

Funding the needs of the world's refugees

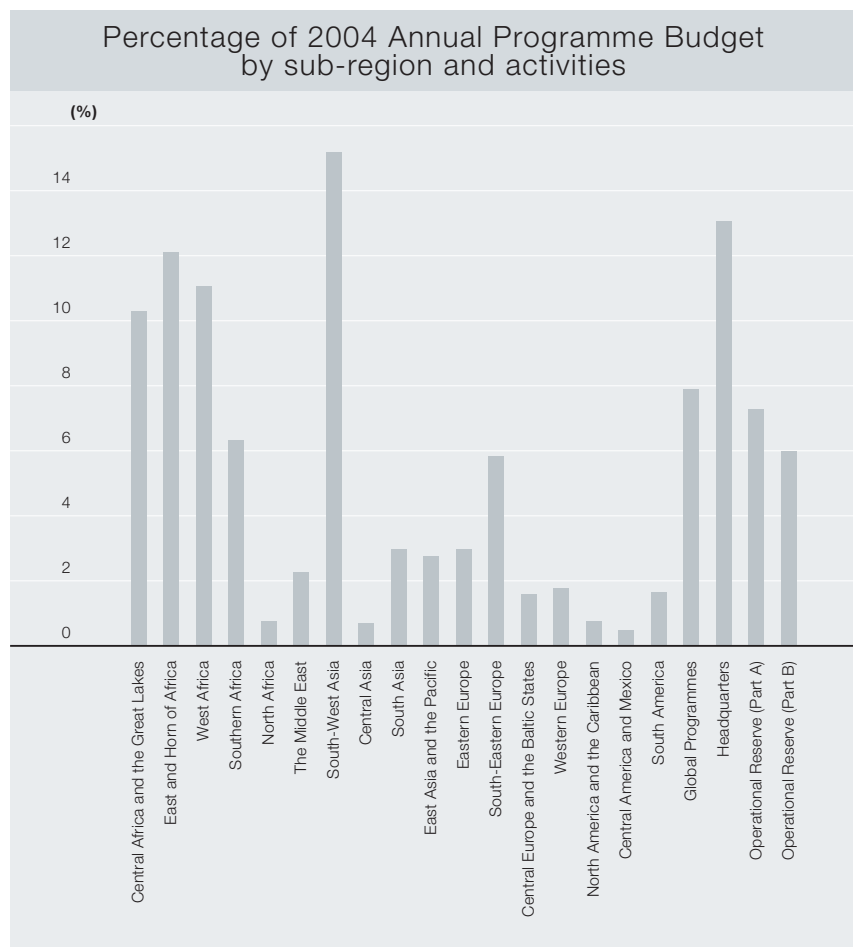
Every year, hundreds of thousands of people are forced to leave their homes, possessions and livelihoods as a result of persecution. Most of them travel long distances, often in conditions of extreme danger, to seek asylum in another country. At any given time, a high proportion of the most desperately needy people in the world will be refugees. It is for these populations that UNHCR launches this appeal.

The dynamics of budgeting and funding UNHCR's billion-dollar programme remain a complex balancing act, which has to meet the overall needs of a great many communities of refugees spread throughout more than 150 countries. Although these refugee communities are all basically alike in terms of their status in international law, their needs vary widely. Conversely, countries of asylum vary widely in what they are able and willing to offer. The overall picture is a complex and interesting one. Many countries hosting refugees are extremely poor, yet they generously share whatever they can with those in their care. Contributions made to this appeal will help such nations to continue meeting their obligations under the 1951 Refugee Convention.

This year's Global Appeal will put UNHCR's funding more clearly into context. Much of the Office's work is delivered and implemented by partners (governments, UN agencies and NGOs) that are able to bring their own funds to the table. As a result, UNHCR's budget covers only a part, albeit an important part, of overall needs, and is calculated on the basis of careful assumptions of additional funding from elsewhere within the donor community. For the first time, the Global Appeal will highlight where populations of concern significantly benefit from assistance provided under a UN Consolidated Inter-Agency Humanitarian Assistance Appeal. The total budget requirements are shown in the Annex of this document with a clear indication of the component that represents UNHCR's portion. Similarly, where UNHCR country operations are part of the Inter-Agency Consolidated Appeal process (CAP), this will be stated in the respective country chapters.

