

Identifying needs and funding requirements

The planning process

The High Commissioner's Global Strategic Objectives are the starting point for UNHCR's programme planning and budgeting. The Regional Bureaux then translate these objectives into priorities specific to the situations under their purview. These priorities are further elaborated at the country level. This exercise, together with comprehensive needs-based assessments, forms the basis of UNHCR's programme planning and budgeting.

Participatory needs assessments are now the norm in planning and implementing UNHCR's operations. During the planning cycle, the Office works closely with all involved parties, including representatives of refugees and others of concern, donors, implementing and operational partners, UN agencies and government counterparts. This participatory process allows for greater transparency in the Office's priority setting. By avoiding duplication of effort, an inter-agency planning process also enables UNHCR and its partners to maximize the impact of available resources.

UNHCR is moving into a biennial programme and budget cycle as of the 2008-2009 biennium.

The budgets presented in this Appeal therefore constitute UNHCR's first biennial budget. For the 2008-2009 Biennial Programme Budget, UNHCR field managers and partners carried out an assessment of the needs of people of concern. This exercise again highlighted the challenge in addressing all the gaps identified and the need for additional resources from all relevant actors to bring protection and assistance to levels that conform to established standards.

During the planning process, country teams identified overall needs in 2008 for refugees and others of concern for some USD 2.4 billion. Of this amount, field offices and headquarters units presented programme and budget submissions for USD 1.18 billion. The submissions from the Field were first reviewed at Headquarters by the Regional Bureaux and technical support units based on experience with similar types of operations, numbers of beneficiaries, per capita costs, staffing levels and field presence. Submissions from headquarters departments and divisions were assessed against global priorities, taking into account the need to reduce staffing levels and overall support costs. A consultative process then took place with all relevant functional units during the Programme Review. Donors were consulted in an informal session in Geneva in June 2007.

Standards and indicators

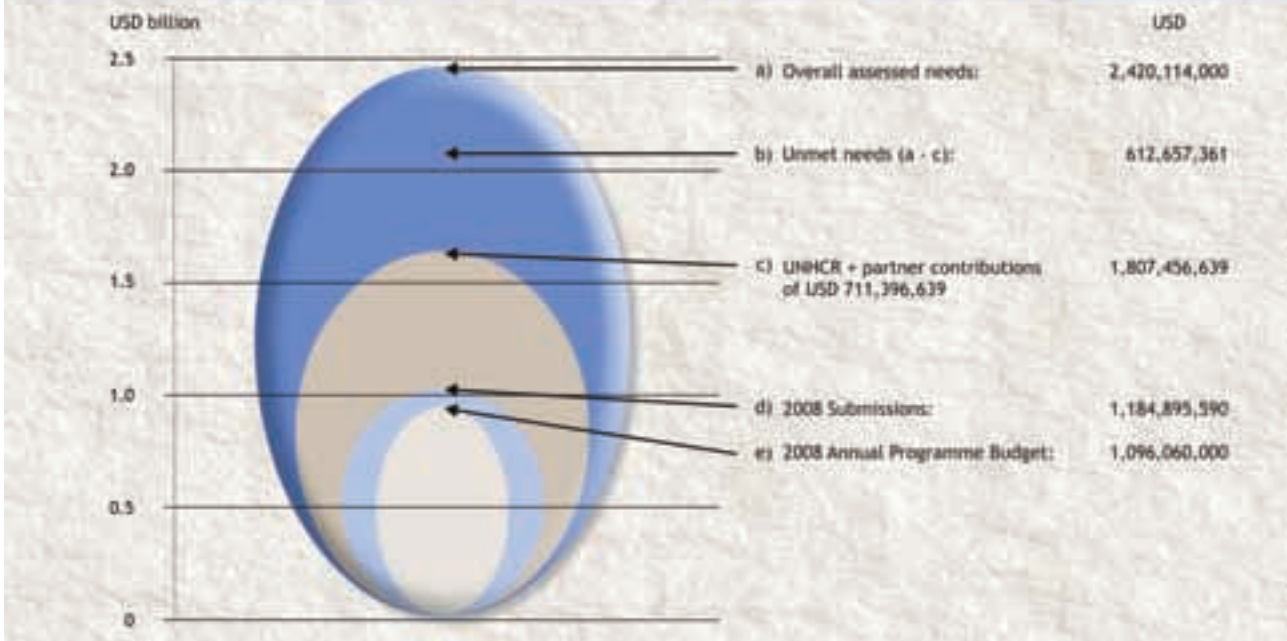
Enhancing institutional accountability and monitoring UNHCR's protection and assistance activities require regular and systematic data collection and analysis. In the context of results-based management, standards and indicators are a unique data-collection mechanism which allows, on a yearly basis, a systematic monitoring of progress towards improving protection and assistance for people of concern as well as towards achieving durable solutions.

