

Identifying needs and funding requirements

The planning process

The High Commissioner's Global Strategic Objectives provide the framework for UNHCR's programme planning and budgeting. The Regional Bureaux use these to establish regional priorities for the operations under their purview. These priorities are refined at the country level, taking into account the results of comprehensive needs assessments.

Participatory needs assessments are the norm in planning and implementing UNHCR's operations. During the planning cycle, each office works closely with all involved parties, including representatives of displaced people and host communities, donors, NGOs, UN agencies and government counterparts. An inter-agency planning process also enables the international community to maximize the impact of available resources and avoid duplication of efforts. Furthermore, UNHCR launched a Global Needs Assessment initiative in 2008 (see text box) to improve its ability to identify the needs of displaced people, asylum-seekers, returnees and stateless people.

UNHCR is aware that its programmes can address only part of the overall needs of displaced people. Even in relation to the needs of the refugees that it proposes to assist, programmes meet only the minimum international standards for protection and assistance. UNHCR's efforts thus need to be considered in the broader context of the overall needs in a particular country or region, and the contributions made by other actors.

Consolidated Appeals Process

In complex emergencies, UN agencies and other members of the Inter-Agency Standing Committee are expected to coordinate their efforts resulting in a coherent response plan, developed under the leadership of the Humanitarian Coordinator. This enables organizations to plan, coordinate, implement and monitor their emergency responses in a joint manner, and to appeal for funds together. In 2009, UNHCR will continue to strengthen its field capacity on inter-agency cooperation and accessing funds from common humanitarian funding mechanisms.

The Consolidated Appeals Process (CAP) focuses on close cooperation between host governments, donors, NGOs, the International Red Cross and Red Crescent Movement, the International Organization for Migration and United Nations agencies. The Humanitarian Coordinator is responsible for the preparation of the consolidated appeal document, which is launched globally towards the end of each year.

In 2009, there will be 15 consolidated appeals. UNHCR will participate in 12 of them, for Chad, the Central African Republic, Democratic Republic of the Congo (DRC), Iraq, Kenya, Nepal, Somalia, Sri Lanka, Sudan, Uganda, West Africa and Zimbabwe. It will not participate in the consolidated appeals for the Occupied Palestinian Territory, Tajikistan and Timor-Leste. The Office will also participate in any new inter-agency appeals that take place during the year, which have a bearing on people of concern to UNHCR.

Overview of the 2009 requirements

UNHCR moved into a biennial programme and budget cycle as of the 2008-2009 biennium. The budgets in this Appeal constitute a revision of the second year of UNHCR's first biennial Appeal.

For the 2008-2009 Biennial Programme Budget, UNHCR field managers and partners carried out needs assessments in early 2007. However, by early 2008 realities on the ground had changed. The significant decline in the relative value of the US dollar in relation to most other currencies led to a situation in which the budget rates set in March 2007 for currencies other than the US dollar no longer corresponded to the prevailing market rates. In June 2008, the Standing Committee approved a budgetary increase for the 2008 Annual Programme Budget in order to absorb some of the exchange rate losses and to be able to respond to new priorities. In October 2008, the Executive Committee approved an increase in the 2009 budget for the same reasons. The approved programme represents the best possible alignment of UNHCR's resources and activities with the Global Strategic Objectives.

The Global Needs Assessment

The Global Needs Assessment (GNA) initiative, which UNHCR launched as a pilot project in 2008-2009, is set to be implemented worldwide in 2010-2011. The initiative puts in place an overall framework to comprehensively map the state of the world's refugees and others of concern to UNHCR. It clearly outlines their needs and the costs of meeting them, and serves as a new blueprint for planning, decision-making and action.

As part of the 2008-2009 pilot project, UNHCR's field offices were asked in March 2008 for an estimate of the financial requirements to meet all the needs of each population of concern. The results pointed to the sobering reality that UNHCR has only requested about half the funding required to meet the needs of its populations of concern.

A more comprehensive GNA survey in eight pilot countries - Cameroon, Ecuador, Georgia, Rwanda, Thailand, the United Republic of Tanzania, Yemen, and Zambia - showed that a startling third of the unmet needs were for basic essentials such as food, water, health, sanitation and education (these eight countries are described in the respective country chapters of this Appeal). UNHCR is already active in these sectors but not to the levels needed. It is therefore asking for an additional USD 63.5 million to address gaps in these pilot countries in 2009. Since full funding of the Annual Programme Budget remains UNHCR's highest priority, additional needs under the GNA

initiative will only be implemented to the extent that additional funding is forthcoming.

