



General Assembly

Distr.
GENERAL

A/AC.96/SR.568
14 October 2002

Original: ENGLISH

EXECUTIVE COMMITTEE OF THE PROGRAMME OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

Fifty-third session

SUMMARY RECORD OF THE 568th MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 3 October 2002, at 3 p.m.

Chairman: Mr. YIMER (Ethiopia)

CONTENTS

OTHER STATEMENTS

REPORTS ON THE WORK OF THE STANDING COMMITTEE:

- (b) PROGRAMME, ADMINISTRATIVE AND FINANCIAL MATTERS
(continued)

This record is subject to correction.

Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva.

Any corrections to the records of the meetings of the Executive Committee will be consolidated in a single corrigendum, to be issued shortly after the end of the session.

GE.02-02688 (E) 081002 141002

CONTENTS (continued)

CONSIDERATION AND ADOPTION OF PROGRAMME BUDGET FOR 2002

OVERSIGHT ACTIVITIES

MEETINGS OF THE STANDING COMMITTEE IN 2003

CONSIDERATION OF THE PROVISIONAL AGENDA OF THE FIFTY-FOURTH SESSION
OF THE EXECUTIVE COMMITTEE

ANY OTHER BUSINESS

The meeting was called to order at 3.15 p.m.

OTHER STATEMENTS (agenda item 11)

Report on the meeting of non-governmental organizations held prior to the session of the Executive Committee

1. Mr. McCLELLAN (Rapporteur of the meeting of non-governmental organizations held prior to the session of the Executive Committee) said that he had detected a significant shift in the attitude of the non-governmental organizations (NGOs) attending the meeting towards their partners in the international humanitarian community. They appeared to be moving towards a more collaborative approach, probably as a result of their growing confidence in their ability to support UNHCR in fulfilling its mandate. He welcomed the High Commissioner's clear statement on the challenges facing UNHCR and shared his sense of outrage about the general lack of generosity shown towards refugees. In the aftermath of the attacks on the United States on 11 September 2001, there had been a clear deterioration in the conditions facing asylum-seekers, particularly as a result of the increased use of detention. The Agenda for Protection was a useful way to improve refugee protection, but there was an urgent need to address the issue of secondary movements and to look more carefully at the causes of refugee flows.
2. The discussions at the meeting had covered a wide range of practical issues. Participants had welcomed the increased focus on operational issues, particularly accountability, although they felt that their own role in the process needed to be more clearly defined. They had also welcomed the High Commissioner's reaffirmation of the importance of an inter-agency approach to the problems of internally displaced persons. They had discussed many practical operational matters, from geographical information systems to the nuts and bolts of asset management and procurement and the financing of humanitarian action, and they had held special sessions with regional bureau directors to discuss operational issues and exchange views.
3. With regard to the sexual exploitation of refugees, the incidents in West Africa had been seen as a wake-up call following a breakdown of collegiality in the humanitarian community. However, there was a widespread feeling that NGOs and the relevant agencies should be working more closely together in the search for a solution, as they had done quite successfully in the Inter-Agency Task Force on Protection from Sexual Abuse and Exploitation in Humanitarian Crises. In that connection, the NGOs had discussed the Code of Conduct and the issue of accountability at some length; the Code was seen as a step in the right direction, although it needed to be strengthened in parts, while accountability that focused on institutions was considered insufficient without managerial accountability. Despite the welcome moves towards closer collaboration within the humanitarian community, there remained a gap between Governments and NGOs. The informal working group on sexual exploitation set up by the former Chairman of the Executive Committee, Mr. Molander, was an example of one way to bridge that gap. Lastly, the NGOs attending the meeting had stressed that UNHCR needed to be better resourced if it was to do the job it was asked to do.

Statement by the Vice-Chairperson of the Staff Council of UNHCR

4. Ms. BROWN (Vice-Chairperson of the Staff Council of UNHCR) said that the Code of Conduct was a statement of attainable ideals firmly grounded in existing regulations and would promote the accountability that refugees, donors and UNHCR staff all expected. She emphasized that the staff of UNHCR tolerated neither exploitation nor the neglect of their responsibilities to refugees and expected the same from their managers. Although no staff members had been murdered in the recent past, they continued to work in the most hazardous of environments; four out of five of the staff members in the field worked in duty stations where a security phase had been declared and national staff did not even benefit from the same security measures as international staff. She urged all States which had not yet done so to accede to the Convention on the Safety of United Nations and Associated Personnel and to support the efforts of the Secretary-General of the United Nations to extend the application of the Convention to all United Nations operations and humanitarian personnel.