Whenever possible, UNHCR provides protection, assistance and durable solutions in the refugee's region of origin. Here, the consequences of an underfunded UNHCR are sadly predictable. In the absence of international assistance, many refugees and returnees take flight, fully aware that they will face great hardship if they stay in their region of origin. They, therefore, brave the risks involved in secondary, often illegal, movements.

Of the USD 954.9 million required in 2004, only just over 20 million is allocated from the United Nations Regular Budget. For the remainder, UNHCR is completely dependent on voluntary contributions from governments and private donors. UNHCR's Annual Budget is considerably higher in 2004 as a result of the incorporation of large programmes which in 2003 formed part of the Supplementary Programmes (see below). In order to meet the funding requirements for the 2004 budget, a substantial portion of the resources that were contributed in 2003 to the Supplementary Programmes will be reallocated in 2004 to the Annual Programme Budget.



UNHCR continues to make every effort to expand the range of sources from which funding is obtained. Each year, the number of governments contributing to UNHCR increases, while many stalwart supporters either increase their contributions from existing sources or open up new funding channels. The search for non-governmental sources also continues, with funding from companies, foundations, municipalities and a growing number of private donors.

In 2004, UNHCR's Framework for Durable Solutions will bring together initiatives developed in recent years to empower refugees to end their dependence on humanitarian assistance. This will also constitute and attempt to broaden the donor base by attracting funding from development sources.

This Global Appeal presents the requirements for UNHCR's Annual Programme Budget for 2004 and a number of 2004 Supplementary Programmes; an addendum may be issued in the coming weeks, covering the resources required for other Supplementary Programmes created after the publication of this Global Appeal. These two parts of the overall UNHCR programme are defined in the Office's financial rules as follows:

Annual Programme Budget means those activities which are approved annually by the Executive Committee, and the Operational Reserve.

Supplementary Programmes represent those activities that arise after the approval of the Annual Programme Budget and before the approval of the next Annual Pro-

gramme Budget, and which cannot be fully funded from the Operational Reserve. They will be funded through earmarked contributions made in response to special appeals.

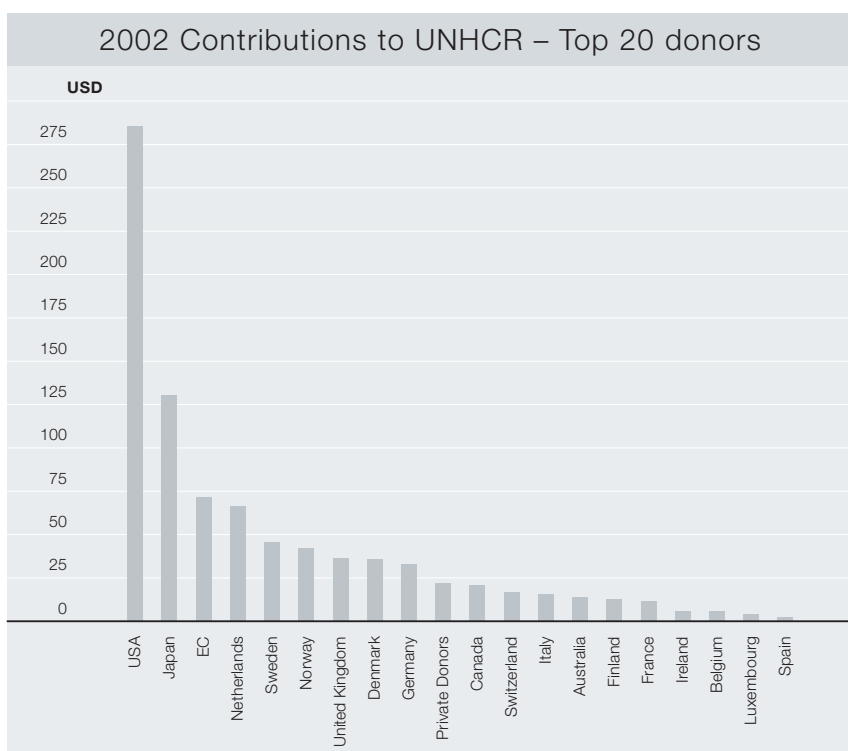
Obtaining the funds required to implement the planned activities is a challenge each year. This appeal will be officially launched at the UNHCR Pledging Conference to be held in Geneva in early December 2003. The results of this pledging conference, and consultations with the donor community, will give the High Commissioner two important indications: the volume of already available funds with which to begin the 2004 activities, and the overall resources likely to become available over the course of the year. On the basis of this information, important decisions will have to be taken as to how much of the budgeted programme can be sustained through the year if started on 1 January 2004. Although UNHCR always seeks to expand the boundaries of resource availability, it must weigh up the risk of funding shortfalls bringing programmes to a halt before the year's end.