In the past, UNHCR field offices routinely carried out needs assessments with partners and persons of concern. Detailed budgets were developed based on the level of resources anticipated and financial estimates provided concerning the additional money needed to meet gaps. But those estimates lacked consistent criteria and clarity and, in many cases, were influenced by constraints that offices assumed would guide the allocation of resources.

The GNA initiative redresses that situation by significantly improving the quality of UNHCR's needs assessments. In doing this, it draws on the rigorous methodology of the Strengthening Protection Capacity Project, which includes a comprehensive analysis of protection gaps, consequences and solutions. Then, through a consensus-building process, it engages all stakeholders in developing a roadmap to remedy the gaps with concrete projects and firm budgets.

The initiative will provide an overall architecture that enables UNHCR to express all the needs of people of concern, including for ongoing initiatives in the health, water and sanitation sectors as well as in protracted situations. It will also be instrumental in supporting and underscoring UNHCR's advocacy efforts on behalf of those it is mandated to protect.

Global needs in pilot countries

Country	Total needs in 2009	Contributions by other actors	Unmet needs	UNHCR's proposed amount to cover unmet needs	UNHCR's annual budget, including GNA
Cameroon	18,914,087	3,900,000	6,769,520	3,000,000	11,244,567
Ecuador	13,554,325	2,998,677	3,722,184	3,722,184	10,555,648
Georgia	125,000,000	80,480,000	39,443,144	28,800,000	33,876,856
Rwanda	14,711,761	2,670,506	5,036,221	3,384,708	10,389,742
Thailand	80,375,177	50,180,582	16,763,675	4,500,000	17,930,920
Tanzania	61,227,645	34,453,150	5,410,655	5,200,000	26,563,840
Yemen	24,471,354	2,250,000	13,290,999	10,000,000	18,930,355
Zambia	16,075,473	2,588,748	4,912,718	4,912,718	13,486,725
Total	354,329,822	179,521,663	95,349,116	63,519,610	142,978,653

UNHCR's new budget structure

In March 2008, UNHCR's Executive Committee approved a new budget structure for the Organization. It aims to provide a comprehensive picture of the wide range of interventions that the Office undertakes. The new budget structure is expressed in UNHCR's new results-based management software, *Focus*, as a standardized results framework that describes, in a comprehensive and consistent way, how the Office and its partners deliver protection and durable solutions to populations of concern. It is designed to present requirements on the basis of the four main types of population of concern to the Office: refugees, stateless people, internally displaced persons and returnees.

Below these population types, the budget structure breaks down into a results framework. This shows UNHCR's financial requirements according to the types of programmes that it implements and the areas of impact that these programmes have, known as rights groups. Each rights group is further broken down into objectives, which in turn have specific outputs.

The first quarter of 2009 will see all field operations and Headquarters use *Focus* to prepare and submit results-based operations plans covering

the 2010-2011 biennium. Full implementation will start on 1 January 2010 on the basis of plans and budgets approved during 2009.

A key element of this organization-wide shift to results-based management and budgeting is the interface with MSRP - UNHCR's financial, human resources and supply chain system - which is being reconfigured to receive planning data, indicative budgets and staffing proposals from *Focus*.

In the field, *Focus* will be used by staff to capture their assessment of the situation of populations of concern based on a comprehensive global needs assessment. The next step will be to present a prioritized response consisting of planned results and targets. *Focus* then allows teams to use the operations plans built into this framework as the basis for implementation, coordination, monitoring and reporting.

To harness *Focus*' analytical capability and make it widely available to managers, UNHCR is developing a global business intelligence application, *Global Focus*. It is also planning a tool to provide donors with direct access to reporting information, *Donor Focus*.

Example of a global view in UNHCR's new budget structure: 2009 requirements by population type and rights group (USD)