5. As far as staff-management relations were concerned, negotiations in good faith were the key to a cohesive work environment and a healthy organization. For that reason, the High Commissioner's proposals for a number of important changes in the area of human resources would require considerable consultation. Pending the conclusion of that consultation, staff expected the existing regulations to be strictly adhered to. There were serious flaws in the human resources policy adopted in January 2000, but progress in rectifying the problems arising from it was extremely slow. Among the challenges facing the organization was the need to follow up the recommendations of the Working Group on Rotation, create a fairer posting system, address the problem of "staff in between assignments" and improve performance management. Something must also be done about the organization's budget shortfall. The painful rationalization under Actions 1 and 2 had failed to deliver financial stability, leaving UNHCR staff to bear the brunt of a constant financial crisis that had at times threatened to overwhelm them.

REPORTS ON THE WORK OF THE STANDING COMMITTEE (agenda item 6)

(b) PROGRAMME, ADMINISTRATIVE AND FINANCIAL MATTERS
(continued) (A/AC.96/962, 963 and 971)

6. Mr. BACKSTRÖM (Finland), speaking on behalf of the Nordic countries, said that almost one fifth of the financial contributions to UNHCR over the past 15 years had come from the four Nordic countries, which attached high priority to refugee protection and were very concerned about the precariousness of the organization's current financial situation. He urged countries that paid disproportionately small amounts to the UNHCR budget to give real meaning to the term "international burden sharing" and fully fund the budget the Executive Committee was about to approve. He strongly supported the High Commissioner's innovative approaches to funding, including his desire to clarify the validity of the provisions in the UNHCR Statute pertaining to contributions from the United Nations regular budget. What was needed was a collaborative mechanism that allowed the Committee to receive advance information on funding for the budget, for example, by arranging meetings with the major donors. If the latter could be

persuaded to allocate funds collectively, an important step would have been taken towards responsible funding of the budget and building a truly multilateral organization. Obviously, sound financial management was a prerequisite for building the trust necessary for such a process.

7. He welcomed UNHCR's cooperation with the World Bank and the United Nations Development Programme (UNDP) in pilot projects devoted to durable solutions, although he understood that those projects would probably be among the first to be cut if fund-raising efforts were not successful. He also welcomed the greater transparency and improved presentation of the Annual Programme Budget, with its greater emphasis on goals and indicators and its use of tables. He would be interested to know whether performance and quality had improved over the previous year. In order to maintain donor confidence, it was important that UNHCR should pay close attention to the generally positive conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and work very closely with the United Nations Board of Auditors. He noted that progress had been made in dealing with the problem of the lack of financial reports from implementing partners to which the Board had drawn attention, but he expected UNHCR to take the necessary measures to solve that problem as soon as possible.

8. A strong and proactive inspection function was essential to UNHCR. It must therefore prioritize the function of the Inspector General and provide adequate funding for his office in its budget. Recent accusations of the sexual abuse of refugee children had underlined the need to ensure managerial accountability, as well as accountability to beneficiaries. The implementation of the new Code of Conduct and the guidelines on refugee women and children were important steps towards ensuring such accountability. He welcomed the commitment by UNHCR to establish systems to ensure that, as an organization, it learned from the numerous evaluations of its activities. Lastly, he stressed that education activities should be envisaged, whenever possible, from the very beginning of an emergency and encouraged UNHCR to pursue its work on mainstreaming gender issues.

9. Ms. GRANGE, speaking on behalf of the NGOs attending the session, said that she supported the recommendations that auditing procedures for some projects implemented on behalf of UNHCR should be tightened up, although she pointed out that many of the obstacles faced in implementing UNHCR programmes derived from funding shortfalls. She therefore urged UNHCR to give more timely notice of budget cuts, which should be made in consultation with its NGO partners. She stressed that, in order to meet refugees' needs, the programme budget should be needs-based rather than resource-based. She urged donors to designate at least some of their contributions as unearmarked, to allow UNHCR the flexibility to divert resources to unforeseen emergencies. She pointed out that the current system of requiring contributions from NGO implementing partners tended to favour well-resourced international NGOs over smaller national ones.

10. Ms. STOIOS-BRAKEN (Netherlands) welcomed the action taken by UNHCR to minimize exchange rate risks, but expressed concern about the high rate of deficiencies found in the accounting systems of UNHCR implementing partners. As advised by the Office of Internal Oversight Services, UNHCR should screen its implementing partners carefully before entering

into any agreements with them and should monitor them closely during the implementation of activities in order to ensure that its programmes were implemented efficiently and to reduce the risk of malpractice and fraud. She welcomed the efforts made by UNHCR to ensure adequate funding for its programmes and to diversify its donor basis and hoped that its attempts to bridge the gap between relief and development would attract larger contributions for its core activities. At the same time, it was important that donors should provide unearmarked and timely funding to give UNHCR the flexibility it needed if it was to offer protection in the places where it was most required.

11. Mr. MACDONNELL (Canada) said that his Government was well aware that UNHCR staff worked in difficult and hazardous situations and applauded their courage and professionalism. Recent efforts to enhance the safety and security of UNHCR operations, for staff and implementing partners alike, were to be especially welcomed.

