



INTERNAL AUDIT DIVISION

REPORT 2022/024

Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees

**The Representation needs to review the
adequacy of its structure and resources for
effective delivery of mandate as well as
strengthen its fair protection processes**

27 June 2022

Assignment No. AR2021-141-03

Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to its persons of concern (PoCs) in a cost-effective manner and in accordance with UNHCR's policy requirements. The audit covered the period from 1 January 2019 to 31 July 2021 and included a review of (a) planning and resource allocation, (b) fair protection process, (c) education, and (d) livelihoods and self-reliance programme.

The Representation, under the Global Compact of Refugees, supported the mainstreaming of the provision of health and education services to its PoCs into the Nepalese national system. A reduction in the Representation's staffing levels from 36 to 21 without a commensurate decrease in activities affected its capacity to deliver its mandate. The Representation's operational planning was also not aligned to the vision in its multi-year strategy and resource allocation and PoCs needed support in addressing challenges being faced in registration and access to legal documentation.

OIOS made five recommendations. To address issues identified in the audit, UNHCR needed to:

- Determine the type of presence it will have in Nepal and on this basis assess the adequacy and effectiveness of the office structure, staffing and resources needed to deliver its mandate;
- Align its resource allocation to key strategic priorities, so as to achieve the desired impact amongst PoCs, and reinforce its performance management over implemented programmes;
- Prepare an advocacy framework regarding the Government's development of a national refugee legal framework, registration and provision of legal documentation to PoCs as well as its management of related data;
- Work with the Government to prepare and implement an action plan that addresses: (i) the quality of education services delivered to refugee children; and (ii) collection of programme data to inform its decision-making; and
- Conduct market assessments to inform the relevance of the livelihoods programmes in meeting PoCs needs as well as baseline surveys as a basis for measuring programme performance.

UNHCR accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-7
A. Planning and resource allocation	2-3
B. Fair protection process and documentation	4-5
C. Education	5-6
D. Livelihoods and self-reliance	6-7
IV. ACKNOWLEDGEMENT	7
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the operations in the Federal Democratic Republic of Nepal for the Office of the United Nations High Commissioner for Refugees (UNHCR).
2. The UNHCR Representation in Nepal (hereinafter referred to as ‘the Representation’) was initially established in the early 1960s. At the request of the Government of Nepal, UNHCR reinstated its operations in 1989. The Representation works in close partnership with the Government and other stakeholders to provide protection and solutions outcomes to persons of concern (PoCs) in Nepal. As of 31 January 2022, the Representation supported 19,709 refugees in Nepal comprising of three population groups i.e., 12,540 Tibetan long-stayers, 6,365 Bhutanese refugees and 804 refugees of other nationalities.
3. Nepal is not a party to the 1951 Convention nor its 1967 Protocol and does not have a domestic legal framework to protect refugees. The Representation’s strategic priorities are: (i) the development of a refugee legal framework; (ii) registration of refugees and issuance of legal documents to them; (iii) achieving local solutions for refugees through inclusion in public services; and (iv) the inclusion of refugees in the United Nations Sustainable Development Goals and Government of Nepal planning.
4. The Representation has a country office in Kathmandu, with its only field office in Damak closed in 2020. The Representation is headed by a Representative at the P-5 level and is supported by three professional staff, one national officer, and 16 general service staff. The Representation spent \$5.2 million in the audit period and worked with five partners who implemented 74 per cent and 63 per cent of its programme activities in 2019 and 2020, respectively.
5. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess whether the Representation was managing the delivery of services to its PoCs in a cost-effective and efficient manner and in accordance with UNHCR’s policy requirements.
7. This audit was included in the 2021 risk-based work plan of OIOS at the request of the UNHCR Regional Bureau for Asia and the Pacific (the Regional Bureau) due to the risks associated with the implementation of UNHCR activities in Nepal.
8. OIOS conducted this audit from August to December 2021. The audit covered the period from 1 January 2019 to 31 July 2021. Based on an activity-level risk assessment, the audit covered higher risk areas and reviewed: (a) planning and resource allocation, (b) fair protection process, (c) education, and (d) livelihoods and self-reliance.
9. The audit methodology included: (a) interviews with key personnel and staff of two implementing partners; (b) review of relevant documentation; (c) analytical review of data, including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from FOCUS, the UNHCR results-based management system; and (d) sample testing

of controls. The audit was conducted remotely and therefore, OIOS was unable to assess controls that required physical observation.

10. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Planning and resource allocation

Need to consider a review of the Representation's structure and resource requirements in view of possible nationalization of Nepal operation

11. The Bureau had not reached a policy decision on whether the Representation would be nationalized. In 2020, the Representation closed its Damak office and in 2021 reduced its staff from 36 to 21. The absence of policy guidelines resulted in uncertainties for the UNHCR staff regarding whether the office's downsizing was in preparation for nationalization of its operations, a reduction of UNHCR's footprint in Nepal, or part of a cost-cutting exercise. The purpose for downsizing is key in determining the optimal structure and resource requirements of the office.

12. In determining whether to nationalize the Nepal operation, the Bureau needed to consider the UNHCR relevant criteria and guidance, including: (i) a low number of PoCs that are in de-facto locally integrated situations; (ii) readiness to change the mandate from service delivery to protection advocacy and capacity building of national asylum systems; and (iii) linkage to a multi-country office (MCO). If nationalized, the operation would only have national staff and UNHCR would need to determine their readiness to effectively manage activities previously implemented by international staff, including advocacy with the Government. Moreover, an exit strategy would need to be developed that ensures responsible UNHCR disengagement and capacity building of national staff and systems.

13. Due to staffing reductions, the Representation merged some objectives in its operational plans due to an expected decrease in the level of services it could deliver. It also redistributed the work previously conducted by the Damak office to the already reduced staff number in the Kathmandu office. Additionally, the Representation decided to reduce the number of partners and increase the direct implementation of its programme activities even though its capacity had been reduced, but this decision was not informed by a comparative advantage on the most suitable implementation modality. This exposed the Representation to risks of staff being overstretched and reduced quality of services delivered.

Strategic and operational planning processes needed to be updated

14. In December 2019, the Representation in close partnership with the host government developed a Multi-Year Protection and Solutions Strategy (MYPSS) (2020-22). However, the Representation's overall vision as stipulated in the MYPSS was not considered when developing its annual operations plans. The Representation also did not have operational sector strategies to drive the implementation of MYPSS in areas like health, gender-based violence and child protection, increasing the risk that its strategic objectives would not be met. For example, while the Representation has seen some success in integrating PoCs into national systems, participatory assessments reflected gaps in service delivery in areas like outpatient services and treatment of chronic diseases. Thus, operations plans were needed to address these gaps.

15. The Representation received 76 per cent of its budgetary requirements in 2020. Forty-six per cent of its operating level budget was spent on staff and administrative costs, leaving 54 per cent for service delivery to PoCs. The Representation did not align the limited available programme funding to areas of strategic importance. This increased the risk that programmes would not create the desired impact. For

instance, in 2020, it allocated 86 per cent of the programme budget to the strategic objective, ‘achieving local solutions for refugees through inclusion in public services.’ This left nominal amounts for service delivery in other areas, and because for this, for example, there were no interventions planned for high-risk areas such as sexual and gender abuse, child trafficking, forced marriages, and child labour. Thus, related targets were not met with only 30 vulnerable children receiving support.

16. The performance data reported in FOCUS was also not reliable. For instance, it reported the same number of new Tibetan arrivals registered on an individual basis for five consecutive years; yet other records reflected different numbers. Also, contrary to the UNHCR guidelines, the Representation included in its results activities implemented by other operational agencies. Moreover, there were misalignments between output and impact performance indicators. For instance, the number of eligible persons registered in 2019 and 2020 stood at 27 per cent and 25 per cent respectively; yet the percentage of PoCs registered on an individual basis was reported at 100 per cent in the same periods.

17. In a complicated operating environment with limited resources, gaps in planning and adequate resource allocation impacted PoCs’ access to required protection and solutions and reduced the quality of services provided.

- (1) The UNHCR Regional Bureau for Asia and the Pacific should reach a decision on the type of presence UNHCR will have in Nepal and on this basis assess the adequacy and effectiveness of the Representation’s structure, staffing and resources in meeting its mandate and achieving the priorities outlined in its strategy.**

UNHCR accepted recommendation 1 and stated that the evaluation of UNHCR Nepal’s country strategy for 2019-2022 had started. The Representation would use the results to strengthen the multi-year strategy (2023-2027) in line with UNHCR’s strategic directions for 2022-2026. The Representation will address the structure, staffing and resource requirements as part of this multi-year strategy.

- (2) The UNHCR Representation in Nepal should strengthen its strategic and operational planning process by: (i) updating key operational strategies to ensure the achievement of the vision stipulated in the Multi-Year Protection and Solutions Strategy to drive the desired impact amongst persons of concern; (ii) aligning its resource allocation to key strategic priorities; and (iii) reinforcing its performance management over implemented programmes.**

UNHCR accepted recommendation 2 and stated that the Representation had developed an interim strategy for 2022 and a Multi-year Strategy (2023-2027) in COMPASS as per the results-based management approach. The Multi-year Strategy articulated the supporting operational and key sectoral strategies such as health, education, livelihoods, gender-based violence, and child protection. The two strategies would be operationalized through specific implementation arrangements and annual work plans in line with regional and global strategy, standard operating procedures, project partnership agreements, and performance objectives of staff. The Representation’s 2023 budget had sufficient allocations for the protection objectives in accordance with their strategic importance in the multi-year strategy. Concerning programme performance management, the Representation had resumed physical monitoring of refugee programmes after the COVID-19 lockdown was over.