In recent years, standards and indicators have become more widely used by UNHCR and its partners. More country operations have begun collecting and using data for their own operational needs, while data quality and compliance rates have improved. During the last two years, a significant number of countries have used standards and indicators data to support

their country operations plans. More than 83 per cent of UNHCR offices have provided data on standards and indicators. This is some 10 per cent more than in 2005. Nevertheless, the current data quality, utilization and compliance levels remain below UNHCR's expectations and require additional efforts and funding.

The Division of Operational Services will continue to strengthen the systematic use of standards and indicators by improving existing data collection instruments. The development of specific standards and indicators for internally displaced people, in close consultation with other agencies that are part of the cluster approach, will be a key activity in 2008. Standards and indicators will also be developed for the specific use of operations in industrialized countries, focusing mainly on advocacy and resource mobilization.

Figure 1 - 2008 Overall needs assessment (including reserves and JPOs)



After this extensive review process, UNHCR presented its first Biennial Programme Budget of USD 2,204,860,000 which was approved by the Executive Committee at its October 2007 session. In proposing a budget at this level, the High Commissioner sought to strike a balance between known needs and the likely availability of funds. The approved programme represents the best possible alignment of UNHCR's resources and activities with the Global Strategic Objectives. It does not, however, reflect all of the requirements and cost savings related to the Structural and Management Change process.

In submitting its programme budgets, UNHCR is well aware that it is only addressing part of the overall picture. Even in relation to the needs of refugees whom it proposes to assist, programmes only meet minimum international standards for protection and assistance. UNHCR's programmes thus need to be considered in the broader context of the overall needs in a particular country or region, and the contributions being made by other actors. Figure 1 illustrates UNHCR's budget in relation to global refugee needs, and the portion of those needs being addressed by others. The figure also indicates that unmet needs in 2008 are estimated at some USD 613 million.

Inter-agency planning

Meeting humanitarian needs in complex emergencies goes beyond the capacity of any single agency. UN agencies and other members of the Inter-Agency Standing Committee are working closely together to respond to emergencies. The UN Humanitarian Coordinator leads the process of developing common humanitarian action plans at the country level for a country or region affected by a crisis. This process specifies the roles of each participating agency and usually leads to the issuing of a

consolidated appeal, which sets out the overall approach to address the most urgent needs.

In 2008, UNHCR will again actively participate in the inter-agency Consolidated Appeals Process (CAP). The Office will present its requirements in 12 out of 13 CAPs or similar mechanisms that are foreseen for 2008, i.e. the CAPs for the Central African Republic, Chad, Côte d'Ivoire, Somalia, Timor-Leste, Uganda, West Africa and Zimbabwe, as well as the Humanitarian Action Plan for the Democratic Republic of the Congo (DRC), the Sudan Work Plan and the Common Humanitarian Action Plans for Sri Lanka and Nepal. The Office will also take part in any new inter-agency appeals that are established during the year and which deal with people of concern to UNHCR.

Overview of the 2008-2009 requirements

UNHCR's Annual Programme Budgets for 2008 and 2009 amount to USD 1,096,060,000 and USD 1,108,800,000 respectively, including the Operational Reserve, the "New or additional activities – mandate related" (NAM) Reserve and the Junior Professional Officer scheme.

The **Operational Reserve** in 2008 and 2009 will amount to USD 91,914,590 and USD 95,345,454 respectively. This represents 10 per cent of the total programmed activities under the Annual Programme Budgets for the biennium. The Operational Reserve allows UNHCR to meet additional requirements for which there are no provisions in the programmes approved by the Executive Committee, such as new emergencies and other unexpected additional

requirements. The Office makes allocations from the Operational Reserve throughout the year according as needs arise.