12. Canada strongly endorsed UNHCR's decision to move towards the more results-based management of its operations, as reflected in the new format adopted for the 2003 work programme, which established a clear link between annual activities and organizational goals. The next step would be to review business and information systems. His Government welcomed the Management Renewal Project under the leadership of the Deputy High Commissioner and Project PROFILE's development of a global registration system. It would be useful to receive periodic updates on the implementation of those projects at future meetings of the Standing Committee.

13. UNHCR must adopt a culture of performance, which should also include a reform of overall management systems and processes to ensure that oversight deficits, such as those which had occurred in West Africa and Kenya, were adequately addressed. UNHCR's commitment to tackle the problem of the sexual exploitation of refugees was also commendable. A progress report on the implementation of the Code of Conduct would be most useful. Accountability mechanisms such as supervision, reporting and disciplinary action, where required, should be developed and improved to prevent and deal with abuses.

14. Canada was encouraged to note that UNHCR had made progress in implementing its gender mainstreaming commitments. His Government looked forward to the development of a strategy aimed at putting into practice the recommendations of the recently concluded assessment of UNHCR's guidelines on refugee women. For refugee protection and assistance to be truly effective, an alliance must be forged across organizations, within the United Nations system, with non-governmental organizations (NGOs) and in collaboration with international financial institutions. Such an alliance would enable UNHCR to focus its human and financial resources on its core activities and thus act as a catalyst in the search for durable solutions.

15. In 2001, the High Commissioner had launched an internal reform process articulated in Actions 1-2-3. The process had been endorsed by the Executive Committee as a welcome policy orientation and it would be helpful to receive a progress update about it. There was a continuing need for greater prioritization within UNHCR's core programmes and budgets. In that connection, Canada welcomed the High Commissioner's renewed focus on resettlement.

16. As to funding, his Government fully understood and appreciated UNHCR's efforts to gain an early indication of financial support for its activities in the upcoming year. Pending parliamentary approval, Canada intended to make its payments as early in the year as possible and would strive for less earmarking. At a minimum, Canada would maintain the same level of completely unearmarked funding as in the current year. Given that 96 per cent of UNHCR funding was provided by just 15 donors, Canada welcomed UNHCR's intensified efforts to diversify and broaden its financial base to support core activities.

17. Mr. MATSUI (Japan) said that Japan welcomed the 2003 budget plan as a reflection of the High Commissioner's continuous efforts to bring about structural reform. At the start of the new fiscal year, his Government expected UNHCR to attach greater importance to what would actually be achieved rather than to how its various programmes would be funded. Japan would contribute to improving the predictability of UNHCR funding by making core contributions indivisible from fiscal year 2001. While not in a position to make a formal commitment for the fiscal year 2003, it was nevertheless willing to cooperate with UNHCR and other donors to keep all vital programmes functioning.

18. In Afghanistan, Japan continued to place high priority on durable solutions through the reintegration of refugees, returnees and internally displaced persons. Funding difficulties should not be permitted to hamper UNHCR's work in Afghanistan, so it might be worthwhile making the Afghan operation a supplementary programme. His Government hoped for the further development of the Zambia initiative to ensure the success of experimental efforts aimed at securing durable solutions to refugee problems.

19. Japan welcomed the High Commissioner's innovative efforts to introduce auditing activities and make information available via the Internet and also the specific references to examples of good practice by UNHCR regional officers and other aid workers. It was to be hoped that the Code of Conduct would help to eradicate the problem of the sexual exploitation of refugees. Overall, the various initiatives launched by UNHCR would raise the quality of programmes and enhance operational and managerial accountability.

20. Mr. WICKI (Switzerland) said that UNHCR's assistance and protection operations were conducted in increasingly difficult logistical and security conditions, in an already crowded field of humanitarian actors. The Office had to satisfy growing needs with relatively modest resources. Switzerland welcomed UNHCR's efforts to ensure greater stability and predictability of funding, and particularly its efforts to broaden and diversify its resource base. Nevertheless, his Government was seriously concerned about UNHCR's chronic funding crisis, which would inevitably have a negative impact on the situation of refugees around the world.

21. UNHCR staff were the lynchpin of the Office's activities. The recruitment, training and appointment of staff, both at Headquarters and in the field, were therefore of primary importance. Switzerland also noted and supported the High Commissioner's efforts to encourage dialogue with other key humanitarian agencies such as the World Food Programme (WFP), the United Nations Children's Fund (UNICEF) and the International Committee of the Red Cross (ICRC). The search for durable solutions to refugee problems should be a vital component in the promotion and development of peace, as exemplified by the New Partnership for Africa's Development (NEPAD).

