

**United Nations High Commissioner for Refugees (UNHCR)
Response to the UK Multilateral Aid Review**

UNHCR welcomes the release of the Department for International Development's Multilateral Aid Review, and appreciates the extensive consultation process and constructive dialogue that allowed us to fully participate in this comprehensive review.

We are pleased with the overall strong rating we received as a result of the review, which reconfirms UNHCR as a key partner for the UK in international humanitarian response. We deeply appreciate the increased UK support following the review, and look forward to continuing discussions with DFID on further strengthening our partnership in the future.

We are encouraged by the review's acknowledgement of UNHCR's strong strategic and performance management underpinned by accountable leadership and governance. The review also noted that UNHCR fulfils a pivotal role in international humanitarian response, due to its unique international legal mandate and robust delivery particularly in fragile contexts.

UNHCR appreciates the opportunities for further organisational development and learning which reviews such as DFID's Multilateral Aid Review provide. Following are UNHCR's comments on some of the areas for improvement highlighted by the MAR:

Environmental Protection

On environmental protection, the Review found that UNHCR's Environmental Guidelines are wide ranging and of high quality. Environmental management is indeed a policy priority at UNHCR and related policies and guidelines have been integrated in all phases of programme design and management. Improving technical capacity within UNHCR and among its partners remains a critical priority, as well as increasing support for community-based initiatives and practices in refugee, IDP and returnee operations. Since 2010, UNHCR has undertaken significant steps to further improve environmental programming tools and facilitate their implementation as well addressing environmental issues from a cross-sectoral perspective. These initiatives include: (i) assessment of environmental impacts and development of community environmental action plans in Chad, DRC, Djibouti, Ethiopia, Tanzania, Uganda, Nepal and Thailand; (ii) promotion of the use of renewable / alternative energy for both cooking as well as lighting in Sudan, Nepal, Bangladesh, Somalia; and (iii) the development of the Framework for Assessing, Monitoring and Evaluating the Environment to measure compliance with environment policy. Results are used to guide decision making.

System-wide responsibilities

The Review noted the continued efforts needed to ensure UNHCR provides consistent leadership on cluster responsibilities and its other system-wide responsibilities. UNHCR continues to be very closely engaged in discussions on the future of the international humanitarian system through the Inter Agency Standing Committee. Agency principals have recently agreed on a number of actions to improve leadership, coordination, accountability, and emergency preparedness. These include making better use of the Humanitarian Coordination Pool for the selection of Humanitarian Coordinators and other senior positions, clarifying the responsibilities of cluster leads and partners, issues of mutual accountability within clusters and the functioning of the 'provider of last resort' mechanism. To improve accountability for collective results, we will enhance strategic planning and the articulation of those results through cluster strategies and Common Humanitarian Action Plans, with clear and measurable progress indicators.

Moreover, in line with the High Commissioner's priority focus on further strengthening UNHCR's protection capacity and emergency response, the agency has recently created several stand-alone cluster coordination positions in IDP operations and restructured its emergency management section to boost technical leadership capacity in emergency response, including enhanced cluster coordination in IDP operations. Furthermore, UNHCR continues to strengthen its support to the Humanitarian Coordinator system, by ensuring highly qualified staff are included in the interagency HC pool and

released when requested, such as the recently appointed Humanitarian Coordinator for Libya. UNHCR also participates in inter-agency needs assessments and has provided substantial technical and leadership support to the Needs Assessment Task Force during the drafting process of the operational guidance on needs assessments. UNHCR is also carrying out a comprehensive review of its IP management arrangements to develop tools to simplify and strengthen partnership arrangements with a focus on results, cost effectiveness and monitoring outcomes.

Transparency and accountability

Regarding transparency and accountability, the Review highlighted that UNHCR does not have a formal disclosure policy. We are pleased to announce that since the Review was carried out, UNHCR has now issued a comprehensive policy on Information Classification, Handling and Disclosure bringing together all formerly available policies and documents covering related themes. The Policy was issued in December 2010 and sets out the manner in which UNHCR puts into effect its commitment to ensuring that the work of the office is open and transparent.

In 2010, UNHCR launched its Global Management Accountability Framework (GMAF) which maps – in a single resource – accountabilities, responsibilities and authorities across the entire organisation, at the country, regional and headquarters levels, for eleven key areas of UNHCR’s work. These include international protection, strategic direction, emergency response and supply chain, financial, administrative and human resource management, security and information technology. In this way, the GMAF clarifies expectations in terms of the management results UNHCR is committed to achieving as well as the processes in place and authorities delegated to achieve these results. This management accountability framework is being incorporated into all UNHCR job descriptions to ensure staff are being held to account, which is closely linked to UNHCR’s overall efforts to become a more results-based organisation.

