

NGO statement on UNHCR Budgets and Planning

Dear Chair,

This statement is delivered on behalf of a wide range of NGOs. It has been prepared in close consultation with the NGO community, representing a diverse set of views.

We appreciate the opportunity to comment on UNHCR's budgets and funding for 2019 and 2020-21. At a time when the world is called to address the massive challenge of the COVID-19 pandemic, the humanitarian community must stand united as we face the inevitable repercussions of the global economic downturn on aid budgets. Like UNHCR, NGOs are concerned that the people we serve will suffer the most from the negative impact of COVID-19 and that a decline in Official Development Assistance from donor governments will severely limit the effectiveness of our collective action. **We stand by you in encouraging Member States to stay the course, avoid diverting or reducing aid and instead increasing it** with additional, longer-term funding to adequately address the scale of this unprecedented crisis.

NGOs wish to express their gratitude for how UNHCR, and the High Commissioner in particular, is championing our collective asks for more and better funding in the face of the pandemic. At the global level, UNHCR has been listening carefully to our concerns. We commend the steps taken to facilitate our collective intervention on the ground, re-prioritise the needs of forcibly displaced populations in the face of COVID-19 and sustain international protection measures despite widespread restrictions in movement and access. We welcome the open dialogue UNHCR is fostering through NGO weekly consultations, which have really raised the bar in promoting a genuine spirit of partnership between UNHCR's senior leadership and civil society. **We hope other UN agencies will follow this example by establishing similar opportunities for regular dialogue with NGOs and local partners in the coming weeks.** We take this opportunity to encourage UNHCR's senior leadership to also close the gap between global- and country-level engagement with NGOs. UNHCR country and regional offices too must be accountable for engaging with international and national NGOs meaningfully and for enforcing the revised set of rules around budget management.

On a similar note, **responsiveness and dialogue can only go so far without adequate resources made available at the right time and where they are most needed – on the ground.** In fact, the current crisis only exacerbates a systemic issue NGOs have been facing for years – namely, that in response to a major shock, there is hardly any change in the volume

of UNHCR funding reaching frontline responders, even less in funding for local and/or refugee-led responders, and country-level engagement with NGOs remains limited. In the current situation, NGO partners have had to step up their preparedness and response measures to a different scale altogether. **Four months into the COVID-19 humanitarian response, most NGOs are still having to face an extraordinary challenge with pre-COVID-19 funding.** UNHCR launched an appeal for \$745 million as part of the Global Humanitarian Response Plan update published in May. We would like to know how much of the funding pledged to UNHCR so far (around \$262 million as of 22 June) in response to that appeal has been allocated to NGO partners and how much UNHCR is planning to allocate to NGOs at this point in the process. Preliminary feedback from UNHCR is that most of this funding has been used for common procurement and logistics. We would like to have a breakdown of these allocations. In addition, in recent briefings on the follow-up to the Global Refugee Forum, UNHCR indicated that some GRF funding pledges might be used to support the COVID-19 response. NGOs would like to have an update on this point as well.

Based on direct feedback from a representative sample of NGO frontline responders¹, we understand that **only 9% of them have received COVID-19 funding from UNHCR.** It is also clear that **there are issues in the consistency with which COVID-19 funding received by UNHCR has actually reached frontline responders.** Despite a very positive global push to increase funding and flexibility measures for NGO partners, for certain country offices, NGOs still report delays of more than a month in responding to proposals. These wide discrepancies between how much funding is pledged to UNHCR and how much passes through to its partners must be addressed as a matter of top priority if we want to deliver effective humanitarian action in response to COVID-19 on top of other, pre-existing crises. Local and refugee-led organizations in particular need funding. They are often on the frontlines, best positioned to reach vulnerable communities and least likely to receive funding from UNHCR. NGOs like these are carrying out vital work right now to ensure the safety and well-being of refugees, including legal empowerment and policy advocacy. We need urgent funding for this work.

In addition to significant increases in the volume of funding, **the speed of disbursements to frontline implementers is critical.** We acknowledge the considerable efforts made by UNHCR to adopt and harmonise greater flexibility measures at country level, which represent some of the best grant management practices in the UN system. Given that UNHCR Standing Committee meetings usually address partnership issues during the March session, in light of the COVID-19 situation, we would like to take this opportunity to ask a few questions about existing partnership agreements. In particular, whether pre-existing funding can be reallocated to respond to the pandemic; whether local staff salaries and overheads can continue to be claimed even if project activities are suspended; if there will be budget extensions or if budget timelines can be extended in case of a suspension. Currently, these decisions seem to be made on an *ad hoc* basis and with little clarity and significant delays.

¹ International Council of Voluntary Agencies survey done among its members in June 2020.

We hope that with more flexibility will also come greater sustainability in the form of multi-year funding in support of the multi-year agreements UNHCR is adopting with its partners.

We also appreciate the letter High Commissioner Grandi recently wrote together with UNICEF's Executive Director Henrietta Fore and WFP's Executive Director David Beasley in response to a number of concerns raised by NGOs in relation to the humanitarian response to the COVID-19 pandemic. Yet, **despite this progress at headquarters level, little has changed for our colleagues in the field and the people we seek to help.** There has been no significant impact of this funding on the ground. NGOs are concerned that, unless changes made at global level are quickly reflected in-country, it will take a few more weeks, if not months, to receive any funding allocated to them. Even when funding *is* allocated to NGOs, there is no way of knowing when it will actually be disbursed. It is critical for UNHCR to bear in mind that COVID-19 is significantly affecting NGOs' current fundraising capacity and, in turn, our traditional ability to pre-fund interventions. Therefore, fast-tracking disbursements are of the utmost importance.

This brings us to our third main point about UNHCR 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, little is known about its allocations to partners, including international, national and local NGOs. We applaud UNHCR for achieving its Grand Bargain commitment of channelling 25% of its programme expenditure to local and national partners, as mentioned in this year's Grand Bargain self-report. However, few additional details have been made available since then. Similarly, OCHA's Financial Tracking Service mainly captures funding allocations from donors to first-level recipients like UNHCR. Beyond that, it is challenging to track how the organisation – and all other UN agencies – passes the funding to their implementing partners. We ask that UNHCR provide a detailed breakdown of its financial allocations by partner category and report back to OCHA's Financial Tracking Service on a regular basis, e.g. monthly. Other UN agencies and funding mechanisms, including UNICEF and the UN Country-Based Pooled Funds, have taken steps towards more timely sharing of this kind of disaggregated data. This reflects wider momentum on the importance of cascading funding in a timely way to frontline responders, as affirmed by multiple participants at the Grand Bargain Annual Meeting this year. Transparency and accountability should not be upstream only.

In conclusion, NGOs reiterate their firm support for UNHCR's actions to increase its funding base and improve the flexibility of the funding it provides, particularly in response to the COVID-19 pandemic. At the same time, it is equally important to **ensure adequate, fast, sustainable and transparent funding reaches UNHCR's implementing partners** if we want to successfully tackle the multiple challenges of our time. NGOs will continue to do their part in protecting and assisting forcibly displaced populations but, for that to work, we need a step-change in UNHCR's resource allocation model.

Thank you.