22. Subject to parliamentary approval, Switzerland's contribution to UNHCR in 2003 would be at least the same as its contribution for 2002, namely, Sw F 24 million. More than half of that contribution would be paid at the start of the fiscal year, unearmarked, in order to ensure predictability and flexibility. Switzerland had also made extrabudgetary contributions in the form of the secondment of specialist personnel.

23. Ms. WYRSCH (Deputy High Commissioner for Refugees) said that UNHCR had taken note of the calls made by members of the Executive Committee for greater transparency, usefulness and effectiveness of budget documentation, the further development of results-based management and the elaboration of better reporting mechanisms, as well as the plea made by NGOs that budget cuts and their likely impact should be flagged well in advance.

24. Mr. TAKIZAWA (Controller) said that UNHCR had 272 implementing partners, which included United Nations and government agencies and international and national NGOs. Clearly, it was no easy task to manage interaction with so many interlocutors and it took years of confidence-building to develop an effective working relationship. UNHCR's accountability depended on the accountability of its implementing partners. Despite the enormous difficulties involved, UNHCR was seeking to monitor the performance of its partners and improve their accountability, for example, through cooperation with the Office of Internal Oversight Services (OIOS).

25. The CHAIRMAN said he took it that the Executive Committee had taken note of the work of its Standing Committee over the past year and was satisfied with the ongoing governance and advice that the Standing Committee had provided with regard to UNHCR's activities and programmes.

CONSIDERATION AND ADOPTION OF PROGRAMME BUDGET FOR 2002 (agenda item 7) (A/AC.96/964 and Add.1)

26. The CHAIRMAN said that the Executive Committee had before it UNHCR's annual programme and budget for 2003 and revised programmes and budgets for 2002. He drew particular attention to table I.3 of document A/AC.96/964, which set out UNHCR's expenditure in 2002 and the proposed annual programme budget for 2003. The documentation had already been reviewed by the Standing Committee. As part of its consultations in preparation for the current session, the Standing Committee had also considered a draft decision on administrative, financial and administrative matters.

27. Ms. WYRSCH (Deputy High Commissioner for Refugees) said that the various budget issues raised by delegations in the Standing Committee had been summarized in the report of the twenty-fifth meeting of the Standing Committee (A/AC.96/971). UNHCR intended to review those comments in depth and factor them into its work on the preparation of the next budget document. It would also consider the various steps it would have to take immediately in order to address the issues raised. UNHCR still urgently needed resources for its annual programme budget for 2002 and its current supplementary programmes. Although late in the programme year, the Office had nevertheless been forced to make further reductions of some \$16 million in fourth-quarter spending levels, in addition to the cutbacks made in June to address a foreseen shortfall in contributions of \$86 million. Not surprisingly, the reductions would be very painful

for refugees and disruptive for UNHCR's implementing partners. Despite such drastic action to limit UNHCR's spending levels, the Office still needed to receive approximately \$80 million for the annual programme budget for the remainder of the year. Pledges had already been received for all but \$20 million of that amount. Funding for UNHCR's operations in Afghanistan fell \$23 million short of the projected target of \$271 million for that programme. Last but not least, UNHCR hoped that donors would react generously to its appeal for Liberian refugees.

28. The budget for 2003 represented a modest increase over that for 2002, yet UNHCR considered it a sound proposal that struck a balance between needs and expected resources. In the implementation of UNHCR's programme, the Office would bear in mind the relevant observations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Board of Auditors.

29. Mr. CALLAN (Australia) said that his Government considered the 2003 budget to be more informative, realistic and results-oriented than the 2002 budget. UNHCR's performance in addressing refugee issues in the Asia-Pacific region was an important consideration in Australia's overall support. The budget for 2004 should include the objective criteria used by UNHCR to set priorities across regions and functions. Australia also encouraged UNHCR to adopt full results-based budgeting and management, which, among other things, meant making programme objectives and progress indicators more specific to enable the Executive Committee to evaluate the achievement of goals.

30. The High Commissioner's "Convention Plus" concept called for the highest standards of management, monitoring and evaluation and, in recent years, UNHCR had indeed created credible capacity to evaluate its programmes and analyse its policies. In addition, UNHCR should develop strong monitoring to improve the quality of its programmes and identify and manage risks to its operations, with special emphasis on improved supervision of implementing partners. The Evaluation and Policy Analysis Unit was working well with other parts of UNHCR to create a "learning organization". Australia would not welcome institutional moves that might reduce the Unit's ability to work with other parts of UNHCR and retain the trust of UNHCR staff. Specifically, the Office's evaluation function should be kept separate from its inspection activities. The staff Code of Conduct, while welcome, could have been more exacting and wider in scope. His Government looked forward to the time when the auditors could give UNHCR a clean bill of health, especially with regard to the implementing partners' accountability for the use of funds.