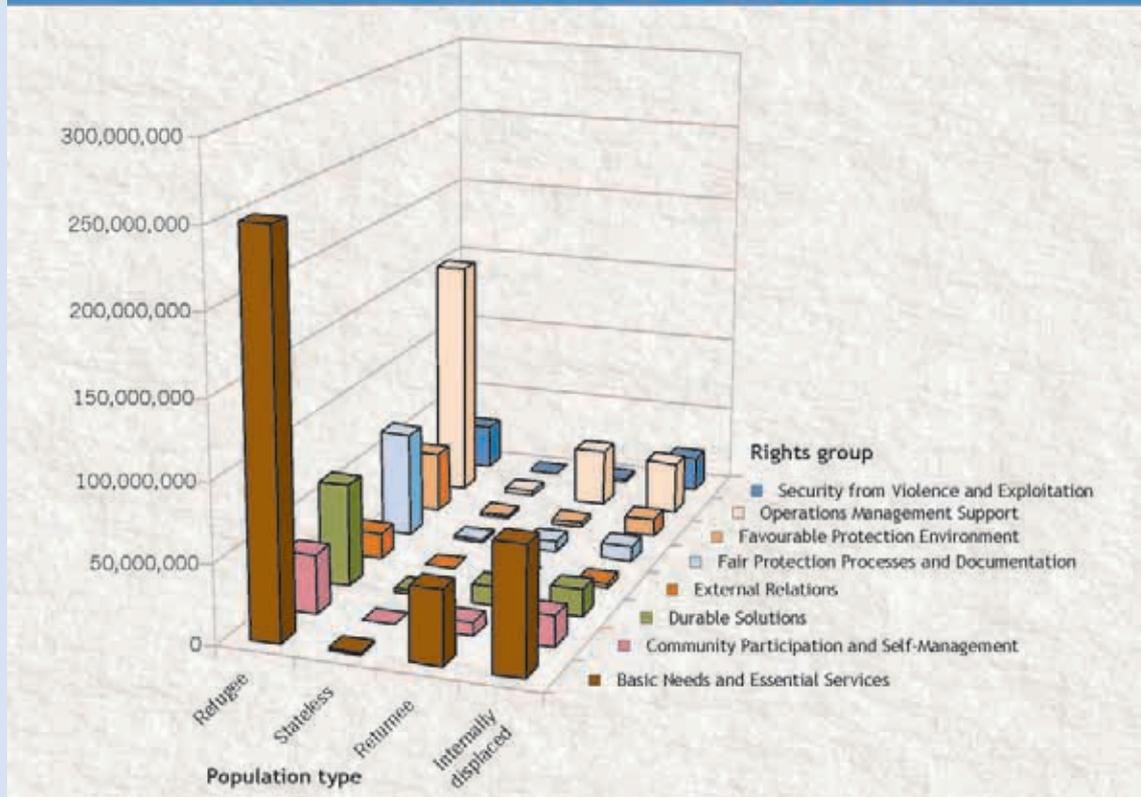
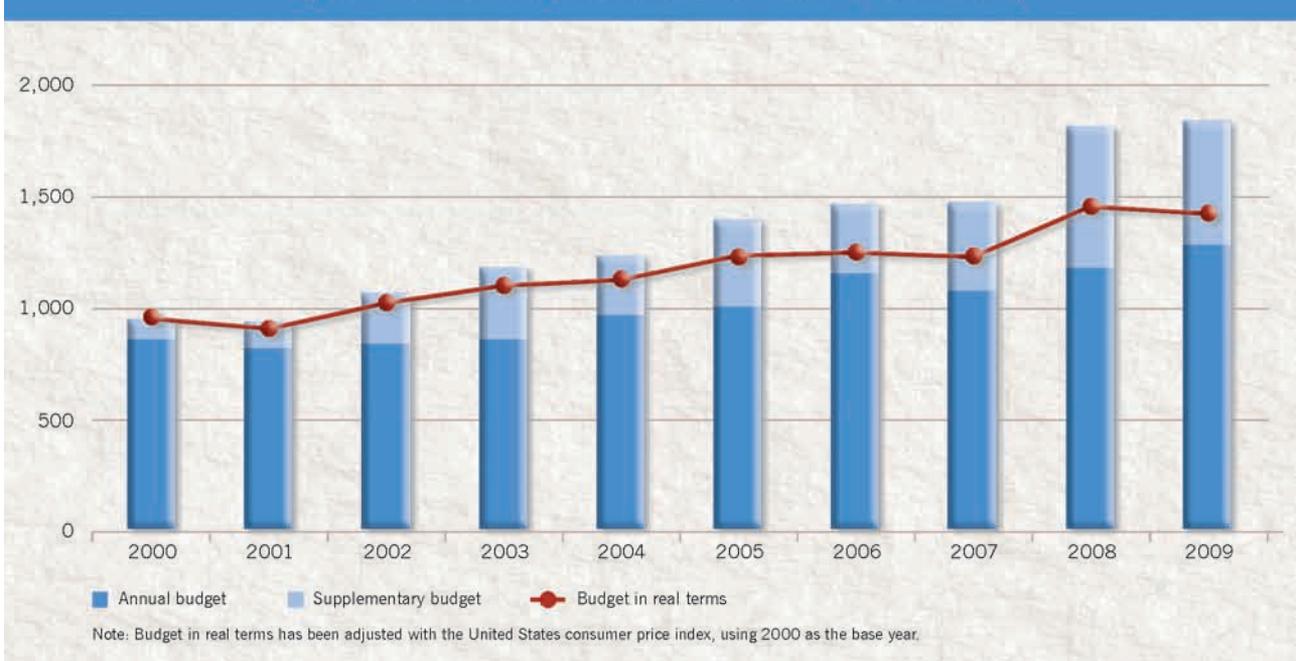