The “**New or additional activities – mandate related (NAM) Reserve**” will amount to USD 75 million in 2008, reflecting growing NAM appropriations in 2007. The 2009 NAM Reserve currently amounts to USD 50 million, but may be adjusted to a higher level if so decided by the Executive Committee. The NAM provides budgetary capacity to accommodate mandate-related activities that are not included in the budget. Transfers from the NAM Reserve are made against earmarked additional contributions and will thus not divert funds from budgeted activities.

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

Furthermore, the Biennial Programme Budget includes an allocation from the **United Nations Regular Budget**. The allocation is used to cover administrative costs at Headquarters, most notably staff costs for management and administration. In 2008-2009, the United Nations Regular Budget allocation will amount to USD 69,531,196, which represents a continuation of a gradual increase in the allocation. It will cover approximately 37 per cent of UNHCR’s administrative costs at Headquarters.

In addition to its Annual Programme Budgets, UNHCR will again establish a number of **supplementary programmes** in 2008 and 2009. At the time of writing this Appeal, five supplementary programmes had been established for 2008 for an amount of some USD 95 million. These are

the supplementary programmes for the Somalia Situation, the return and reintegration of Mauritanian refugees, the global IDP cluster, the improvement of refugee protection within broader migration movements in North Africa, and the joint appeal for providing education opportunities to Iraqi refugees in host countries. In addition, the Office foresees the establishment of another 12 supplementary programmes, which will be the subject of specific supplementary appeals. Seven of them are for IDP operations in the Central African Republic, Chad, Colombia, Côte d’Ivoire, the DRC, Liberia and Uganda. The others are for the return and reintegration of Sudanese refugees to Southern Sudan, protection and assistance to refugees and IDPs in Darfur, the Iraq situation, Confidence-Building Measures in Western Sahara, and avian and human influenza preparedness and response in camp settings.

The 2008 Annual Programme Budget represents an increase of 5 per cent from the previous year. The increase is mostly due to the mainstreaming of the supplementary programme for the repatriation and reintegration of Congolese refugees in the DRC and an increase in the NAM Reserve. The budget has increased most substantially in the DRC (USD 29.4 million), Kenya (USD 9.1 million), Sudan (USD 4.9 million), Senegal (USD 4.5 million) and Chad (USD 4.4 million). Simultaneously, the budget has decreased significantly in Liberia (USD 11.6 million), Headquarters (USD 10.2 million), Angola (USD 10.2 million), Sierra Leone (USD 5.4 million) and Ghana (USD 3.5 million). In 2009, the Annual Programme Budget is only marginally increased by 1.7 per cent.

UNHCR’s total requirements since 2000 are shown in Figure 2. It is important to note that no supplementary programme requirements are yet known for 2009 and