31. Ms. POLLACK (United States of America) said that, for the third year in a row and despite the fact that the budget was resource based, UNHCR was facing a large shortfall. The Executive Committee was now being asked to approve a similar budget for 2003. The United States had made every effort to address UNHCR's needs by contributing \$255 million in 2002 to the annual and supplementary programmes. Her Government had provided at least 30 per cent (approximately \$100 million) of the budget for UNHCR's programmes in Africa and had every intention of continuing to fund its fair share the following year. The United States was committed to UNHCR because it had repeatedly demonstrated its capacity to care for refugees in protracted situations, in East Africa, for example, and in major emergency crises, as in Afghanistan. Her Government hoped that other donors would likewise honour their commitments and support UNHCR.

32. The members of the Executive Committee needed to reconsider how humanitarian assistance should be funded, particularly when UNHCR's core mandate of protection was involved. Her Government believed that protection should be funded multilaterally rather than bilaterally. It was a matter of concern that continual underfunding and the adoption of resource-based budgets had eroded the Office's annual budget and jeopardized its protection role. It would be helpful to be told as early as possible which programmes would not be funded in the event that UNHCR anticipated shortfalls in the 2003 budget. The United States welcomed UNHCR's efforts to broaden donor support and pursue private-sector funding and noted its interest in tapping "complementary sources of funding" to support refugee integration activities.

33. Mr. SHIRAZI (Islamic Republic of Iran) said that the shortfall in the annual programme budget and the Afghanistan programme were obviously matters of grave concern. As a developing refugee host country, the Islamic Republic of Iran was particularly alarmed by the steady decline in the international contribution to UNHCR's annual budget. His Government reiterated the need for adequate and timely international assistance to enhance voluntary repatriation operations as the most desirable and durable solution to refugee problems.

34. Mr. KINNEN (Germany) said his delegation recognized that the High Commissioner had had a difficult task striking a balance between a credible minimum and the realistic funding expectations so vital to priority setting and strategic planning. He supported the request of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for rigorous monitoring of staff costs at headquarters and in the field. He would appreciate further explanations regarding the proposed conversions of project staff, which did not appear to have been justified in terms of long-term programme needs.

35. In his delegation's opinion, the Supplementary Programme for Afghanistan should have been included in the 2003 programme budget. In the light of the explanations given, however, his delegation would not block consensus on the issue, provided that the decision was taken on an exceptional basis.

36. His delegation welcomed the attention paid to improving the physical protection of refugees and, in particular, the prevention of sexual exploitation and abuse in humanitarian crises. It requested the High Commissioner to report regularly on all action taken in that regard.

37. Germany was confident of maintaining the level of its voluntary unearmarked contributions in 2003, despite serious and ongoing budgetary constraints.

38. Mr. CUTILLO (Italy) said that all humanitarian organizations were in competition for a share of funds. No agency's budget was fully funded. Under such circumstances, it was important for organizations not only to perform effectively on the ground, but also to report transparently on their priority choices and their use of funds, particularly where funding did not match requirements. His delegation urged UNHCR to take full note of that message in order to enable Italy to maintain, or even step up, its commitment.

39. Ms. WYRSCH (Deputy High Commissioner) said that she appreciated the Executive Committee's support for the 2003 budget. The funding challenges were no less in 2003 than they had been in 2002; she would ensure that member States were given an indication of funding levels and of the impact of non-receipt early in 2003.

40. She assured delegations that UNHCR was working on the issue of prioritization at the regional and global levels and hoped to do better in showing how budget decisions were taken.

41. The Code of Conduct was not a legal document, but a guide to expected behaviour. The legal basis for any action was provided by the United Nations Staff Regulations and Staff Rules, under which staff members could be separated from service if they did not comply with the oath of office they signed on taking up their contract or if they violated the Staff Regulations or Staff Rules.

42. Mr. TAKIZAWA (Controller) said that UNHCR's move to results-based budgeting was part of a United Nations systemwide effort. He again appealed for timely and full funding, for the entire method was based on the assumption that there would be no shortfall and funding would arrive on time: otherwise, goals and results would not coincide.

43. The CHAIRMAN drew the Executive Committee's attention to the draft general decision on administrative, financial and programme matters (Decision 3), which referred to the approval of the programmes and budget under the 2003 Annual Programme Budget in the amount of US\$ 836,299,600 (para. (d)) and to the approval of the revised 2002 Annual Programme Budget in the amount of US\$ 1,030,343,900 (para. (e)). If he heard no objection, he would take it that the Executive Committee adopted the draft decision.

44. It was so decided.

OVERSIGHT ACTIVITIES (agenda item 8) (A/AC.96/966)

45. Mr. CRISP (Head, Evaluation and Policy Analysis Unit (EPAU)) said that, following extensive consultations with staff and stakeholders, the High Commissioner had endorsed UNHCR's evaluation policy and he invited delegations to monitor its implementation. The new evaluation and policy analysis work programme was also available. It had been structured in such a way as to support the goals of the Agenda for Protection.

46. He also requested delegations to make specific proposals for evaluation and policy analysis projects to be included in the work programme.