B. Fair protection process and documentation

Need to strengthen fair protection processes so PoCs have timely access to registration and documentation

18. Nepal did not have an overarching national refugee policy and had not yet ratified the statelessness conventions. The Representation spent \$305,715 on: (i) supporting the development of a national policy; (ii) providing technical and financial support to the Government in its registration of all except urban PoCs; (iii) registering urban asylum seekers; and (iv) determining the refugee status for all PoCs. The Representation was also advocating with the Government for the ratification of the United Nations statelessness conventions and for the removal of gender discriminatory national laws.

19. The Government's primary focus was on Bhutanese and urban asylum seekers, with limited consideration of Tibetan refugees. In January 2020 the Representation's advocacy with the Government for Bhutanese and urban asylum seekers to have formal access to the national services was successful. On the other hand, the Representation's advocacy for the voluntary repatriation of 2,418 Bhutanese refugees (37 per cent of those in Nepal) to their home country was not successful. Given the need for the highest-level Government commitment to transform the Cabinet's approval into a formal refugee legal framework for Bhutanese refugees, the Representation needed the support of the Regional Bureau to supplement its advocacy efforts, which was not apparent.

20. The Government did not provide any support to the 12,540 Tibetan long-stayer refugees residing in Nepal. Its discontinuation of registration of Tibetan refugees in 1995 resulted in 75 per cent of them not being registered and 9,400 lacking identity documents. The absence of documentation affected Tibetan PoCs' access to basic needs such as legal recognition, freedom of movement, education, and employment and thus exposed them to protection risks. The Representation was working with other United Nations agencies to address documentation issues, including having the Refugee Coordination Unit issue Bhutanese refugees in Province 1 with some identification. However, these documents were not accepted by Government offices and banks.

21. The Representation supported the Government's management of Bhutanese PoC data. However, the Government partner's decision in 2018 not to implement UNHCR's proGres, but instead use Microsoft Access, affected the Representation's access to accurate and timely PoC data for its programme design and decision making. Despite being economical, Microsoft Access did not have proper security features, lacked agility and carried the risk that files would be corrupted. The reliability of available data was also impacted by the Government's failure to: (i) complete the verification and registration process of 1,017 asylum seekers since 2020; (ii) register and provide documentation to 429 Bhutanese refugees that were not present in the camps during the 2019 joint physical verification; and (iii) conduct continuous registration of births and deaths for Tibetan PoCs. The extent of statelessness in the country also remained unknown.

22. The Representation attributed the shortcomings mentioned-above to the limited political will of Government to prioritise the PoCs' cause within the country. However, OIOS was of the view that the Representation needed an advocacy framework that mapped stakeholders and detailed a Government targeting and action plan as well as mechanisms to monitor progress. These shortcomings impacted PoCs' access to documentation and services, thereby increasing their protection risks. It also meant that the Representation did not have quality data to inform its strategic and operational planning processes.

<p>(3) The UNHCR Representation in Nepal should prepare a framework to support its advocacy with the Government concerning: (i) the development of a national refugee legal framework and ratification of refugee and statelessness conventions; (ii) the registration of</p>
--

persons of concern (PoCs) and management of related data; and (iii) the provision of legal documentation to PoCs.

UNHCR accepted recommendation 3 and stated that the Representation had drafted an advocacy framework and used it to advocate for the inclusion of refugees and those without citizenship certificates in public systems, issuing identification documents to PoCs, and ratifying the refugee and statelessness conventions at the highest level in the Government and with the United Nations Country Team. It further stated that the Representation had developed an advocacy strategy which it would finalise shortly. In addition, it had prepared a roadmap, a stakeholders' mapping and a theory of change to support the advocacy strategy, and based on the roadmap, the Representation would update and refine its advocacy strategy with a mechanism to monitor progress annually.

C. Education

Need to reinforce the education strategy to ensure refugee children can have access to quality education

23. One of the Representation's strategic priorities was the inclusion of PoCs children in national education systems. The Representation spent \$553,374 in the audit period on the construction of two public school buildings, and the distribution of equipment to facilitate learning during the COVID-19 pandemic shutdown. This investment resulted in the Government's decision to have refugee children attend public schools from 2020. FOCUS showed that 92 per cent of Bhutanese children of school going age were attending primary and secondary schools in 2020.