Figure 1: UNHCR's requirements 2000 - 2009 (USD millions)



In 2009, UNHCR's financial requirements are USD 1,867 million, including the Annual Programme Budget and 19 supplementary programmes. This represents a small increase of USD 25 million (one per cent) compared to the revised 2008 requirements. The figure above shows how UNHCR's budget has evolved during the past ten years.

In 2009, as in past years, UNHCR's requirements in sub-Saharan Africa are the largest of any region. Figure 2 shows that Africa accounts for approximately 36 per cent of total requirements, followed by the Middle East and North Africa (19 per cent) and Asia and the Pacific (10 per cent). Headquarters' share of the total requirements (8 per cent) continues to decline as a result of UNHCR's restructuring process; the percentage will reduce further as reserve funds are allocated to field operations during the course of the year.

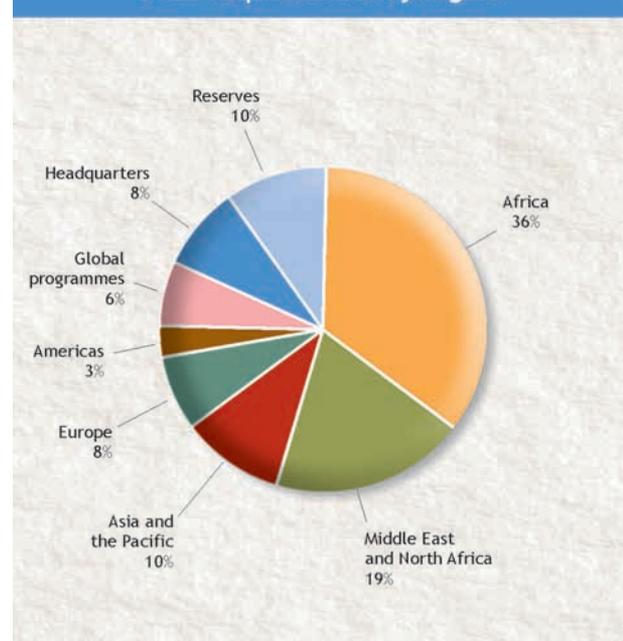
The biggest country budgets in 2009 are for the Syrian Arab Republic, Sudan, Chad, Iraq and the DRC. The requirements have increased most significantly in Iraq, which needs USD 24.7 million more than in 2008. The next highest increases are for Yemen (USD 19.1 million), Cameroon (USD 7.6 million), Thailand (USD 6.3 million), DRC (USD 5.6 million), Somalia (USD 5.3 million) and Ecuador (USD 5.3 million).

The revised 2009 **Annual Programme Budget** amounts to USD 1,275 million, including the Operational Reserve, the "New or additional activities – mandate related" (NAM) Reserve and the Junior Professional Officer scheme. The budget also includes requirements in eight pilot countries that were identified through the Global Needs Assessment initiative (see text box), as well as additional requirements for the prevention and control of anaemia (USD 11 million) and for improving access and quality of water and sanitation (USD 7.8 million).

The revised Annual Programme Budget represents an increase of USD 166.7 million from the initial 2009 component of the Biennial Programme Budget, which was approved by the Executive Committee in October 2007. The increase is mostly explained by the Global Needs Assessment initiative (USD 63.5 million) and the significant decline in the relative value of the US dollar to most other currencies since the initial budgets were set.

The 2009 **Operational Reserve** amounts to USD 108.2 million. This represents 10 per cent of the total programmed activities under the Annual Programme Budget. The Operational Reserve allows UNHCR to meet additional requirements for which there are no

Figure 2: 2009 requirements by region



provisions in the programmes approved by the Executive Committee, such as new emergencies and other unexpected requirements.

The “**New or additional activities – mandate related**” (**NAM Reserve**) for 2009 amounts to USD 75 million, reflecting growth in NAM appropriations in 2007 and 2008. The NAM Reserve allows UNHCR to accommodate mandate-related activities that are not included in the budget. Transfers from the NAM Reserve are made against earmarked contributions that are in addition to what the Office would otherwise receive. This way, the Office seeks to ensure that funds are not diverted from core budgeted activities.

