

**Fifty-seventh session of the
Executive Committee of the High Commissioner's Programme**

Opening Statement by Mr. António Guterres
United Nations High Commissioner for Refugees

Mr. Chairman, Excellencies, Distinguished Delegates, Ladies and Gentlemen,

I would like to welcome you all to the fifty-seventh session of the Executive Committee, particularly new members Jordan and Portugal.

I would like to congratulate our Chairman, Ambassador Fujisaki of Japan, and applaud the energy and engagement with which he approached his responsibilities. Ambassador, I am grateful for your personal involvement with us this year. Thank you very much.

Ladies and Gentlemen,

This is a moment of truth for UNHCR. Both by choice and out of necessity, we face three major challenges simultaneously. The first is a reassessment of our mission. We must remain faithful to our mandate while meeting the demands of a changing world, shifts as consequential as the international community redressing one of its greatest failures, the neglect of internally displaced persons. The second is the pressing need for a deep structural and management reform, which is absolutely indispensable if we are to build a stronger, more effective organization able to generate and direct more resources to the people we care for. The third challenge is a renewal of our top management, affecting, over one-and-a-half years, 10 members of the Senior Management Committee.

We face these challenges willingly and with determination, even if we would not have chosen to meet them all immediately and at the same time.

A year ago, I made a number of commitments – to you, our governance body, our partners, our staff, and, most importantly, to the people we serve. It is time now to see where we stand.

- **First commitment. To strengthen UNHCR's identity as a protection agency.**

That identity, as I said last year, should inform everything we do. At a time of rising intolerance, fuelled by security concerns and confusion in public opinion between migrants and refugees, we are bound first to preserve asylum and rebuild trust in asylum systems. I want to call on humanitarian and rights-minded politicians and concerned members of the civil society and media; we need to work together and UNHCR is willing to cooperate with all. Critical developments are taking place –

many of them deliberately encouraged by populism in both politics and the media, taking us in the wrong direction. We must be vigilant and remain a voice of reason and tolerance.

To preserve asylum is also to firmly oppose all forms of refoulement and guarantee respect for international refugee law. International refugee law that cannot be superseded by national legislation, extradition treaties, or redefined by bilateral arrangements.

The situations which I referred to last year – from Uzbekistan to North Korea – remain of grave concern to UNHCR. An important exception, which I am glad to be able to cite here today as a step forward given the debate we had here at ExCom, is the impeccable treatment afforded to recent Rwandan arrivals in Burundi. Burundi authorities are applying proper asylum procedures in an open and collaborative fashion, and with the result that most in the present circumstances are found not to be of concern to our Office, returning normally to Rwanda where they are well received. The few whose claims are accepted are granted adequate forms of protection and assistance in Burundi.

To strengthen protection we must build capacity everywhere. Not with the paternalistic notion that this concerns only the developing world, but with the understanding that strengthening protection capacity is necessary in both north and south. Building skills, institutions and coalitions cannot serve to 'outsource' protection, but rather as an instrument of international cooperation and solidarity, to make real and fair burden sharing possible.

Protection is at the centre of our concern to reduce statelessness. Traditionally, UNHCR has focused on giving legal advice to States. True, we were able to resolve statelessness situations with practical assistance in the Ukraine, FYR Macedonia, and Sri Lanka by helping hundreds of thousands of stateless individuals obtain a nationality, and are now involved in a meaningful cooperation programme with the Russian Federation. But such success stories have been too rare. We want to change that.

We will do so with operational support and through inter-agency collaboration. This involves concrete measures to reduce and prevent statelessness, such as working on birth registration campaigns with UNICEF, population census with UNFPA, electoral assistance with the UN Department of Political Affairs and UNDP, and public awareness with the NGO movement and with the states themselves. Our goal is to enable these forgotten people to become nationals of a state or, at the very least, to enjoy the basic human rights conferred by a legal identity.