47. He introduced Ms. Virginia Thomas, team leader of an ongoing global evaluation of UNHCR's community services function. The results of that evaluation and others on UNHCR's work with refugee women and refugee children and on the problem of sexual exploitation in West Africa would form the basis for an integrated plan of action relating to those areas.

48. Ms. THOMAS (CASA Consulting, Canada) said that her company had undertaken five field missions, two surveys of field staff and a focus group discussion with protection staff at headquarters in order to identify relevant community services issues.

49. The evaluation was not yet complete, but it was already clear that it had much in common with the two earlier evaluations of compliance with UNHCR policies and guidelines on refugee women and refugee children.

50. All three evaluations had found, for example, that community services staff, implementing partners and activities remained the main vehicle for promoting refugee participation and mobilization around key protection and assistance concerns; for promoting the participation, benefit and contribution of refugee women on an equal footing with men; and for the adequate and equitable provision of essential services, including health and education.

51. All three had found that the strengthening of the community services function was vital to ensuring the adequate implementation of policies and guidelines with respect to refugee women and children; and that enhancing cooperation between community services, protection and programme functions was essential to the comprehensive and equitable protection of refugee populations.

52. It was essential for community services staff to be better integrated into management and decision-making processes if they were to contribute in a way commensurate with their training and experience. The function's key role in the realization of UNHCR's core protection mandate was generally not reflected either in policy or in the practical organization of field operations. It had historically been poorly defined and integrated within UNHCR and, as a result, community services staff had become responsible for everything regarded as outside the direct responsibility of programme or protection staff. Yet few were engaged at an appropriate professional level and they had very little say in resource management or policy making. She believed the predominance of female staff was a factor in the marginalization of the function within UNHCR.

53. Most community services staff in the field were actively trying to find ways to implement the very extensive range of UNHCR policies and guidelines in their work. In most cases, responsibility for the initiatives launched by headquarters fell on their shoulders, but they received little or inadequate support in implementing key policies in extremely challenging work environments.

54. In the light of the feeling expressed by field staff generally that they had not been given practical guidance on their roles as gender or children's advisers and that they did not regard those roles as particularly useful to their field operations, it was recommended that community services, as an operational unit dealing directly with many concerns of refugee women and children, should be brought into a more direct working relationship with the gender and children's units and the Department of International Protection in order to set strategies and priorities for implementing policies and guidelines in specific country operations.

55. Community services posts, together with specialist advisers and consultants, should be seen as common strategic resources to be directed towards addressing key protection concerns, particularly those of refugee women and children.

56. Mr. MACDONNELL (Canada) congratulated UNHCR on the progress it had made in the area of evaluation since the late 1990s and said he hoped that the pace of positive change would increase as the evaluation policy came into force. He welcomed the Deputy

High Commissioner's assurance that lessons learned were being fed back from the evaluations into operations: such a virtuous circle was essential if a culture of learning was to be fostered in the organization.

57. It was imperative to keep the evaluation and inspection functions separate. They shared common qualities - independence and objectivity - and a common goal - the improvement of operational management - but, while inspection demanded confidentiality, evaluation must be carried out in an open and transparent manner.

58. Ms. POLLACK (United States of America) welcomed EPAU's efforts to revitalize the evaluation function. Although there were still many areas that required evaluation, it was now time to take stock and implement the recommendations made in the course of the evaluations that had already been done.

59. Her delegation strongly supported the call made in the document under consideration for the common observations from inspections around the world to be fed into policy discussions and more widely circulated among UNHCR offices. It also welcomed the establishment of the new investigations unit and her Government was considering how to help strengthen the Inspector General's office through training programmes.

60. Ms. STOIOS-BRAKEN (Netherlands) said that she endorsed the views expressed by the representatives of the United States and Canada on the role of evaluation and policy analysis as an instrument for improvement and accountability. That topic should be given further consideration at upcoming sessions. Her delegation proposed that UNHCR should conduct an evaluation of refugee status determination and the efficiency and consistency with which the criteria for such determination were applied. The Netherlands strongly believed that the issue was of utmost importance in strengthening protection.

61. Mr. CRISP (Head, Evaluation and Policy Analysis Unit (EPAU)) expressed his gratitude to delegations for the support they had given to the evaluation function over the previous three years. His Unit had enjoyed a very close and useful dialogue with Executive Committee members and hoped that it would continue. It was, however, true, that the dialogue had taken place primarily with Governments providing cash contributions to UNHCR and that there had been relatively little discussion with host countries in the developing world. One of the Unit's objectives for the coming year would be to remedy that situation. He would also refer the proposal made by the Netherlands delegation to the Department of International Protection.

62. The CHAIRMAN invited Ms. Connelly, the Inspector General, to introduce section II of the report on oversight activities (A/AC.96/966) relating to inspection and investigation activities.