UNHCR’s requirements in 2009 include provisions for the **Junior Professional Officer (JPO)** scheme of USD 10 million. JPOs are government-sponsored young professionals that work for UNHCR.

The Annual Programme Budget also includes an allocation from the **United Nations Regular Budget**. The allocation is used to cover administrative expenses at Headquarters, most notably staff costs for management and administration. The allocation for the 2008-2009 biennium amounts to USD 73.1 million, which is equivalent to some 42 per cent of the biennium’s expected management and administration costs.

UNHCR’s requirements also include 19 **supplementary programmes** for an amount of USD 592 million. A table at the end of this chapter lists these supplementary programmes, which are all included in this Appeal. The Office foresees the establishment of additional

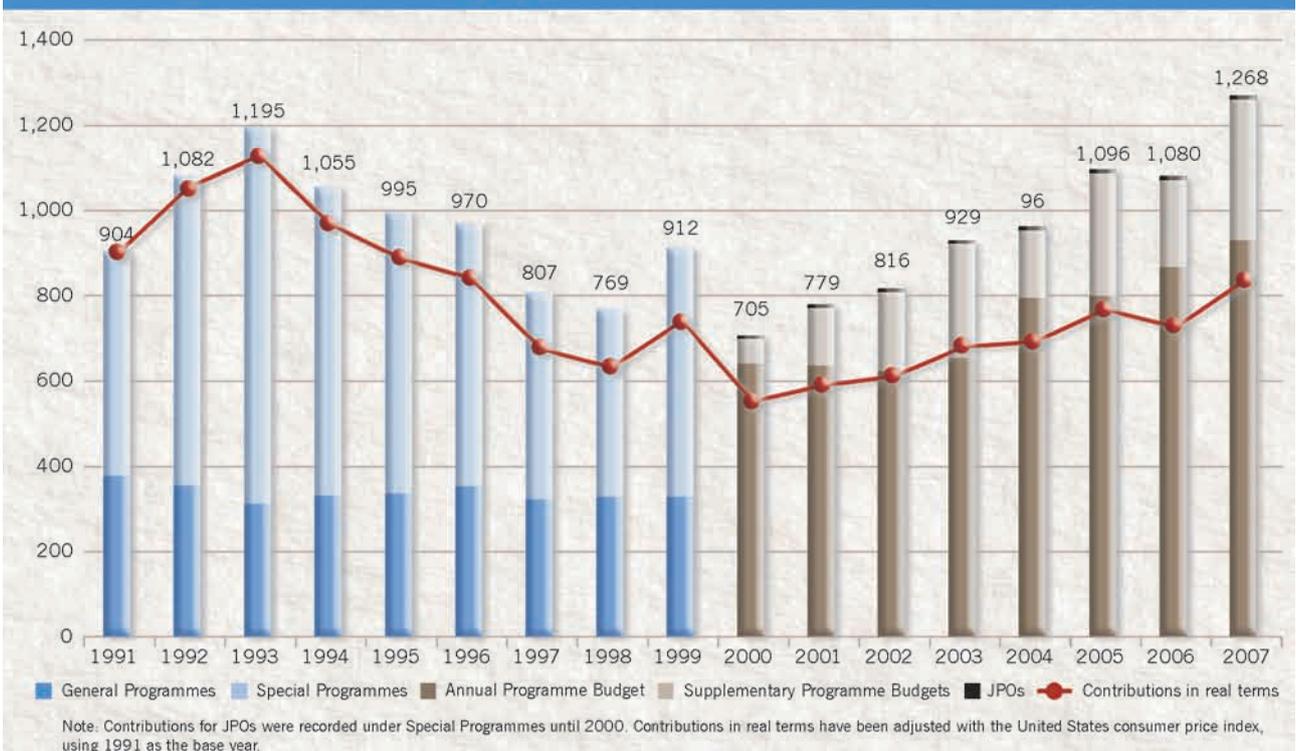
supplementary programmes, such as improving refugee protection within broader migration flows in North Africa; finding comprehensive solutions to the protracted refugee situation in Eastern Sudan; finding durable solutions for the remaining Angolan refugees in Zambia; post-repatriation rehabilitation in refugee hosting areas in East Africa; and emergency preparedness and response measures to deal with outbreaks of avian influenza in camp settings.