Protection is also at the centre of the new emphasis given to our engagement in relation both to internal displacement and the migration-asylum nexus. The Division of International Protection Services is increasingly a service-oriented support to the field with direct responsibility for the units working on durable solutions to refugee situations. Protection will be taken closer to the people we care for, including moving more staff to regional offices. We are rolling out a new accountability framework for age, gender and diversity mainstreaming. Its format engages managers at all levels, and I take it very, very seriously when I go on missions.

UNHCR now has an Assistant High Commissioner for Protection, Erika Feller. With DIPS, she will lead a debate across the organization on pressing challenges in protection. Issues such as mixed flows, data protection, facilitation and promotion of voluntary repatriation, sexual and gender based violence, statelessness, exit strategies, exclusion in a time of terrorism, alliances for protection, resettlement and internal displacement. A Protection Reference Group, gathering Representatives from the field, will help drive the discussions. I welcome and encourage ExCom members' participation as we review and redefine our approach to all these critical issues. This might be a good reason to revive the former Forum.

- **Second commitment. To make UNHCR a predictable and fully-engaged partner in the new approach to situations of internal displacement.**

We are now part of the collective response by the UN system and the broader humanitarian community, and in that context have assumed leading responsibility for the protection, emergency shelter and camp coordination and management clusters. Lessons learned from the implementation in the four pilot countries – Uganda, the Democratic Republic of the Congo, Liberia and Somalia – will guide us in the future. The cluster approach has opened up new opportunities for durable solutions – in Uganda, for example, it has been instrumental in the return home of over 300,000 people until now, transforming what was a dramatic humanitarian situation into a potentially remarkable success story.

For the new approach to be effective we have insisted strongly on three main concerns: that it be flexible and adapted to reality on the ground and, where necessary, the theory made to fit reality, not vice versa; that its framework should be light and non-bureaucratic, the reason we did not create a dedicated unit for this at Headquarters; and that we proceed on the understanding that all humanitarian actors, including the Red Cross and Red Crescent and the NGO movements, need to be effectively engaged in the process as full strategic partners that think together, plan together, and act together.

A partnership based on a dialogue among equals for true shared responsibility. Of course, this must also be true of our partnerships in other areas. We are working to become a reliable partner for NGOs and sister agencies alike with more reliable data, better allocation of limited resources and coverage of priority needs, improved participatory needs assessment and planning exercise.

Several UNHCR country operations have not been slated for the roll-out of the so-called cluster approach. Here, we are not and we will not wait for an official notification but will try to respond according to the needs of the people and our own ability. This is why we are currently reassessing our capacities in Colombia, Sri Lanka, and the North and South Caucasus, where we have been involved for a long time, and why we have encouraged the request by the UN Country Team of a protection cluster in Côte d'Ivoire.

At the same time, faced with a situation like Darfur, the role of organizations such as ours is severely constrained. That may seem intolerable, yet our desperation is nothing next to that of the victims and millions of displaced. In the absence of a clear framework for the exercise of the so-called responsibility to protect, the international

community remains basically powerless. The insecurity bred in Darfur has spread to Chad and threatens the Central African Republic itself.

- **Third commitment. To effectively address the protection concerns in mixed population flows, the so-called migration-asylum nexus.**

Ladies and Gentlemen,

Allow me to speak for a moment as a simple citizen of the world. Population movements will be one of the key issues of the 21st century. Globalisation is a fact of life. But it is an asymmetric phenomenon and can exacerbate existing disparities and disadvantages. Money moves unimpeded; goods and services, not as freely; and persons, much less so. But international exchanges work and the global labour market is increasingly a force to be reckoned with. Here also, supply will move to meet demand. Legally if it can, illegally if it must.

This is why curbing illegal migration is not only a question of controlling borders but requires a comprehensive response, including meaningful opportunities for legal migration, development cooperation strategies targeted at the most vulnerable situations so that people are not compelled to move out of sheer despair, and international cooperation in the management of migration flows and in a convincing crackdown on smugglers and traffickers.