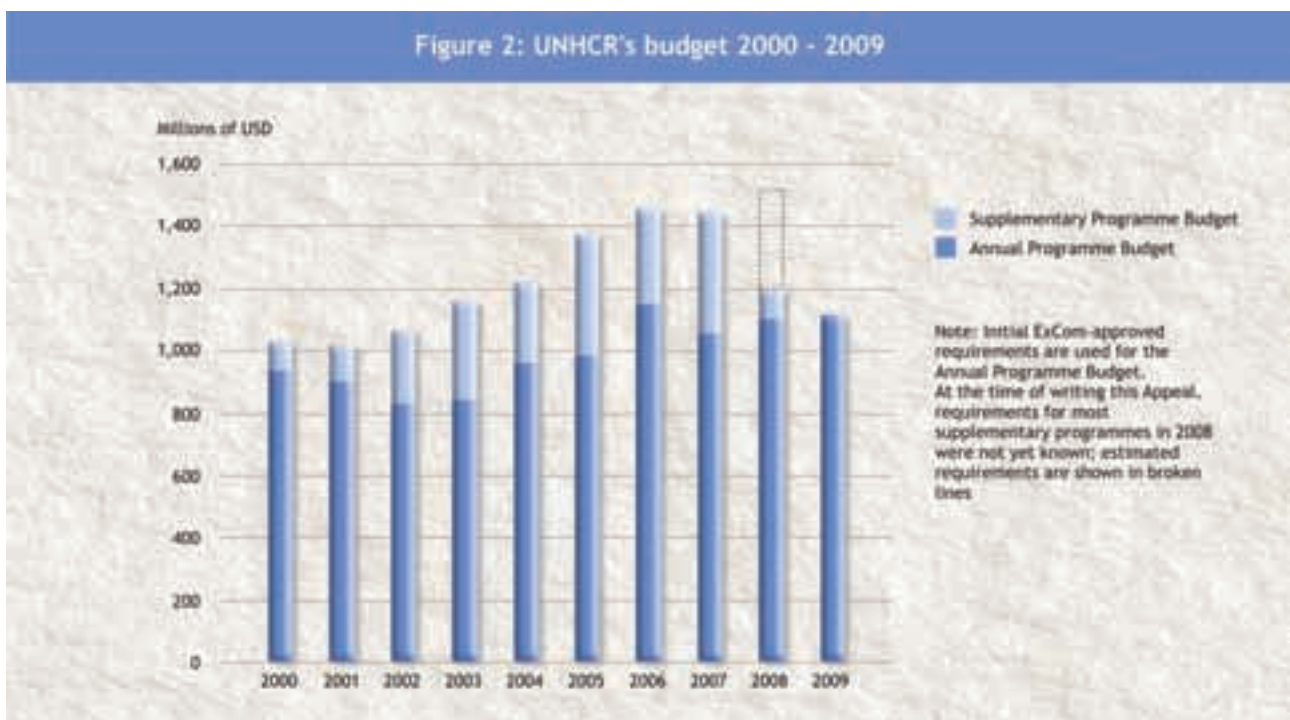
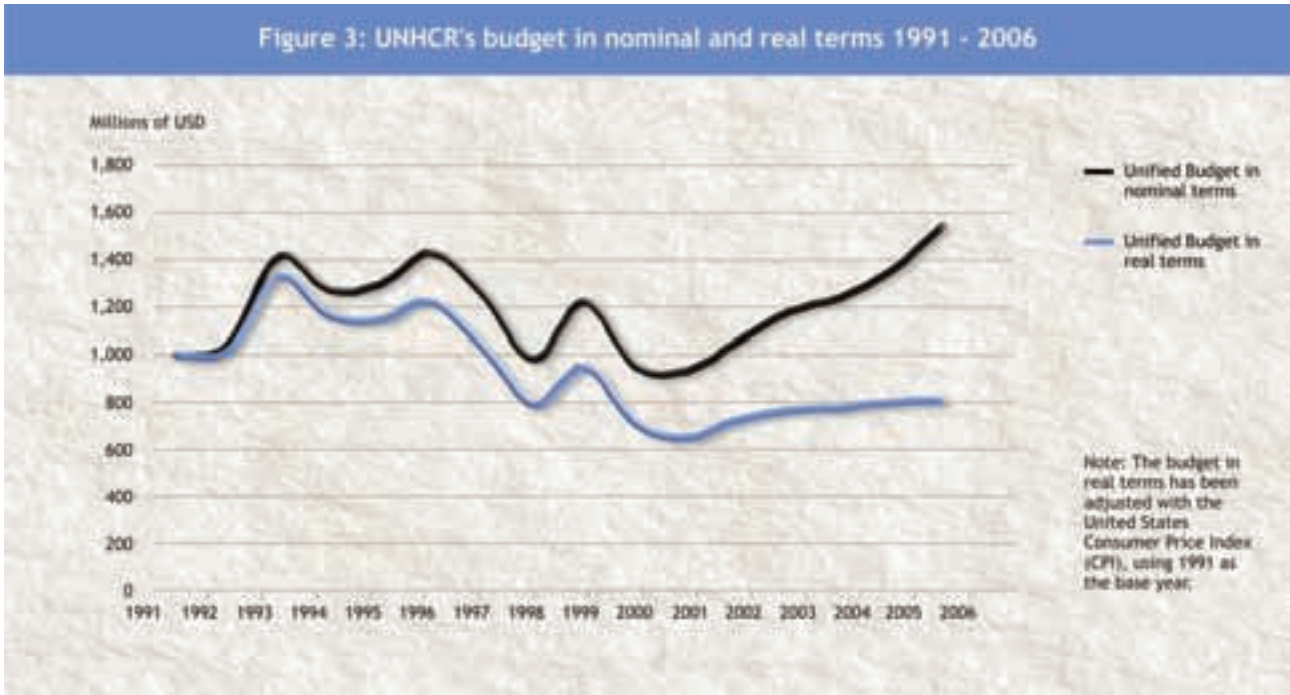