Every year, certain factors will facilitate the difficult decision-making necessary in order to balance needs and resources.

Predictability: early knowledge of the amount of funding that will become available as the year progresses, enables sound, sustainable programmes to be negotiated with UNHCR's partners. A sense of confidence in the availability of funds throughout the year enables the optimal use of funds.

Early pledges, followed by timely payment, ensure that plans can be followed through smoothly. Many programme elements, such as international purchasing, require weeks or months of lead time, and funds need to be available early in the year if disruptive delays are to be avoided.

Flexibility of funding is important if interdependent activities are to be followed through simultaneously, as planned. This is facilitated by contributions that carry the minimum of restrictions on their use. If, by contrast, the various parallel elements of one programme cannot be implemented at a similar rate, or if marked differences arise between the levels of assistance available in neighbouring countries, then overall effectiveness is bound to suffer.



Encouraged by the success of its most recent ventures into co-ordinated fund-raising, UNHCR will in 2004 continue to expand its activities to raise funds from non-governmental sources in 15 selected countries. A major focus will be the recruitment of individual donors to the UNHCR “*monthly giving programme*”. This will offer private donors a way to become long-term UNHCR supporters and to play an important personal role in alleviating the suffering of refugees.

In order to enhance the sense of participation by private donors, fund raising for this sector will, in 2004, be directed towards clearly identified activities within the UNHCR Annual Budget. Focusing attention in this manner will give private donors a clearer understanding of what is being achieved as a result of their support. It is anticipated that this strategy, endorsed by the High Commissioner, will maintain the interest of individual donors, and ensure their sustained support over a period of several years.



Every October, UNHCR's governing body, the Executive Committee of the High Commissioner's Programme (ExCom) meets in a plenary session in Geneva – October 2002. UNHCR / S. Hopper

Total financial requirements (USD)

Operations / activities	Annual Programme Budget	Supplementary Programme Budget	Total
Central Africa and the Great Lakes	85,718,718	9,744,511	95,463,229
East and Horn Africa	100,480,653	0	100,480,653
West Africa	92,266,318	36,962,083	129,228,401
Southern Africa	52,471,898	0	52,471,898
North Africa	6,379,936	0	6,379,936
The Middle East	18,822,370	0	18,822,370
South-West Asia	126,342,941	0	126,342,941
Central Asia	6,069,520	0	6,069,520
South Asia	24,608,932	0	24,608,932
East Asia and the Pacific	23,032,891	0	23,032,891
Eastern Europe	24,639,547	0	24,639,547
South-Eastern Europe	48,557,702	0	48,557,702
Central Europe and the Baltic States	13,295,972	0	13,295,972
Western Europe	15,020,861	0	15,020,861
North America and the Caribbean	6,737,112	0	6,737,112
Central America and Mexico	4,126,351	0	4,126,351
South America	14,011,203	0	14,011,203
Global Programmes	65,682,153	469,590	66,151,743
Headquarters ¹	108,722,560	1,304,943	110,027,503
Total programmed activities	836,987,638	48,481,127	885,468,765
Operational Reserve (Part A)	60,902,400	0	60,902,400
Operational Reserve (Part B)	50,000,000	0	50,000,000
Junior Professional Officers	7,000,000	0	7,000,000
GRAND TOTAL	954,890,038	48,481,127	1,003,371,165

¹ Includes an allocation of USD 24,954,864 from the UN Regular Budget.