Obviously, these are areas that extend far beyond UNHCR's direct responsibilities. We know the difference between a migrant and a refugee and we do not want to become a migration management agency. But we are witnessing more and more movements with the character of mixed flows, where the large majority are migrants but where there are also people in need of international protection: refugees, women victims of trafficking, unaccompanied minors... Our role is to help create the environment where these people can be detected and afforded protection. They must be granted physical access to asylum procedures and a fair treatment of their claims. Measures aimed at curbing illegal migration must never be allowed to call those rights into question.

Protection capacity must be built everywhere, reaching from the places of origin through countries of transit to final destinations. UNHCR itself is committed to increasing its capacity in relevant parts of the world. Our 10-point plan of action, to be piloted now in the situations confronting North Africa and Southern Europe, sets out measures which can be incorporated into migration procedures to address asylum – without compounding the irregular migration issue, or acting as a pull factor. I believe UNHCR can provide practical support to States, helping them to identify those in need of protection, providing country-of-origin information, building national capacities and using our good offices including through resettlement.

UNHCR was fully committed to the Secretary-General's High-Level Dialogue on Migration which met in New York two weeks ago. We are equally engaged with the Geneva – now Global – Migration Group, whose last meeting I had the honour of chairing, and stand ready to support any initiative of the member states.

- **Fourth commitment. A stronger emphasis on solutions with particular focus on the sustainability of returns and the enhanced role of resettlement, two of the main concerns of Convention Plus, which has been mainstreamed in the Office.**

The resettlement service has been created and our capacity is improving, both in the number and quality of referrals. Resettlement for UNHCR is not simply a protection instrument but also a strategic durable solution. We are deeply committed to working with resettlement countries to remove obstacles and increase their annual quotas. I want to emphasize our cooperation with the United States, by far the largest resettlement country, to overcome the negative impact of the material support regulations on refugee admissions, with the first results seen already for Karen refugees in Thailand. Australia and Canada remain two very important partners in resettlement, which is gaining ground in Europe and, following the adoption of the Mexico Plan of Action, in Latin America.

Voluntary return remains for us the preferred durable solution. But its sustainability in many situations around the world is a dramatic concern.

On a mission in March to the Great Lakes, I watched together with the leaders of UNICEF and WFP as several hundred Congolese returnees disembarked from the boat bringing them home from Tanzania. They were filled with anticipation and greeted with shouts and music from crowds of family and neighbours. While 120,000 Congolese refugees remain in Tanzania, 23,000 came back to the DRC with our assistance this year. But enthusiasm can be short-lived when years of conflict and neglect have completely destroyed infrastructure and institutions, and where insecurity and human rights violations are difficult to eradicate.

South Sudan, an area the size of western Europe, was gutted – its roads, schools, and hospitals destroyed and much of its human talent killed or uprooted. Since the 2005 peace agreement, UNHCR has opened offices and actively promoted community-based projects in areas of origin. But needs are enormous and refugees are wary of repatriating before knowing they will be able to eke out a living or reach medical care. Despite the resilience of the people, it is naïve to expect that pots, pans and hope are enough to begin life over.

In Burundi, successful national elections a year ago buoyed expectations that the 190,000 refugees in Tanzania would soon repatriate. But returns in an agricultural economy will always vary with the season and can be affected by drought and the lack of viable alternatives. A crop failure may effectively condemn a family to exile.

Despite many well-known difficulties, returns to Afghanistan – though lower than in previous years – have been the largest in the world for the fifth year running. But we remain deeply concerned about people who go back home full of hope and enthusiasm in the present complex environment.

In Liberia, a very successful political transition has been achieved with remarkable political leadership now in place. But let us not forget that last year's state budget was only US\$80 million, compared with US\$800 million for the UN peacekeeping mission, and a teacher's salary just \$20 a month. When I visited Monrovia a few

months ago, there was still no electricity, no running water, no working sewage system and no garbage collection. Things are improving, but the international community must understand the importance of quick wins to gain the confidence of the people in a post-conflict situation.