Fund raising

UNHCR funds its programmes almost entirely through voluntary contributions. Only a small portion of the Office’s needs are covered from the United Nations Regular Budget. It is therefore crucial that the Office receives enough voluntary contributions to allow it to implement its planned activities fully. Equally important are the inputs of refugee-hosting countries, which make an invaluable direct contribution by protecting and assisting refugees in their territories.

Contributions to UNHCR have increased significantly in recent years. The increase is partly explained by the Office’s more systematic involvement in new types of emergencies, most notably situations of internal displacement, the reintegration of returnees and, in some specific cases, natural emergencies. The particularly large increases in 2007 and 2008 are, however, mostly explained by the international community’s strong support for UNHCR’s major role in the Iraq Situation.

Figure 3: Contributions by programme in nominal and real terms (USD millions)



Despite the large increase in contributions, figure 3 shows that the increase is considerably smaller if the purchasing power of the funds is taken into account. Similarly, exchange rate fluctuations have had a significant impact on the value of contributions because more than 50 per cent of them are denominated in currencies other than the US dollar.

In 2009, UNHCR continues to advocate for predictable, timely and flexible contributions. Contributions that have no restrictions or only limited earmarking are particularly valuable as they allow the Office to direct funds where they are most needed, ensuring that less visible or forgotten refugee situations receive adequate resources. With the introduction of a biennial budget cycle, multi-year contributions have become particularly important as they improve UNHCR's financial predictability. There are now three governmental donors that pledge their core contributions to UNHCR for a period of two to four years. In the coming year, the Office will continue to advocate for multi-year contributions and flexible funding.

To gain more financial resources, the Office continues to expand its donor base as outlined in its Global Strategic Objectives. These efforts are showing gradual progress. The number of governmental donors contributing more than USD 20 million per year has increased from 11 in 2005 to 17 in 2008. The increase is partly explained by favourable exchange rates but contributions have also gone up when measured in local currencies. Similarly, dependence on the ten largest government donors has decreased from almost 90 per cent in 1998 to 74 per cent in 2007. Figure 4 shows the share of contributions to UNHCR

by its main governmental donors in 2007. In 2009, UNHCR hopes to reduce further its dependence on a limited number of donors.

At the same time, allocations from new or upgraded humanitarian financing mechanisms have increased considerably. In 2007, contributions from the Central Emergency Response Fund alone amounted to USD 43 million. Likewise, an increasing number of multi-donor trust funds offer new funding opportunities for UNHCR, particularly for reintegration and recovery programmes (see text box on accessing transitional and development funds). However, more human resources are needed in order to fulfil the detailed reporting and monitoring requirements for some of these mechanisms.

Private sector fund raising plays an important role in UNHCR's efforts to diversify its funding base. Contributions from the private sector increased from USD 21.7 million in 2006 to an estimated USD 49 million by the end of 2008. The Office seeks to raise USD 100 million annually from private donors by 2012. In 2009, its target is to raise USD 54 million, which represents a steady increase from the previous years, as shown in figure 5. The private sector fund-raising strategy focuses on individual donors, foundations and corporations in a limited number of countries. These efforts aim to secure predictable and broadly earmarked funding for the Annual Programme Budget. Individual donors, in the form of regular monthly givers, account for the biggest share of private sector income, but more attention will be paid to increasing contributions from foundations and corporations.