24. The Representation had an education strategy (2018-2020), a host community support strategy (2019-2020) and an advocacy and education handover plan to drive related activities. These strategic documents, however, were not sufficiently comprehensive in providing direction to its staff and partners. For instance, they did not reflect the recent changes in strategic direction i.e., access of refugee children into national education systems, lacked targets against which performance would be measured, and did not reflect the Representation's responsibilities under the new arrangements. The two strategies had not been evaluated for effectiveness, which was a missed opportunity to learn lessons and inform the development of future strategies.

25. The Representation's education programme did not have data to support its decision-making such as level and quality of education offered to refugee children and their access to tertiary education. It postponed a mapping exercise meant to identify education facilities available to refugees and inform its programming due to the COVID-19 pandemic restrictions. There is a risk that the education programme may not be of sufficient quality for refugee children thus necessitating a strategy to address gaps.

(4) The UNHCR Representation in Nepal should (i) update its education strategy in Multi-Year Protection and Solutions Strategy to direct the delivery of quality services to refugee children; and (ii) strengthen mechanisms for the collection, validation and reporting of programme data to inform its decision making.

UNHCR accepted recommendation 4 and stated that the Representation had embedded strategic education priorities in the draft Multi-year Strategy (2023-2027) and conducted a mapping exercise to verify refugee children's access to education and their attendance in schools, and has strengthened mechanisms for collection, validation, and monitoring of education data, the Representation had been enrolled for training on Results Monitoring Systems under the UNHCR's global (education) monitoring and reporting framework. The next review of the monitoring systems would be held around August or September 2022 and would include an appraisal of a core outcome indicator on education, namely,

'proportion of persons of concern enrolled in the national education system corresponding with the Global Compact on Refugees.' This training and review would help improve mechanisms for collecting, validating, and reporting education-related data.

D. Livelihoods and self-reliance

Need to strengthen the management of the livelihoods programme

26. The Representation prioritized the self-reliance and livelihoods objective and spent \$147,529 and \$321,112 in 2019 and 2020 respectively to achieve them. The Representation implemented 92 per cent and 87 per cent of the livelihoods programmes in 2019 and 2020 respectively through a partner. In the audit period, the Representation's achievements included the construction of a market shed, planting 40,000 fruit and other trees, and supporting small-scale businesses such as mushroom farming, tailoring, and beekeeping. It also provided training on financial management and bookkeeping to 141 refugees. The 2020 increase facilitated community-based group savings, loans, and insurance schemes among Bhutanese refugees.

27. The Representation had a draft livelihoods strategy; however, essential elements were absent in its development including conducting: (a) a stakeholder mapping exercise to mitigate possible overlaps/gaps in interventions by other operating partners; (b) a market assessment to explore employment or self-reliance opportunities available to PoCs; and (c) a socio-economic baseline assessment against which it could evaluate the progress of the programme. The Representation's plans to conduct a joint market assessment and a baseline survey alongside another United Nations agency were delayed due to the COVID-19 pandemic.

28. The Representation's delivery of livelihoods programmes was affected by, amongst other things, the Government's limitations on issuing work permits to PoCs. For instance, the Government issued work permits to only 28 PoCs in 2020 in Province 1. As a result, most refugees remained unemployed and resorted to working in informal markets, which increased the risk of exploitation e.g., through the payment of low wages and harassment. Refugees also faced challenges in selling their products in the local market due to language barriers, inadequate networking with buyers, and competition from the host community. The COVID-19 pandemic affected the full operationalization of the market shed constructed by the Representation in Province 1 in 2020.

29. The indicators reflected in the Representation's performance framework for livelihoods did not correspond to the activities carried out. For example, while the MYPSS prioritized strengthening refugees' skills to enable self-sufficiency, the Representation did not report on vocational training and building the technical capacity of PoCs in FOCUS. Similarly, it did not report on key activities implemented such as planting 40,000 trees and promoting agriculture in the municipalities of Damak and Pathari-Sanischare in FOCUS. The Representation stated it would strengthen its monitoring of these activities once the Project Reporting Oversight and Monitoring Solution (PROMS) was completed by the end of 2022.

30. The Representation attributed the issues raised to COVID-19 restrictions. While acknowledging that COVID-19 impacted livelihoods activities, the implementation of the programme would be improved by better planning, more efficient programme management, and timely monitoring.

(5) The UNHCR Representation in Nepal should strengthen its 2021 livelihoods and economic inclusion strategy by conducting: (i) market assessments to ensure the programme remains relevant in delivering services to persons of concern in the current environment; and (ii) baseline surveys as a basis for measuring programme performance.