In any operation, the promotion of return comes only after minimum conditions are met and we are able to verify that people will be safe following their repatriation. But in extending this option we routinely ignore the elephant in the room: returnees cannot live on hope alone.

Addressing transition problems after wars or conflict end and before sustained development is in place is not something at which the international community excels. UNHCR is a member of the UNDG and is engaged in a promising cooperation with UNDP. We will work actively at the global level with the Peacebuilding Commission, seconding a staff member to its Support Unit, and will be involved in its pilot programmes in Burundi and Sierra Leone.

I also want to appeal for a combined effort with the fullest possible use of all durable solutions in order to solve, at last, the most protracted refugee situations, like the Bhutanese in Nepal or the Rohingyas in Bangladesh.

- **Fifth commitment. To re-establish a quick, agile and flexible emergency response capacity.**

Over the past year our emergency teams have been active in Lebanon, Timor Leste and the valleys of northern Pakistan. We sent 3,500 tonnes of relief supplies to Pakistan in the first weeks to help tens of thousands of survivors of last October's earthquake. We are grateful for the offer of an emergency airlift, without which this massive effort would not have been possible.

Events in Lebanon also showed the importance of robust logistics capacity and, as a result, we have decided that a revamped supply and management service will now be integrated in DOS and work in collaboration with our emergency unit. The new Policy Development and Evaluation Service has already completed a real-time evaluation of UNHCR's response to the emergency in Lebanon and Syria. I was briefed by the evaluation team last Thursday, shortly after their return from the region, and senior managers will now use their findings and recommendations to make other relevant changes and improvements. We need to be able to act quickly on learning what we did not do right.

In Timor Leste, after the violence last summer, 22 UNHCR international staff were immediately mobilized to take part in the humanitarian response.

UNHCR's emergency response abilities are being strengthened. Quick and efficient deployment of expert staff and relief material almost anywhere in the world has been a hallmark of the Office. By 2007, our target is to be able to respond to an exodus of 500,000 people.

Under the leadership of our new Assistant High Commissioner for Operations, Judy Cheng-Hopkins, in close cooperation with the Division of Operational Services, we

have increased the number of staff available at any time for immediate deployment. Financial limitations are hindering our ability to establish the desired level of emergency stockpiles. Depending on the item, current levels now cover the needs of between 300,000 and 500,000 people, but we have been forced to delay orders for larger quantities of our lightweight tents, key to our responsibilities in the emergency shelter cluster and in refugee crises, which for the moment are only sufficient for 100,000 individuals.

- **Sixth commitment. Reform: the structural and management change process. To make the organization more flexible, effective and results-oriented based on a thorough review and reform of its procedures and structure.**

Reform is essential for UNHCR's long-term sustainability. It is true that the relationship between field support and administration costs on one side and operational costs on the other has remained stable. But over the past 15 years, the percentage of staff costs in relation to operational costs has risen steadily. Of course, a large share of staff costs includes protection work and is an integral part of operations. But the trend means that fixed costs represent an ever-greater portion of our expenditures and that we have been correspondingly less and less flexible when phasing out or down-scaling operations, or when we are forced to make budgetary adjustments. And it means that financial problems have increasingly affected the core of our activities.

In 2006 we reached a dangerous benchmark. For the first time, UNHCR is likely to spend more money on staff and ABOD (Administrative Budget and Obligation Document) than on what is classified in the budget as operations. It is true that this is an artificial distinction as, I repeat, a large part of our staff costs are in fact operations. But it is also true that doing things more and more by ourselves, rather than doing them with partners, makes us less and less flexible and able to adapt. This is obviously not sustainable and needs to be addressed, because it would be morally unacceptable for a structure to become an end in itself.