63. Ms. CONNELLY (Inspector General) said that the Inspector General's Office consisted of only four inspectors, three investigators and two support staff. More needed to be done to fine-tune the Office's new Investigation Unit through the finalization of an investigation manual to assist field managers who might be required to undertake investigations on the Office's behalf. The emphasis placed by the High Commissioner on the investigation function and the high

profile investigations conducted in Kenya and West Africa had increased awareness of the mechanisms for reporting allegations of misconduct among UNHCR staff and had led to an increase in the number of complaints and allegations received.

64. In the past 12 months, her Office had been involved in 32 new investigations in 19 countries, of which 14 had been completed and referred to the Division of Human Resources Management for administrative action. While all allegations of UNHCR staff misconduct and all investigation reports had to be referred to her Office, the Office did not itself conduct all investigations. Rather, it delegated the more straightforward cases to the office concerned, providing it with the requisite support. Of the 32 investigations conducted in the past 12 months, 18 had been undertaken by her Office and 14 by offices in the field. Since the beginning of September 2002, 16 new complaints had been received concerning staff in 11 countries. Consideration was being given to the action to be taken on those complaints. Allegations in the past year had related to sexual harassment, abuse of authority, refugee status determination, resettlement fraud, sexual exploitation, fraud and smuggling. Many other complaints referring to issues outside the Office's mandate had been passed on to Headquarters for follow-up.

65. Her Office did not determine sanctions or institute disciplinary proceedings; it merely investigated and reached a conclusion as to whether misconduct had occurred, before referring the file for action to the Division of Human Resources Management. However, three staff members had been dismissed since the beginning of 2002 and several others had received lesser disciplinary sanctions. There were currently 12 staff members on suspension or barred from entering UNHCR premises, pending completion of an investigation.

66. In the interests of due process, confidentiality had to be maintained in all investigation cases. However, her Office assured the Committee that misconduct within UNHCR would no longer be tolerated. UNHCR needed to review how it could share information on the results of investigations without compromising confidentiality, thereby ensuring that staff were aware of the consequences of misconduct, in a way that would act as a deterrent to others.

67. With regard to the investigation in West Africa, her Office was investigating two serious allegations of exploitation by UNHCR staff that had not arisen from any previous investigation. It was increasingly clear that awareness of sexual exploitation by humanitarian aid workers had greatly increased among refugees, indicating that they were better informed of their rights and were being listened to.

68. As to the common observations from inspection missions (A/AC.96/966, section II, paras. 6 and 7), the issues raised were being reviewed by the Senior Management Committee and the relevant divisions and departments at Headquarters. It was worth noting that many of the issues were the subject of various forms of action, including the renewed emphasis on partnerships, the High Commissioner's decision to review staffing policies, the revival of Project PROFILE, intensive action by the Department of International Protection to improve both refugee status determination standards and resettlement procedures and to help reduce backlogs and provide additional training to staff and partners, as well as a revitalized approach to the needs of refugee women and children. The issues raised in the report were part of a basic checklist used during inspections.

69. Since the establishment of her Office in 1994, 113 countries had been inspected. Inspections had been undertaken in 16 countries in the past 12 months and, since 1994, a number of countries had been inspected on more than one occasion owing to the complexity of or a change in their circumstances. Her Office needed to carry out a thorough prioritization exercise for the 2003 programme in order to maximize output using limited resources. The inspection function had been strengthened by the secondment of experienced staff from the Department of International Protection and of experts for particular investigations, thus creating an internal partnership that strengthened both sides.

70. The need to review inspection policy, practice and capacity was referred to in paragraphs 9 and 11 of the report on oversight activities (A/AC.96/966). One of the difficulties in reporting on her Office's activities was the limited amount of information that she could share with the Committee. Inspection reports were internal documents and could not be shared officially with those unaffected by the recommendations made. The results of missions needed to reach a wider external audience and common observations should be more widely circulated and fed into policy discussions. Similarly, good practices should be highlighted and mechanisms found to share them within UNHCR.

71. In view of the inclusion, for the first time, of a report on internal audit under oversight activities, she stressed that the collaboration between the internal audit function and her Office was close and important. The internal audit function provided active support for investigations which frequently had a financial fraud or mismanagement component.

72. On her penultimate day as Inspector General, she welcomed her successor, Mr. McNamara, who would inherit one of the most experienced and dedicated inspection and investigation teams in UNHCR. She was grateful to her team for all the collaboration and support which she had received and for their contribution to improving UNHCR's investigation and inspection function. After a challenging and fulfilling career with UNHCR, she thanked the High Commissioner for his understanding and support and the members of the Executive Committee for their unfailing support for the oversight function.

73. Mr. CUTILLO (Italy) asked the Inspector General for clarification of the investigations being carried out in West Africa. He had understood from the High Commissioner's comments that no UNHCR staff were involved in the scandal, while the Inspector General had referred to two cases involving UNHCR staff. He would like to have assurances that the members of the Executive Committee would be informed of the outcome of the investigations.