Figure 3: UNHCR's budget in nominal and real terms 1991 - 2006



that most of the supplementary programmes for 2008 are still under review. Figure 2 shows a steady increase in UNHCR's budget since 2000, but the picture is different if the comparison is extended to 1991 and the purchasing power of the budgets is taken into account, as shown in Figure 3.

In 2008, UNHCR's combined requirements under the Annual Programme Budget and estimated requirements under supplementary programmes are largest in Africa, as shown in Figure 4. The requirements in Africa amount to 37 per cent of the total estimated budget, followed by the Middle East and North Africa (18 per cent), and Asia and the Pacific (10 per cent). It should be noted that allocations from the reserves will increase the budgets of the various regions in relation to Headquarters throughout the year. UNHCR's requirements since 2000 in the respective regions, as well for global programmes and Headquarters are shown in the regional summaries.

Fund raising

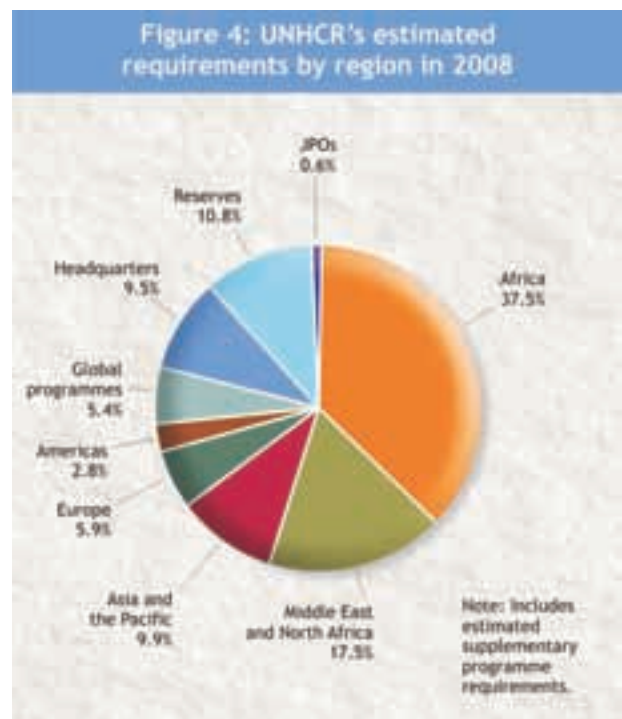
UNHCR funds its programmes almost entirely through voluntary contributions. Only a small portion of the Office's total requirements is covered from the United Nations Regular Budget. It is therefore fundamental that the Office receives enough voluntary contributions to allow for the full implementation of its planned activities. Apart from financial contributions, refugee-hosting countries make an invaluable direct contribution towards protecting and assisting refugees.

In 2008-2009, UNHCR will continue to advocate for predictable, timely and flexible contributions. The

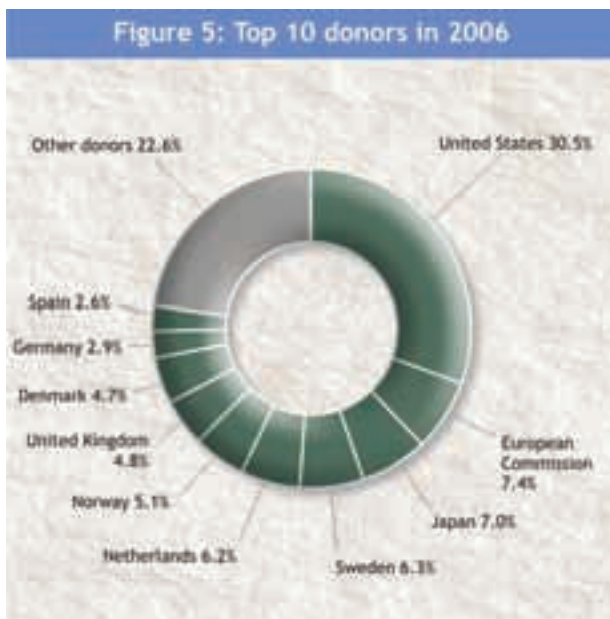
introduction of a biennial budget will hopefully lead to an increase in multi-year contributions, which would improve UNHCR's financial predictability and hence facilitate programme planning. Simultaneously, the Office will continue to advocate for more flexible funding in the form of less earmarked contributions. Contributions with minimum restrictions allow the Office to direct funds where they are most needed, ensuring that less visible and forgotten refugee situations receive adequate financial support.