The Change Process, led by Director for Structural and Management Change Raymond Hall, has been systematically reviewing our processes, structures and staffing to make sure that they are fully aligned with the challenges we face in a changing humanitarian environment. We owe it to our beneficiaries, be they refugees or the increasing numbers of internally displaced persons, to give top priority to meeting their needs. Our review of Headquarters is therefore examining what kind of field support can be moved closer to the point of delivery in order to maximize its impact. It is also looking at the cost effectiveness of our administrative services, how back-office functions should be carried out, and whether they should remain in Geneva or be placed elsewhere. Meanwhile, the field review is considering the way we deploy in capitals, sub- and field offices, and the balance – between national and international staff – of our workforce in operations, along with how much we do ourselves versus how much is implemented through partnerships with others.

Of course, moments of change like this one always engender anxiety and uncertainty. I understand this. The Office has been and will be very actively engaged in the preparation of proposals for reform. The Director has been meeting weekly with the

Staff Council and ensuring that conditions exist for staff to be fully informed of what is on the change agenda. This month, he begins broad consultations with staff on proposals in several areas. It is our clear intention that all proposals will be submitted to effective consultations with staff and that decisions will be based on the establishment of a clear business case after a thorough feasibility study. Reform will be driven not by ideological preference but by evidence.

We must be sensitive to the legitimate concerns and interests of the staff beyond the full respect of their rights. The reform will also introduce a number of changes aimed at the improvement of working conditions. An annual global staff survey will soon be introduced, along with a management assessment framework. We are at the same time working on new proposals to address, in a systematic way, the problems of staff welfare in difficult duty stations. We have taken all the decisions to guarantee that UNHCR becomes fully compliant with Minimum Operating Safety Standards, regardless of cost. And here I want to pay respect and tribute to the courage and sacrifice of our staff members who lost their lives in the line of duty in the past 12 months.

All this is very important for us, but we cannot forget our moral obligation to the people we care for. When we still cannot provide enough support for refugees wanting to repatriate, when only a fraction of refugees have access to the latest malaria protocol or antiretroviral medication and when we are unable to prevent or respond to known cases of SGBV, we cannot accept that money that should be spent on the people we care for is spent unnecessarily on the organization.

Reform is also focusing on the efficiency of our processes. Key to our responsiveness is our ability to deploy staff rapidly and effectively. With this in mind, our postings processes are being simplified and made more flexible. A new resource allocation model is being developed which will, we hope, end the practice of decision-making by committee, in which all forms of responsibility are diluted. It will balance greater delegation of authority to operations managers with better controls, accountability and transparency. With the same aim, and after the measures already taken in 2005, announced at the last ExCom, the independence of the Inspector General's Office was further reinforced through the conclusion of a Memorandum of Understanding on inspections and investigations with the UN's Office of Internal Oversight Services.

The next step in Results-Based Management is the building, testing and application of specially-designed software, which will be at the core of our RBM framework for operations. The new software will be compatible with Management System Renewal Project, whose finance and supply management modules are presently being rolled out to Asia and the Americas. This month we start the MSRP roll-out to Africa and the application of the last version in Headquarters, Europe and CASWANAME. These two systems are crucial reform instruments and will provide better financial, budgetary, logistical and human resource information for the Change Process.

The Change Process should benefit also from broader UN reform and, as in the past, we will integrate any changes made in New York into our own rules and procedures. As they exist today, UN regulations are not always well adapted to the needs of a highly operational agency like UNHCR and sometimes impose constraints on our own efforts to improve our flexibility and responsiveness. But we should never use them as

an excuse as, to be honest, UNHCR has itself invented many bureaucratic obstacles that we can, must and will remove.

Ladies and Gentlemen,

One year, six clear commitments, six developments we want to take further. But none of what I have described will be possible without political and financial support.

At the end of 2005, UNHCR faced, as you all know, a dramatic financial situation. For the first time in more than 15 years we ushered in the new year with a negative – even if very small – carryover. This brought home to us the need for greater realism in drawing up our budget and was the rationale for the measures we adopted to get through 2006 with as much financial stability and predictability as possible.