Figure 4: Main donors in 2007

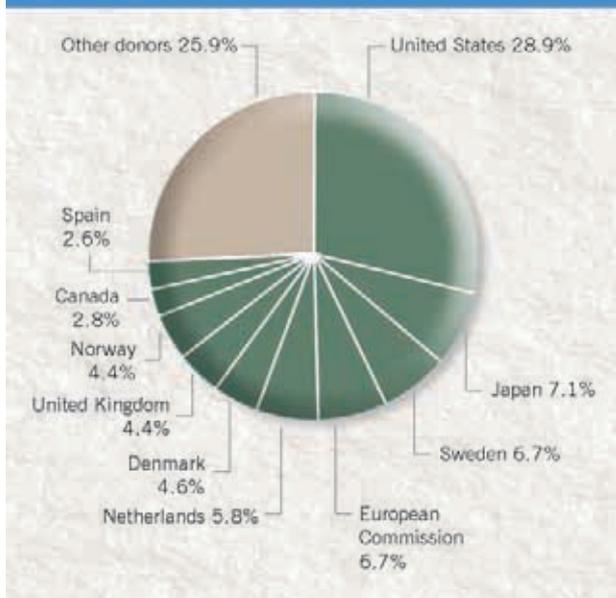
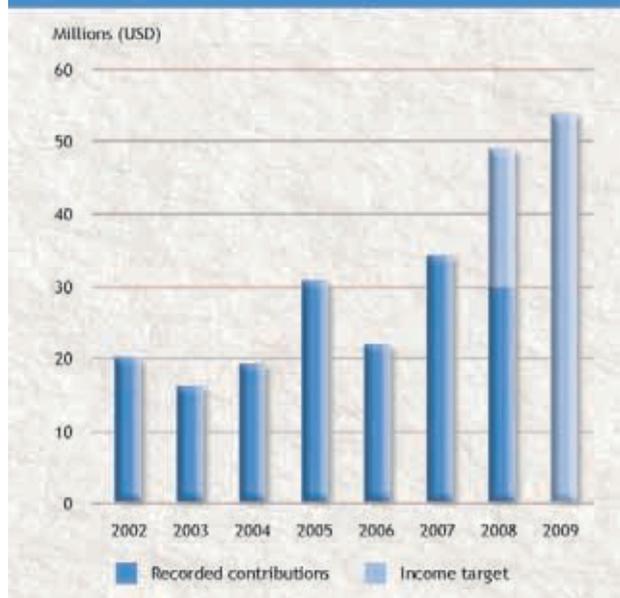


Figure 5: Contributions from the private sector



Accessing transitional and development funds

If UNHCR is to fulfil its mandate in an effective manner, it has to engage in the discourse on development, to establish partnerships with development actors and to access transitional and development funds. The Office's statutory function is to provide international protection to refugees and to seek permanent solutions to their problems. Its mandate has been broadened to support the reduction of statelessness and to assist internally displaced persons (IDPs) under specific circumstances.

Within these broader mandate areas UNHCR undertakes a number of activities that require more than traditional humanitarian funds. They include:

- **Reintegration of returnees:** The return of displaced people is not sustainable unless accompanied from the outset by the creation of social, economic and political conditions conducive to permanent settlement. These activities are by their nature at the crossroads between relief and development. They require local and national ownership, integration with local transition and development plans, inclusion in national budgets, and direct support from transition and development funding.
- **Rule of law and national protection systems:** UNHCR supports the creation of national institutions and procedures to ensure the legal safety of displaced people and compliance with

international law. Activities include the drafting of new legislation, training of government officials, and support for refugee status determination commissions. The international community funds these types of activities both through development and humanitarian funds.

- **Livelihoods:** The Office provides livelihoods support in all phases of the displacement cycle. This is particularly important in finding lasting solutions to protracted refugee situations.
- **Support for refugee hosting communities:** UNHCR seeks to alleviate the burden of communities hosting displaced people by ensuring that local residents and displaced people co-exist in harmony and that they receive similar standards of support and assistance.

The lack of complementarity between humanitarian and development funding represents a challenge for linking humanitarian assistance with development. Despite some recent changes, their management principles and approaches remain fragmented and disconnected from each other.

In 2009, UNHCR expects to raise more than USD 30 million from transition and development sources to support its operations in Afghanistan, Burundi, the Democratic Republic of the Congo, Liberia, Pakistan, Serbia and Sudan. It will seek support from bilateral development agencies, multi-donor trust funds, international financial institutions and private foundations.

Supplementary programmes in 2009 (USD)

Supplementary programme	Programme budget	Support costs ¹	Total requirements
Darfur - Protection and assistance to refugees and IDPs	39,066,913	2,567,989	41,634,902
Georgia crisis	10,551,721	599,111	11,150,832
Iraq Situation Response	281,384,443	18,526,563	299,911,006
Mauritania - Repatriation of refugees from Senegal and Mali	8,395,003	584,997	8,980,000
Somalia Situation	43,583,246	2,860,879	46,444,125
Southern Sudan - Return and reintegration of refugees and IDPs	53,484,522	3,520,277	57,004,799
Tanzania - Durable solutions for 1972 Burundian refugees	11,909,515	808,945	12,718,460
West Africa - Local integration of Liberian refugees	6,240,087	431,214	6,671,301
Western Sahara - Confidence Building Measures	4,025,311	212,251	4,237,562
Zimbabwe Situation	7,875,830	551,308	8,427,138
IDPs - Central African Republic	2,998,080	207,181	3,205,261
IDPs - Chad	11,698,498	818,895	12,517,393
IDPs - Colombia	22,826,334	1,409,166	24,235,500
IDPs - Democratic Republic of the Congo	21,447,738	1,471,913	22,919,651
IDPs - Kenya	3,701,916	259,135	3,961,051
IDPs - Pakistan's Northwestern Frontier Province	658,320	42,743	701,063
IDPs - Sri Lanka	11,655,829	623,547	12,279,376
IDPs - Uganda	9,923,438	654,184	10,577,622
IDPs - Yemen	4,051,803	262,076	4,313,879
Total	555,478,547	36,412,374	591,890,921

¹ A support cost (7%) is recovered from contributions to meet indirect costs for UNHCR.