UNHCR accepted recommendation 5 and stated that the Representation had embedded strategic livelihoods and economic inclusion priorities in the draft Multi-year Strategy (2023-2027). It further stated that by the end of 2022, the Representation would conduct: (a) a market assessment for mandate refugees with the help of a UN agency; (b) a socio-economic assessment for mandate refugees; (c) socio-economic assessment for Bhutanese refugees (when the host Government starts re-registration and re-documentation exercise in Province 1) and (d) a stakeholder mapping exercise.

IV. ACKNOWLEDGEMENT

31. OIOS wishes to express its appreciation to the management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1.	The UNHCR Regional Bureau for Asia and the Pacific should reach a decision on the type of presence it will have in Nepal and on this basis assess the adequacy and effectiveness of the office structure, staffing and resources in meeting its mandate and achieving the priorities outlined in its strategy.	Important	O	Receipt of evidence on an assessment regarding structure, staffing, and resources in response to the decision on the type of presence recommended in the evaluation report.	31 December 2022
2.	The UNHCR Representation in Nepal should strengthen its strategic and operational planning process by: (i) updating key operational strategies to ensure the achievement of the vision stipulated in the Multi-Year Protection and Solutions Strategy to drive the desired impact amongst persons of concern; (ii) aligning its resource allocation to key strategic priorities; and (iii) reinforcing its performance management over implemented programmes.	Important	O	OIOS takes note of the draft documents (still under development) submitted by the Representation. In order to close this recommendation, OIOS would like to receive evidence of: (i) finalized Multi-year Strategy that reflects country-specific operational strategies; and (ii) resource allocation per strategic priorities as detailed in the Multi-year Strategy; and (iii) actions taken to reinforce performance management, including reporting through COMPASS.	31 December 2022
3.	The UNHCR Representation in Nepal should prepare a framework to support its advocacy with the Government concerning: (i) the development of a national refugee legal framework and ratification of refugee and statelessness conventions; (ii) the registration of persons of concern (PoCs) and management of related data; and (iii) the provision of legal documentation to PoCs.	Important	O	OIOS takes note of the draft documents (still under development) submitted by the Representation. In order to close this recommendation, OIOS would like to receive evidence of the advocacy framework supported by the approved advocacy strategy and an action plan to implement it.	31 December 2022

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
4.	The UNHCR Representation in Nepal should (i) update its education strategy in Multi-Year Protection and Solutions Strategy to direct the delivery of quality services to refugee children; and (ii) strengthen mechanisms for collection, validation and reporting of programme data to inform its decision making.	Important	O	Receipt of evidence of the: (i) finalized Multi-year Strategy that incorporates an education operational plan to ensure quality education to refugee children; and (ii) actions taken to collect, validate and report education-related data.	31 December 2022
5.	The UNHCR Representation in Nepal should strengthen its 2021 livelihoods and economic inclusion strategy by conducting: (i) market assessments to ensure the programme remains relevant in delivering services to persons of concern in the current environment; and (ii) baseline surveys as a basis for measuring programme performance.	Important	O	Receipt of the finalized Multi-year Strategy incorporating the livelihoods operational plan that is informed by the results of a baseline survey and a market assessment.	31 December 2022

APPENDIX I

Management Response

Management Response

Audit of the operations in Nepal for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	The UNHCR Regional Bureau for Asia and the Pacific should reach a decision on the type of presence it will have in Nepal and on this basis assess the adequacy and effectiveness of the office structure, staffing and resources in meeting its mandate and achieving the priorities outlined in its strategy.	Important	Yes	Regional Bureau for Asia and the Pacific	December 2022	<p>What action has been taken already? Regional Bureau for Asia and the Pacific (RBAP) and UNHCR Nepal had multiple strategic planning meetings in 2020, 2021, 2022 with participation of the Bureau Director. Evidence was provided to the auditors on the presentations/ agreements made during these RBAP/ UNHCR Nepal strategic planning meetings, as part of the response to DAR.</p> <p>Structure, staffing, resource requests have been made as part of the Multiyear Strategy (MYS) 2023-2027 within the 6 May 2022 deadline. RBAP has approved the MYS on 3rd of June and the High Commissioner will approve the MYS in July 2022 as per “<i>RBAP 2023 strategic planning process milestones and timeframe</i>” document. RBAP and the HC approval is a requirement for successful annual budget allocation. The extracts from COMPASS are being shared and if OIOS requires</p>

⁵ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁶ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>access to COMPASS, this should be officially requested from DSPR.</p> <p>The recruitment process of three National officers is ongoing in 2022 and shall be completed in 2022. Positions were advertised.</p> <p>Supporting documentation as evidence. <i>Nepal 2022 Interim Strategy, including results Framework (RF), Budget; MYS 2023-2027 for Nepal, including results Framework (RF), Budget-Annex 1 Advertisements for NOBs -Annex2 RBAP 2023 strategic planning process milestones and timeframe” document -Annex 3</i></p> <p>Action plan to address the parts of the recommendation which are in progress. As per 2023 strategic planning process milestones and timeframe, the allocation of resources in support of the planned strategy will take place later during the year: in July-August of 2022, when Bureau will receive the OL envelop for the Region from the HC. By September 15 operation will be submitting its detailed OL breakdown with resource allocation towards OPS, staffing and ABOD.</p>
2.	The UNHCR Representation in Nepal should strengthen its strategic and operational planning process by: (i)	Important	Yes	Program Officer	July-December 2022	What action has been taken already?