74. Ms. CONNELLY (Inspector General) said that the two new cases had emerged from a separate investigation that had not formed part of the original Office of Internal Oversight Services investigation.

75. She appreciated the offer by the United States to provide UNHCR staff with additional training in order to strengthen UNHCR's protection function.

76. The CHAIRMAN invited Mr. Kaltenbach, Chief of the UNHCR Audit Service, to introduce section III of the report on oversight activities (A/AC.96/966) relating to general audit matters.

77. Mr. KALTENBACH (Chief, UNHCR Audit Service) said that it was an honour to introduce a report dealing with UNHCR's internal audit activities to the Executive Committee for the first time. The fact that the report, together with those on evaluation and inspection and investigation activities, formed part of a single report on oversight activities showed that concerted efforts were being made to ensure effective internal oversight in UNHCR.

78. UNHCR's internal audit function was carried out by the United Nations Office of Internal Oversight Services through the UNHCR Audit Service. The Service's modus operandi was spelled out in a Memorandum of Understanding between the High Commissioner and the Under-Secretary-General for Internal Oversight Services. The Audit Service was based in Geneva, but had outposts in Nairobi and, temporarily, in Afghanistan.

79. The objective of internal audit was to provide independent and objective assurance to the High Commissioner and UNHCR senior management on the proper, economical and efficient use of funds, the reliability and integrity of financial and operational information, the safeguarding of assets, compliance with rules and policies and the achievement of programme objectives. If no assurance was possible, information was provided on the problems identified, together with recommendations on ways of addressing them. Internal auditors increasingly acted as internal consultants, focusing on issues with implications for UNHCR resource utilization. One of their goals was to achieve quantifiable savings and recoveries.

80. UNHCR internal audit activity was heavily field focused. Auditors visited more than 30 country operations each year, selected on the basis of a risk assessment. Hardly a single UNHCR country operation had not been visited. Large and high-risk operations were visited more frequently and the audit extended to partners in the field and at their headquarters. In addition to scheduled audits, a number of ad hoc reviews were conducted at the request of UNHCR senior management.

81. In preparing the annual audit plan, the Service coordinated closely with the United Nations Board of Auditors and with the Inspector General. Throughout the year, it coordinated its work and shared results with the Inspector General and the Controller, both formally and on an informal and daily basis.

82. Obtaining assurance that UNHCR's implementing partners were using the resources allocated for the purposes intended was a key element of UNHCR's accountability. Problems in that area were one reason why the Board of Auditors had qualified UNHCR's financial statements for 2000. There had been visible improvements in project monitoring, but the process took time. In 2001, assurance had been obtained for nearly 80 per cent of the partners reviewed, leaving 20 per cent of cases without any assurance. Further capacity building, training and guidance were needed until all parties had embraced the principle of accountability.

83. Significant progress had been made with the audit certificates submitted by implementing partners, particularly with regard to the numbers of certificates. However, as the Board of Auditors had pointed out, more was required to ensure that the information provided was meaningful. The Service would assist UNHCR in reviewing the requirements for audit certification, enhancing their quantity and quality and making the best use of the information obtained.

84. One growing concern was the taxation of UNHCR official purchases. In many countries, the exemption from or refund of taxes faced legal, administrative or technical obstacles. In 2001, in four country operations alone, a total of US\$ 3 million had been spent on non-refunded value added tax; significant funds were thus being absorbed by taxation and lost for humanitarian purposes. Member States should do more to solve that problem.

85. The UNHCR Audit Service hoped to make a contribution to positive oversight. Rather than making a bad situation worse, it hoped to deal with topical issues, identify problems early and help management find solutions to them. The arrangements for the Afghan Operation showed that auditing could play a very positive role in helping management throughout an emergency operation.

86. Mr. TAKIZAWA (Controller) said that he was very impressed by the effectiveness of UNHCR's internal oversight system, which provided useful information for the overall management function. While the system was good, it could be improved still further with the support of member States and with the requisite financial resources.

MEETINGS OF THE STANDING COMMITTEE IN 2003 (agenda item 9)

CONSIDERATION OF THE PROVISIONAL AGENDA OF THE FIFTY-FOURTH SESSION OF THE EXECUTIVE COMMITTEE (agenda item 10)

87. The CHAIRMAN said that, under agenda items 9 and 10, the Executive Committee would consider the draft decision on the programme of work of the Standing Committee in 2003, the draft decision on observer participation and the draft decision on the provisional agenda of the fifty-fourth session, which would be included in the report of the current session.

ANY OTHER BUSINESS (agenda item 12)

88. The CHAIRMAN said that, since no delegation had requested the floor in order to raise any other business, the consideration of agenda item 12 was concluded.

The meeting rose at 17.40 p.m.