Total financial requirements (USD)							
Operations / activities	2008				2009		
	Annual budget		Supplementary budget	Total (revised)	Annual budget	Supplementary budget	Total
	ExCom-approved	Revised					
Central Africa and the Great Lakes	188,307,835	217,997,873	67,315,793	285,313,666	226,428,090	48,053,831	274,481,921
East and Horn of Africa	111,734,807	125,250,366	164,717,368	289,967,734	129,695,264	138,429,964	268,125,228
West Africa	65,496,228	69,109,584	5,694,435	74,804,019	48,897,152	8,143,488	57,040,640
Southern Africa	34,945,314	38,635,150	9,545,794	48,180,944	40,915,049	7,875,830	48,790,879
North Africa	8,722,011	12,628,508	13,815,339	26,443,847	10,204,272	10,516,913	20,721,185
Middle East	24,614,968	31,443,406	252,654,681	284,098,087	39,916,657	290,174,573	330,091,230
South-West Asia	80,742,742	106,233,364	16,826,561	123,059,925	87,665,540	1,448,320	89,113,860
Central Asia	4,869,220	5,499,841	0	5,499,841	4,967,401	0	4,967,401
South Asia	28,460,285	37,706,559	1,033,210	38,739,769	24,908,260	11,655,829	36,564,089
East Asia and the Pacific	39,692,562	46,190,137	12,832,616	59,022,753	47,400,349	0	47,400,349
Eastern Europe	25,966,758	29,895,771	39,837,073	69,732,844	56,354,692	10,551,721	66,906,413
South-Eastern Europe	33,247,952	37,228,883	0	37,228,883	35,337,420	0	35,337,420
Central Europe and the Baltic States	12,343,595	13,576,967	1,844,230	15,421,197	13,760,948	1,952,784	15,713,732
Western Europe	19,451,187	21,235,630	0	21,235,630	20,896,570	0	20,896,570
North America and the Caribbean	5,858,534	5,523,209	0	5,523,209	5,867,503	0	5,867,503
Latin America	19,599,213	23,604,608	19,395,649	43,000,257	28,241,240	22,826,334	51,067,574
Global programmes	67,940,717	80,697,667	17,276,974	97,974,641	114,119,449	0	114,119,449
Headquarters ¹	147,151,482	150,180,426	4,071,949	154,252,375	146,661,014	3,848,961	150,509,975
Total programmed activities	919,145,410	1,052,637,949	626,861,672	1,679,499,621	1,082,236,870	555,478,547	1,637,715,417
Operational Reserve	91,914,590	86,816,166	0	86,816,166	108,223,700	0	108,223,700
Total annual and supplementary programmes	1,011,060,000	1,139,454,115	626,861,672	1,766,315,787	1,190,460,570	555,478,547	1,745,939,117
NAM Reserve	75,000,000	21,282,175	0	21,282,175	75,000,000	0	75,000,000
Support costs ²	0	2,419,431	41,948,194	44,367,625	0	36,412,374	36,412,374
Junior Professional Officers	10,000,000	10,000,000	0	10,000,000	10,000,000	0	10,000,000
TOTAL REQUIREMENTS	1,096,060,000	1,173,155,721	668,809,866	1,841,965,587	1,275,460,570	591,890,921	1,867,351,491

¹ The Annual Programme Budget includes allocations from the UN Regular Budget as follows: USD 34,765,603 (2008) and USD 39,215,700 (2009).

² A support cost (7%) is recovered from contributions to meet indirect costs for UNHCR.

Note on the budget figures in this Appeal

The Supplementary Programme Budgets in this Appeal show requirements as of 23 October 2008. The 2009 Annual Programme Budgets show requirements as approved by the Executive Committee in October 2008. The 2008 Annual Programme Budgets show initial requirements

as approved by the Executive Committee in October 2007. However, revised 2008 Annual Programme Budgets as of 1 September are used in the charts that show UNHCR's budget trends in the past five/ten years. Both initial and revised 2008 requirements are shown in the above table.



UNHCR's financial requirements in 2009 by country



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.