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	<p>updating key operational strategies to ensure the achievement of the vision stipulated in the Multi-Year Protection and Solutions Strategy to drive the desired impact amongst persons of concern; (ii) aligning its resource allocation to key strategic priorities; and (iii) reinforcing its performance management over implemented programmes.</p>			<p>Supported by New NOB Program (hopefully starting August 2022)</p>		<p>i) Based on global and RBAP instructions, UNHCR Nepal timely introduced the Interim Strategy 2022 and the Multi Year Strategy 2023-2027 in COMPASS. Both were built on the 2020-2022 Multi Year Protection and Solutions Strategy (MYPSS) drafted by UNHCR Nepal and refined throughout. The extracts of the strategy, associated RF, budgets, impact indicators from COMPASS are shared <i>as part of response to Recommendation 1</i>.</p> <p>Under the new approach to the RBM and multi-year strategic planning process, operations articulate their mid to long-term strategic direction and priorities based on situation analysis and operationalize their strategic visions through operation-defined results framework. Operations' priorities and approach to implementation, which have in the past often constituted stand-alone sectoral strategies, are now an integral part of operation's multi-year strategy. With impact statements – the desired end-goals in relation to the well-being of or persons of concern – as the most important thrust of the strategy, operations describe through theories of change how UNHCR's engagement in various sectors would contribute to attaining the impacts. The outcome-level results statements in turn describe required changes in</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>institutional capacity and behaviour in areas/sectors that UNHCR are specifically engaged. and finally, output statements describe UNHCR's deliverables, in contribution to attaining the outcome-level results and ultimately the impacts. In case of Nepal, their strategic priorities, approaches and UNHCR's specific engagement in the areas of health, education, livelihood, GBV and child protection among others are articulated to support an impact statement "Refugees have effective access to public services (education, health, social/child protection, and GBV prevention and response) and livelihoods to become self-reliant" in lieu of stand-alone sector-specific strategies (which often leads to disconnected, silo-ed strategies).</p> <p>The strategies will be operationalized through specific implementation arrangements, annual workplans, and in line with regional and global strategies, and in compliance with global sectorial policies, procedures, context specific standard operations procedures, Project Partnership Agreements with partners and performance objectives of the staff.</p> <p>This new institutional transformation in the RBM and planning processes comes at the same time as UNHCR reviews how its global policies should be contextualized in the field, to avoid</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>duplication and fragmentation and ensures integration of sectorial strategies across the operation. For example, for health, UNHCR Global Strategy for Public Health clearly highlights in which exceptional circumstances operations will be required to have more detailed response plans to guide interagency public health responses to support medium to long term inclusion integration plans with government and other stakeholders (ref. to UNHCR Global Health Strategy for Public Health, page 32-33). It was confirmed by the Health Section at DRS and the Regional Health Officer in the Region, that Nepal operation is not required to have a stand-alone health strategy in addition to what it already has incorporated in its MYS. Also, UNHCR GBV Policy does not require operations to have a stand-alone GBV country strategy. The same applies to Child Protection and Education strategies.</p> <p>UNHCR Nepal is undergoing, in 2022, an Evaluation of Country Strategy for the period 2019-2022. The evidence-based findings, conclusions and recommendations of this evaluations will be used to contribute to UNHCR's Nepal multi-year strategy 2023-2027, deepen UNHCR's approach to innovative long-term programming with partners</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>which are complementary to ongoing national and regional development efforts, in line with UNHCR Strategic Directions 2022-2026. A concept note has been drafted and an Evaluation Reference Group formed with diverse participation, ranging from refugees, federal/local government, civil society, private sector, donors, UNHCR headquarters, Regional Bureau, Nepal, UN sister agencies, Resident Coordinator, and the WORLDBANK. The UNHCR Nepal Representative and the Evaluation Team leader will chair the meetings of the Evaluation Reference Group. First kick off meeting is planned for mid-July 2022</p> <p>(ii) We have in the new MYS2023-2027 aligned resource allocation to key strategic priorities, which are translated into a country-specific results framework. The extracts from COMPASS are shared with OIOS as part of the response to Recommendations 1. The OL envelop allocation to the Region for the HC will take place in July and approval of resource allocation, aligned with key strategic priorities will be concluded on 15 September 2022.</p> <p>(iii) UNHCR Nepal resumed physical monitoring of refugee programs when the Covid19 lockdown ended in</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>November 2021 and went on regular missions to Province 1 and Pokhara.</p> <p>Supporting documentation as evidence.</p> <ul style="list-style-type: none"> - <i>Protection and Solutions Strategy 2020-2022 was provided previously to the auditors.</i> - <i>Interim Strategy 2022 downloaded from COMPASS and Multiyear Strategy 2023-2027 downloaded from COMPASS are shared as response to the Recommendation 1.</i> - <i>UNHCR Global Strategy for Public Health-Annex 4</i>
3.	The UNHCR Representation in Nepal should prepare a framework to support its advocacy with the Government concerning: (i) the development of a national refugee legal framework and ratification of refugee and statelessness conventions; (ii) the registration of persons of concern (PoCs) and management of related data; and (iii) the provision of legal documentation to PoCs.	Important	Yes	New NOB External Relations Officer (hopefully starting July 2022)	Dec 2022	<p>What action has been taken already? (i)(ii)(iii) UNHCR Nepal operation has a framework to support its advocacy strategy - a draft Advocacy Strategy was shared with OIOS in May 2022.</p> <p>In pursuit of framework, UNHCR Nepal had taken the following actions:</p> <ul style="list-style-type: none"> -prepared a roadmap, a stakeholder analysis, and a theory of change in Feb 2022 (already shared with OIOS) -signed the first ever Project Partnership Agreements on protection and assistance (focusing on registration and documentation) with the Government of Nepal (GoN) in

