

EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME
STANDING COMMITTEE
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NGO statement on UNHCR Budgets and Planning

Dear Chair,

This statement is delivered on behalf of a wide range of NGOs.

We appreciate the opportunity to comment on UNHCR's budgets and funding. While addressing the massive COVID-19 challenge, the humanitarian community must stand united as we face the inevitable repercussions of the global economic downturn on aid budgets. Like UNHCR, NGOs worry that the people we serve will suffer the most and that a decline in ODA will severely limit the effectiveness of our collective action. **We stand by you in encouraging donors to stay the course, avoid diverting or reducing aid and instead provide additional**, longer-term funding to adequately address the scale of this crisis.

NGOs are grateful for how UNHCR – particularly the High Commissioner – is championing our collective asks for more and better funding during the pandemic. At global level, UNHCR listens carefully to our concerns. We commend the steps taken to facilitate our collective interventions, re-prioritise the needs of forcibly displaced populations, and sustain international protection measures despite widespread restrictions in movement and access. We welcome the open dialogue UNHCR fosters with NGOs on a weekly basis. Those have raised the bar in promoting a genuine spirit of partnership. **We hope other UN agencies will follow your example.** We encourage UNHCR's leadership to also close the gap between global- and country-level engagement with NGOs. UNHCR country offices and Bureaus must be accountable too.

Similarly, **responsiveness and dialogue can only go so far without adequate resources made available at the right time and where most needed – on the ground.** The pandemic only exacerbates a systemic issue faced by NGOs: in response to a major shock, there is hardly any change in the volume of funding reaching frontline responders, even less in funding for local and refugee-led responders, while country-level engagement with NGOs remains limited. Although NGO partners have had to step up preparedness and response measures, **four months into the COVID-19 humanitarian response, most NGOs still face an extraordinary challenge with pre-COVID-19 funding.** UNHCR launched an appeal, as part of the GHRP. We would like to know how much of the funding pledged to UNHCR, \$262 million as of June, has been allocated to NGO partners and how much UNHCR is further planning to allocate. It would also be useful to see a thematic breakdown of funding allocations. Moreover, NGOs would welcome an update on how GRF funding pledges might be used to support the COVID-19 response.

Based on direct feedback from a representative sample of NGO frontline responders, very few **have received COVID-19 funding from UNHCR so far. There are issues in the consistency with which COVID-19 funding received by UNHCR has actually reached frontline responders.** Despite a positive global push to increase funding and flexibility measures for partners, NGOs still report delays in responding to proposals. Such discrepancies must be addressed as a matter of priority if we want to

deliver effective humanitarian action in response to COVID-19 on top of other crises. Local and refugee-led organizations particularly need funding. They are often on the frontlines, best positioned to reach vulnerable communities. They carry out vital work, right now, to ensure the safety and well-being of refugees, including legal empowerment and policy advocacy.

In addition to significant increases in the volume of funding, **the speed of disbursements to frontline implementers is critical.** We acknowledge UNHCR's considerable efforts to adopt and harmonise greater flexibility measures at country level, one of the best grant management practices in the UN system. Considering the COVID-19 situation, we would appreciate further details on existing partnership agreements, notably whether pre-existing funding can be reallocated to the COVID-19 response; whether local staff salaries and overheads can continue being claimed even if project activities are suspended; if there will be extensions of budgets or of budget timelines in case of suspension. Currently, these decisions seem to be made on an *ad hoc* basis, with little clarity, and significant delays.

We hope that with more flexibility will also come greater sustainability through multi-year funding in support of multi-year agreements UNHCR is adopting with partners. We also appreciate the recent letter from the High Commissioner, UNICEF's, and WFP's Executive Directors in response to our concerns. Yet, **despite this progress at headquarters level, little has changed in the field yet.** NGOs are concerned that, unless changes are quickly reflected in-country, it will take too long to receive any funding. Even when funding is allocated to NGOs, we do not know when disbursement will actually happen. UNHCR should bear in mind that COVID-19 is significantly affecting NGOs' current fundraising capacity and thus our ability to pre-fund interventions. Fast-tracking disbursements are of the utmost importance.

This brings us to our third main point about budgets and planning: transparency and accountability along the financial transaction chain. While we have detailed information on how much funding UNHCR receives and from which donor much less is known about allocations to partners. We applaud UNHCR for achieving its Grand Bargain commitment of channelling 25% of its programme expenditure to local partners. However, few additional details have been made available since the last self-report. Similarly, OCHA's Financial Tracking Service mainly captures funding allocations from donors to first-level recipients. Beyond that, it is challenging to track how funding is passed to implementing partners. We ask that UNHCR provides a detailed breakdown of its financial allocations by partner category and regularly report back to OCHA's tool. Other UN agencies and funding mechanisms have taken steps towards improved sharing of this kind of disaggregated data.

In conclusion, NGOs reiterate their firm support for UNHCR's actions to increase funding and improve flexibility, particularly in response to the pandemic. To successfully tackle the multiple challenges of our time, it is equally important to **ensure adequate, fast, sustainable, and transparent funding reaches UNHCR's implementing partners.** NGOs will continue to provide protection and assistance to displaced populations but also need a step-change in UNHCR's resource allocation model.

A detailed version of this statement is available at icvanetwork.org.

Thank you.