We decided in late 2005 to ask managers to plan their activities at 80 per cent of the 2006 ExCom approved figures. Instructions were issued early to avoid more disruptive budget cuts later on. We were able to avoid them through 2006. Offices did their best to safeguard activities with immediate and tangible benefit for refugees, while procurement and programmes with a longer-term or strategic impact were deferred or reduced.

We successfully instituted a zero-growth policy for staff at Headquarters. Any new post has to be offset by the cutting of an existing one. An austerity package included deep reductions in travel and temporary assistance at Headquarters and targeted measures in the field, saving the organization a further US\$20 million.

Concerted efforts have been made to address non-traditional sources of income, including in the private sector, where we have reinvigorated the Council of Business Leaders, led by the Deputy High Commissioner. Private sector contributions to UNHCR this year did not benefit from the exceptional effect of the 2004 tsunami, and, recognizing that raising such funds requires investment and expertise, we have set aside additional resources for new initiatives next year. Higher targets will be closely overseen by our new Director of External Relations, Nick van Praag, who joined us last month from the World Bank.

Thanks to these measures, we can guarantee today that if – and only if – the donor community maintains the level of support we received last year, UNHCR will be able to carry out its activities through 2006 without resorting to any further cuts to stay in the black. I am very confident that our donors who have not yet reached that level will not let us down. But we still have some way to go before the end of the year.

The 2007 budget represents a clear shift in policy based on our recent experience. It is some US\$100 million – nine per cent – less than the ExCom approved 2006 budget, and it reflects two major policy changes. First, it is based on transparency and realistic assumptions about possible funding levels, with additional margin for manoeuvre in the form of an increased Operational Reserve I at 10 per cent of programmed activities (the maximum allowable level).

Second, items classified as operations will represent a higher percentage of our global costs than staff and ABOD, reversing the trend I cited earlier, if you consider the

whole of the Annual Budget and projected Supplementary ones. The management, administration and programme support costs are down by US\$17.6 million in relation to expenditures forecast in 2006, reflecting a serious effort to achieve greater financial flexibility and make more funds available to our beneficiaries and partners on the ground.

For this budget to become a reality, my hope and expectation is that our principal donors will maintain their high level of support to the Office and the work we do. And as we continue our Change Process and devote a greater share of resources to protection, care and solutions, please lend us your support by maintaining – or, in light of UNHCR's enlarged role, by increasing – your financial commitment to UNHCR.

I am pleased that several other donors have raised their contributions significantly this year, and would appeal to other states which can afford to do so to give more.

UNHCR has also received support in 2006 from the Central Emergency Revolving Fund which, in its first year of operation has directed resources to several of our under-funded programmes, and from the pooled funds, for the supplementary budgets of the DRC and Sudan.

Ladies and Gentlemen,

The budget before you is a transitional budget and is inspired by the principles of reform, even if the majority of its measures will only have an impact in the future. Both the reform process and budget policy changes owe a great deal to the vision and determination of the Deputy High Commissioner. Wendy Chamberlin had to assume the leadership of UNHCR under extremely difficult circumstances and manage a smooth transition. Last year, I asked her to generously accept a one-year extension of her contract to guarantee the stability and continuity of the Office and, at the same time, to foster the impulse for change. We are now moving, due to a large extent to her own proposals and initiatives, to a new management model in which the Deputy High Commissioner will have functions more clearly focused on the financial management of the Office. Due to this change in the profile, I fully respect Wendy's decision and have accepted her wish to hand that new role to a successor. Expressing, I am sure on behalf of us all, my deep gratitude and enormous admiration for her outstanding qualities, I would like to recognize her today for her remarkable contribution to the Office and on behalf of refugees.

Ladies and Gentlemen,

Refugees are the *raison d'être* of the UN refugee agency. We are here to serve, with humanity and efficiency. Faithful to our mandate but as a member of a team; proud of our history and identity but humble before the challenges we face; a partner capable of answering new and increasingly complex challenges in a globalised context. But always, unrelenting in our efforts to reach more people in need of protection. Protection is the heart of our mandate and it must remain the soul of our organization.

Thank you.