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>July and Dec 2020, Dec 2021 for 2022 (already shared with OIOS).</p> <p>-Following successful advocacy, Bhutanese Task Force Recommendations were adopted by Cabinet in December 2021. The recommendations foresee legal residence, formal access to services and to the labour market among others for Bhutanese refugees.</p> <p>-UNHCR Nepal has regular detailed planning meetings with the GoN. UNHCR and GoN agreed on a 2022 action plan during the last Round Table discussion on 24 3 2022.</p> <p>(i) UNHCR Nepal advocated in the UNCT and during CCA and UNSDCF drafting for inclusion of refugees and those without citizenship certificates and ratification of the refugee and statelessness conventions. UNHCR Nepal translated the UPR handbook on the prevention of statelessness into Nepali in 2021. UNHCR Nepal supported the publication of all Supreme Court decisions with regards to citizenship rights in Nepali and in English in 2021.</p> <p>UNHCR Nepal started translating all decisions of the Supreme Court on refugee issues into English in 2021.</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>Internal: Please note, Government advocacy activities were challenged by political instabilities with a sudden change of Prime Minister in October 2021 based on a Supreme Court decision, nationwide local elections in May 2022 and national elections planned for November 2022. Moreover, most of 2020 and 2021, Nepal was under strict Covid19 movement restrictions.</p> <p>Supporting documentation as evidence.</p> <ul style="list-style-type: none"> - Signed PPA between Ministry of Home (MOHA)/UNHCR 2022-Annex 5 - Signed Data sharing Agreement MOHA/UNHCR 2020 (already shared with OIOS) - Action Plan MOHA/UNHCR 24 3 2022 -Annex 6 - UNHCR Nepal agreed with multiple strategic stakeholders, in particular in the context of the Refugee Core Group, to raise registration/documentation of refugees and ratification of the Refugee and Statelessness conventions with the Prime Minister/ Minister of Home (email sent to Core Group with Advocacy points) -Annex 7 - Draft Advocacy Strategy, latest version (already shared with OIOS)