To achieve a higher level of contributions, the Office strives to expand its public and private sector donor base as outlined in the Global Strategic Objective No.8. These efforts are showing gradual progress. The number of governmental donors contributing more than

Figure 4: UNHCR's estimated requirements by region in 2008



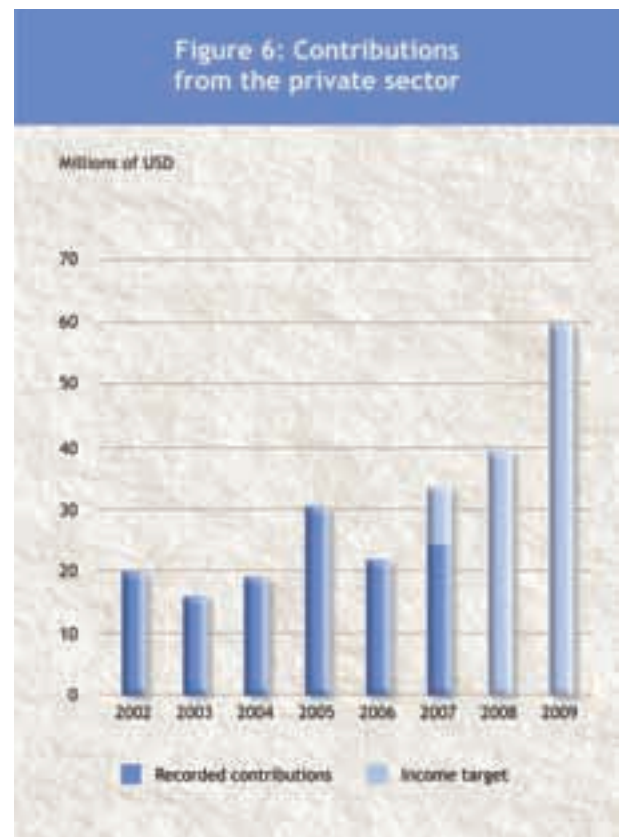
USD 20 million per year has increased from 11 in 2005 to 15 in 2007. The increase is partly explained by favourable exchange rates; however, contributions have also gone up when measured in local currencies. Simultaneously, contributions through various United Nations pooled funding mechanisms have increased considerably. In addition, contributions from the private sector have increased from USD 21.7 million in 2006 to an estimated USD 33 million by the end of 2007. Nevertheless, the overall donor base remains very narrow. In 2006, more than 74 per cent of the total contributions were provided by only 10 donors, as shown in Figure 5. In 2008-2009, UNHCR hopes to further reduce its dependency on such a limited number of donors.



New common humanitarian funding mechanisms, such as the Common Humanitarian Funds in Sudan and the DRC, and the Central Emergency Response Fund, are improving coordination within the UN system and leading to a more efficient humanitarian response. An increasing number of multi-donor trust funds have also been recently created, such as the Peace Building Fund and the Millennium Development Goal Achievement Fund. These mechanisms offer new funding opportunities for UNHCR, particularly for new emergencies and ongoing chronically under-funded operations, as well as for reintegration and recovery programmes. The pooled funding mechanisms call for

field-based inter-agency needs assessments, prioritization exercises and resource allocation procedures. In 2008-2009, UNHCR will continue to play an active role in this process and consequently place more emphasis on providing support to field representatives on pooled funding mechanisms.

