO statement on budgets

6 The 2+2 approach represents a possible 4-year, performance-based retention of partners. Most UNHCR country teams and NGO partners have completed 50 percent or less of the retention cycle to date, so on-going support remains necessary.

7 This challenge was mentioned almost equally across regions, it is not specific to one bureau as was the case in 2016.

⁸ As of June 2016

⁹ As of the time of writing, 19 September 2016.

process for this—including the note on capacity strengthening—but encourage simplification of the Framework guidance where possible.

- We are aware that final decisions on the policy on partner personnel costs policy will have budgetary implications for UNHCR, but request a clear and time sensitive path forward to address this important issue in 2017.
- We welcome the adoption of a more principles-focus approach in the guidance note on procurement and look forward to the release of the final document to confirm issues a stake such as very low procurement thresholds have been solved. We encourage UNHCR to continue outreach through relevant partner networks and platforms during guidance note implementation, especially ensuring proper understanding of the process at the conclusion of the current grace period.¹⁰

Budgets

Historically high level of funds (\$2.2 billion by June 2016) were received towards UNHCR's 2016 budget, but needs still significantly outpaced giving. This resulted in a number of tangible consequences on the ground:

- 127 students in a single classroom, and no funds for school paper, pencils or ambulance service in portions of the Burundi response
- Providing full food rations to vulnerable, newly arrived South Sudanese in Uganda by cutting the rations of their peers who arrived in July or August

As urgent rethinking of how limited budgets are applied to 2017 programmes continues, here are some situations where the status quo cannot, in our opinions, persist.

- Inability to rapidly meet needs when new influxes of persons of concern are added to already underfunded protracted crises. This includes truly being able to deliver funding for on-the-ground action within 72 hours of crisis inception and embedding a context-driven crisis review mechanism to better meet rapidly-changing needs
- Support for internal displaced people is set to decrease to 15 percent of the 2017 Pillars Budget, but IDPs represent 62 percent of persons of concern. More must be done to meet life-saving needs and to proactively address situations causing displacement¹¹
- Youth were identified through 2016 consultations as key actors supporting stability and durable solutions, but how 2017 programmes and budgets will engage and meet the underserved needs of this population is still unclear.

Conclusion

¹⁰ In 2016, when it became apparent that there were significant challenges pre-qualifying partners under the 2014 guidance note, a grace period was extended to PPA holders. This permitted critical operations at field-level to continue while the guidance note was negotiated. At the time of writing the grace period was due to expire in Oct 2016, when 2 months of operations in the 2016 fiscal year still outstanding.

¹¹ UNHCR, 'A/AC.965/1156 nBiennial programme budget 2016-2017 (revised),' September 2016. <http://www.unhcr.org/en-us/57c574ab7>

To be delivered by Rachel Criswell, World Vision International

The need for partnership at this time of significant need is greater than ever and using limited resources well requires a holistic, comprehensive approach to partnership. Let us together, with our unique skills and mandates as Member States, UNHCR, and NGOs use 21st century tools and approaches to pave the way for improved outcomes for what matters most—better service to populations of concern in 2017.