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<ul style="list-style-type: none"> - <i>Presentation held in the UNCT on CRVS/ Legal Identity (Annex 8)</i> - <i>SERF (already shared with OIOS)</i> - <i>Common Country Analysis (already shared with OIOS)</i> <p>Action plan to address the parts of the recommendation which are not yet fully implemented. The UNHCR / MOHA 24 3 2022 action plan foresees: Registration/ Documentation of Bhutanese refugees in 2022. Registration/ Documentation of Tibetan refugees in 2023 (note, this has not happened since 1995 and depends on geopolitical climate; only the Prime Minister in consultation with Minister of Home will take this decision).</p> <p>As per practice, Round Table with Ministry of Home last quarter of 2022 and first quarter of 2023. Based on the roadmap, UNHCR will update and refine its advocacy strategy with a mechanism to monitor progress annually.</p>
4.	The UNHCR Representation in Nepal should (i) update its education strategy in Multi-Year Protection and Solutions Strategy to direct the delivery of quality services to refugee children; and (ii) strengthen mechanisms for collection,	Important	Yes	Program officer on data collection and monitoring Supported by New NOB Program	December 2022	<p>What action has been taken already?</p> <p>The Education strategic priorities are embedded in the multi-year strategy of the operation to support the</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	validation and reporting of programme data to inform its decision making.			(hopefully starting August 2022)		<p>delivery of quality services to refugee children. Operation has conducted a mapping exercise on access to education/ attendance in school during second half of 2021.</p> <p>As of 2022, UNHCR Nepal has been enrolled in the training for Results Monitoring Systems (RMS) which is UNHCR's global (education) monitoring and reporting framework as per revised RBM/ COMPASS. This includes mechanisms for collection, validation and monitoring of education data. Next review will take place during mid-year reporting in Aug/ Sept 2022. There is a Core Outcome indicator on Education (11.2): Proportion of PoC enrolled in the national education system corresponding with GCR 2.2.1.</p> <p>Stronger collaboration on inclusion and quality education with UNCT (UNCIEF, UNESCO) in the context of the UNSDCF 2023.</p> <p>CBI (education allowance) provided to refugee children attending public schools. Refugee children benefit from bi-lingual education at public schools (Nepali and English)</p> <p><u>During Covid19 emergency lockdown:</u></p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>Some 600 Refugee children were provided with TVs or tablets in 2020/2021 to facilitate learning.</p> <p>WASH support was provided to public schools which refugee children attend.</p> <p>School uniforms and books were funded during the first year for refugee children in 2020 attending public schools.</p> <p>(Evidence for all support provided by UNHCR during Covid19 was already shared with the OIOS.)</p> <p>Supporting documentation as evidence.</p> <p><i>List of refugee children receiving CBI (education allowance) segregated by public and private schools-Annex 9</i></p> <p>Action plan to address the parts of the recommendation which are not yet fully implemented.</p> <p>(i) Please note that Bhutanese refugees have so far received mostly only up to 8th grade education.</p> <p>UNHCR Nepal engaged since 2021 in proactive promotion of secondary education in public Nepali schools. Successful completion of secondary schooling is a requirement to access tertiary education.</p> <p>(ii) Plan to capture the necessary data on education, in particular those attending private institutions, through</p>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						the socio-economic assessment (focal point Program Officer) (see below under 5.)
5.	The UNHCR Representation in Nepal should strengthen its 2021 livelihood and economic inclusion strategy by conducting: (i) market assessments to ensure the programme remains relevant in delivering services to persons of concern in the current environment; and (ii) baseline surveys as a basis for measuring programme performance.	Important	Yes	Program Officer Supported by New NOB Program (hopefully starting August 2022)	December 2022	<p>What action has been taken already?</p> <p>The livelihoods and economic inclusion strategic priorities are embedded in the multi-year strategy of the operation. In pursuit of it, operation has concluded:</p> <p>(i)</p> <ul style="list-style-type: none"> -Approach to Integrated Market systems (AIMS) concluded Dec 2021 by ILO/ UNHCR for Bhutanese -Action plan deriving from AIMS endorsed by stakeholders and RBAP in March 2022 (new Action points identified: “1. Conduct a Rapid Market Systems Analysis using the Aims methodology focusing on urban refugees and host communities in Nepal; 2. Technical backstopping to implement recommendations identified on the Aims study for Bhutanese refugees in Province 1”) -Business development study (BDS) completed in May 2021 -Revision of UNHCR/ILO Joint Action plan 2020-2022 <p>Supporting documentation as evidence.</p> <ul style="list-style-type: none"> - <i>Approach to Integrated Market systems (AIMS) of Dec 2021 - Annex 10</i> - <i>Action plan deriving from AIMS of March 2022 -Annex 11</i>

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<ul style="list-style-type: none"> - <i>Business development Study (BDS) of May 2021 - Annex 12</i> - <i>UNHCR/ILO Joint Action Plan signed in Dec 2020, latest revised version 18 Oct 2021 and to be newly signed by Sept 2022 with further revisions incorporating results from AIMS-Annex 13</i> <p>Action plan to address the parts of the recommendation which are not yet fully implemented.</p> <p>Stakeholder mapping exercise to be carried out by end 2022</p> <p>Approach to Integrated Market systems (AIMS) to be conducted by end 2022 by ILO/ UNHCR for mandate refugees</p> <p>(ii)</p> <p>Socio economic assessment for mandate refugees by end 2022</p> <p>Socio economic assessment for Bhutanese refugees - when the Government starts re-registration and re-documentation exercise in Province 1 – planned for 2022.</p>