Private sector fund raising plays an important role in UNHCR's efforts to diversify its funding base. The Office seeks to raise USD 100 million from private donors by 2011. In 2008, the income target is USD 39.3 million, which represents a steady increase from the previous years, as shown in Figure 6. 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 under the Annual Programme Budget. Individual donors, in the form of regular monthly givers, will continue to account for the biggest share of private sector income, but an increased emphasis will be given to foundations and corporations.



Total financial requirements (USD)

Operations / activities	2007			2008			2009
	Annual Programme Budget	Supp. Programme Budget	Total	Annual Programme Budget	Supp. Programme Budget	Total	Annual Programme Budget
Central Africa and the Great Lakes	154,014,746	69,702,787	223,717,533	188,307,835	0	188,307,835	208,933,786
East and Horn of Africa	97,834,712	97,360,042	195,194,754	111,734,807	21,648,541	133,383,348	131,236,309
West Africa	83,940,426	13,757,663	97,698,089	65,496,228	1,075,123	66,571,351	48,351,167
Southern Africa	45,384,821	1,100,000	46,484,821	34,945,314	0	34,945,314	30,310,341
North Africa	7,480,107	6,933,569	14,413,676	8,722,011	4,906,183	13,628,194	8,863,704
The Middle East	20,776,211	150,495,321	171,271,532	24,614,968	58,094,477	82,709,445	25,894,086
South-West Asia	84,448,951	3,433,380	87,882,331	80,742,742	0	80,742,742	82,166,431
Central Asia	5,003,019	0	5,003,019	4,869,220	0	4,869,220	4,552,519
South Asia	20,635,717	0	20,635,717	28,460,285	0	28,460,285	32,390,023
East Asia and the Pacific	31,734,016	0	31,734,016	39,692,562	0	39,692,562	41,734,892
Eastern Europe	27,082,012	0	27,082,012	25,966,758	0	25,966,758	25,892,003
South-Eastern Europe	36,833,522	0	36,833,522	33,247,952	0	33,247,952	34,440,658
Central Europe and the Baltic States	13,472,800	1,489,621	14,962,421	12,343,595	0	12,343,595	12,696,383
Western Europe	18,103,139	0	18,103,139	19,451,187	0	19,451,187	19,847,815
North America and the Caribbean	5,354,057	0	5,354,057	5,858,534	0	5,858,534	5,953,626
Latin America	17,843,985	16,599,115	34,443,100	19,599,213	0	19,599,213	22,297,957
Global programmes	66,336,787	21,138,287	87,475,074	67,940,717	2,769,059	70,709,776	73,117,804
Headquarters ¹	157,290,345	5,704,436	162,994,781	147,151,482	606,497	147,757,979	144,775,043
Total programmed activities	893,569,372	387,714,221	1,281,283,593	919,145,410	89,099,880	1,008,245,290	953,454,546
Operational Reserve	89,356,928	0	89,356,928	91,914,590	0	91,914,590	95,345,454
Total annual and supplementary programmes	982,926,300	387,714,221	1,370,640,521	1,011,060,000	89,099,880	1,100,159,880	1,048,800,000
“New or additional activities mandate-related” Reserve	50,000,000	0	50,000,000	75,000,000	0	75,000,000	50,000,000
Support costs ²	0	25,994,943	25,994,943	0	6,016,643	6,016,643	0
Junior Professional Officers	10,000,000	0	10,000,000	10,000,000	0	10,000,000	10,000,000
TOTAL REQUIREMENTS	1,042,926,300	413,709,164	1,456,635,464	1,096,060,000	95,116,523	1,191,176,523	1,108,800,000

¹ Includes allocations from the UN Regular Budget of USD 34,431,700 (2007) and USD 69,531,196 (2008-2009).

² A seven per cent support cost is recovered from contributions against supplementary programmes to cover indirect costs for UNHCR.

Note on the budget figures

The Supplementary Programme Budgets presented in this Appeal do not include seven per cent support costs that are recovered from contributions to meet indirect costs for UNHCR, except in the above table. The 2007 Supplementary Programme Budgets show

requirements as at 15 October 2007. The Annual Programme Budgets are initial requirements as approved by the Executive Committee: the initial requirements are shown to better enable comparison with the 2008 and 2009 budgets.