The Review also recommended that UNHCR adopt a more systematic approach to publication of project documentation (evaluations, annual reviews, project completion reports, economic, social and environmental impact assessments). UNHCR currently publishes all its evaluations on www.unhcr.org (under Resources/Evaluation and Research), and also posts its annual Global Report including detailed chapters on country-level achievements on the same website. In addition, all member states of UNHCR’s Executive Committee, including the UK, have access to regular inspection and external audit reports of UNHCR country operations through the Standing Committee website. However, UNHCR is committed to strengthening its efforts in this area and plans to make available by end 2011 to members of its Executive Committee an online web portal providing access to operational information on selected operations sourced from the *Focus* operations management database application. This "Global Focus External" web portal will be expanded to include more operations during 2012 and 2013.

Financial Management and cost control

Regarding Financial Resources Management, the Review found room for improvement in UNHCR’s considerations of Value for Money and reinforcing cost control in some programme areas. This is a key commitment for UNHCR, to ensure that its limited resources are well spent in the face of growing humanitarian needs. In 2011, we plan to assess our financial management framework and benchmark it against industry standards and best practices, in order to ensure our systems meet the needs of the organization and our key stakeholders. With regard to field operations, UNHCR Headquarters engages in a rigorous review process of country operations plans, which aims at ensuring sound programme management and effective prioritization. Financial and programme support functions continuously monitor field operations’ progress on implementation, expenditures and achievement of objectives. Budgets are reviewed periodically and plans adjusted throughout the year, in order to reinforce field offices’ good financial management and attention to cost effectiveness. Meanwhile, the increasingly volatile and insecure environments in which many UNHCR field offices work, often aggravated by limited national capacity, have an impact on the type and size of UNHCR’s presence and may pose a challenge to purely cost-oriented considerations when deciding on implementation modalities.

With regard to the allocation of funding, the Review suggested that more detailed information should be made available on UNHCR's criteria for allocations across the four budget pillars (refugees and asylum-seekers, stateless persons, reintegration projects, and internally displaced persons). UNHCR introduced a new budget structure in 2010, following a two-year close consultation process with donors and members of its Executive Committee, which allows it to show more transparently needs and planned responses for each of the groups of persons of its concern. Funding is allocated based on field operations' requirements established in a comprehensive and participatory needs assessment and planning process, and according to a set of prioritization criteria emphasizing i) core protection activities; ii) life-saving interventions; and iii) activities designed to realize durable solutions. The value added of planned activities is another key criteria for resource allocation, prioritizing activities that: i) yield high protection results (e.g. education and livelihoods); ii) maintain a positive protection environment (e.g. capacity building); iii) prevent a progressive weakening of the international protection regime (e.g. advocacy); and iv) UNHCR is best placed to undertake. In addition, existing coordination mechanisms in different operations also have an impact on the type and depth of UNHCR's engagement and consequently on funding allocations.

Further on transparent financial management, one of UNHCR's key priorities in 2011 is the organisation's transition to full compliance, as of 1 January 2012, with the International Public Sector Accounting Standards (IPSAS). Under the new standards, UNHCR's financial reporting will become more transparent and comprehensive, in line with recognized best practice in public sector organisations. Lastly, as part of the agency's increased emphasis on staff development through the Global Learning Centre established in 2009, 16 new online and workshop-based training courses have been developed for staff at different levels as well as a workbook for partners, in order to strengthen financial control and programme management skills.

Results-based management

The Review commended the progress UNHCR has made on enhancing its capability for results-based management (RBM), including the delivery of results at country level and holding staff to account for delivery. After the introduction of several interlinked RBM systems and tools, which did pose initial challenges, UNHCR is now focusing on refining them and providing additional guidance to its staff in order to ensure a solid anchoring of RBM in all stages of the management of programmes and operations.

Gender equality

Regarding attention to gender equality, while the review found clear evidence that UNHCR's policies, structures and incentives promote gender equality – also supported by an external evaluation of UNHCR's Age Gender Diversity Mainstreaming approach – it was noted that the agency's Results-Based Management system *Focus* lacks a disaggregation of sex and age data. This is fully recognized and UNHCR is currently working to improve the capturing method and computation of indicator data for disaggregation in *Focus*. This exercise is part of the *Focus* Phase 2 Project which will be implemented by the end of 2011. Enhanced functionalities to record disaggregated data are also being developed, while new tools in the Global Focus business intelligence software will help to weigh the gender components of different programmes and projects. In the meantime, sex and age disaggregated data continues to be collected through the annual Standards and Indicators reporting exercise that is mandatory for all operations.

In conclusion, UNHCR is encouraged by DFID's positive assessment of our reform efforts and strong delivery track record, and appreciates the close continued dialogue on progress being made to further improve our delivery of protection and assistance to the forcibly displaced. We look forward to continuing discussions on taking forward the results of this useful, comprehensive and transparent review.