

The 2003 Global Report

Background

This is UNHCR's sixth Global Report. It follows the 2003 Mid-Year Financial Report (which presented financial data on UNHCR's operations up to June 2003) and should be read against the 2003 Global Appeal (published in December 2002), which described the main operations, planned activities and financial requirements for that year. In this report, special efforts have been made to highlight UNHCR's work in partnership with other agencies and, at the same time, to give visibility to our generous financial supporters. In this connection, the donor profiles include a detailed breakdown of donors' contributions at regional, subregional, country and sectoral levels.

Although UNHCR routinely reports to its Executive Committee (ExCom) on the use of funds put at its disposal, the Global Report is intended to meet the reporting requirements of as many donors as possible, with the aim of avoiding the need for tailor-made reports. In addition, the report also targets a growing range of academics, non-governmental organizations, universities, libraries and private interest groups. In recent years, donors have increasingly expressed satisfaction with the Global Report as the main accountability mechanism to donors. However, for additional information on UNHCR, readers may wish to visit the website (www.unhcr.org).

While UNHCR has received many encouraging comments on the global reports, and it is generally felt that they respond to the needs and interests of a growing number of partners and the wider public, improving the quality of information, both factual and evaluative, is an ongoing exercise. The Office therefore warmly welcomes suggestions for further improvements.

The structure

The structure of this Global Report is substantially the same as the Global Report 2002 in that the main body of the report describes UNHCR's operations. These are based on the programmes approved by ExCom, that are included in the Annual Programme

Budget (AB), one component of the unified budget structure. After the Annual programme budget was adopted by UNHCR's Executive Committee in October 2002 a number of Supplementary Programme Budgets (SB) were approved by the High Commissioner: The Angola Repatriation Operation, Zambia Initiative, Sri Lanka Spontaneous Returnees, Emergency Assistance to Liberian Refugees, Côte d'Ivoire Emergency, Afghanistan Operation, Iraq Situation, Support to Commission for Human Security, All Africa Special Appeal, Emergency Assistance to Sudanese Refugees in Eastern Chad, Enhancing Oversight and Accountability in UNHCR, Support costs transfer to Annual programme. These SBs form the second component of the unified budget structure and are generally reported on in the relevant regional overview(s) and country chapter(s).

The section entitled "UNHCR – An Overview" contains eight introductory chapters. "The Year in Review" presents an overview of major population displacements and the Office's main achievements, which had an impact on the lives of refugees during 2003. The chapter on "Funding UNHCR'S programmes" reviews the funding situation during the year including income from the private sector, and contributions of refugee-hosting countries. The "Donor profiles" give a detailed breakdown of the contributions of USD 100,000 and above from 37 governmental donors, the European Commission, and 28 inter-governmental, non-governmental and private donors, by programme, region, subregion, country, sector, activity and item. This year, the profiles also give an indication of the extent to which donors have responded to UNHCR's calls to limit earmarking.

"Providing International Protection" highlights the ongoing protection challenges being faced by the Office in its operations. "Working in partnership with others" summarizes UNHCR's collaboration with a growing number of partners including the UN Development Group (UNDG) – to enable the Office to coordinate its work with development agencies – ensuring that refugees and returnees are considered in policies leading to durable solutions for them.

Activities under the Global Programmes and Headquarters chapters are treated in separate chapters because they have separate budgets under the AB. The link with information on expenditure, which is the prime purpose of the Global Report, is thus maintained. The Global Programmes and Headquarters chapters also contain information on policy priorities and the global objectives and indicators of progress.

"UNHCR's Operations" describes UNHCR's activities in 17 subregions, each introduced in a regional overview, followed by 34 country chapters for those countries with budgets in excess of USD 5 million.

The regional overviews summarise developments affecting refugees and other persons of concern to the Office, and highlight challenges as well as progress made in finding solutions to their plight. The overviews also contain a short account of operations by country, especially those countries not covered in separate country chapters. The regional overviews end with a table presenting all contributions received for, and earmarked to the subregion, and the countries in that subregion. A second table shows the budget and expenditure table of all country programmes in the subregion.

The country chapters cover all activities carried out in a country (both under the AB and SB), with the aim of giving a complete picture of operations in that country. Where UNHCR is operational and there is a Consolidated Appeals Process (CAP) facilitated by OCHA, the paragraphs on "Funding" provide information on the funding and UN coordination of programmes as part of the inter-agency appeals process. The country chapters end with a consolidated financial report under the AB (and SB where relevant).

When a Supplementary programme has activities in more than one country for a particular population of concern to the Office (for instance: the Supplementary Programme for Emergency Assistance to Liberian Refugees covers needs in Sierra Leone as well as other countries in the sub-region, like Guinea and Côte d'Ivoire), reporting on the SB, including the financial details, will be found in the various country chapters.

Definitions and terminology

All information presented in the Global Report is up to 31 December 2003, unless otherwise stated. This is the case for financial information, the number of staff, offices and partners, statistics on persons of concern as well as the information contained in maps. Most of the information on income and expenditure can be cross-referenced to UNHCR's Annual Accounts for 2003 to be submitted to the 55th Session of the Executive Committee in October 2004. Relevant cross-references are indicated in the Financial Reports. Minor differences between the figures in the Global Report and those found in various statements and schedules to the accounts may be due to the rounding of figures.

Differences may also arise from the more detailed manner in which regions and countries have been organised in the Global Report. Furthermore, in certain cases, regional projects and/or expenditure for the Liaison Units at Headquarters may be included. Finally, the Global Report indicates donors' earmarking, whereas the Annual Accounts only list donors' total annual contributions.

Each country chapter begins with a one-page summary, which provides the reader with a comprehensive but concise overview of main objectives and activities, impact of UNHCR's activities, persons of concern and key financial data. The latter is provided in a table entitled Income and Expenditure. The following terminology is used:

- **Revised budget** - this is the budget adopted by the 54th Session of the Executive Committee in October 2003, adjusted with allocations from the Operational Reserve or transfers between appropriations.
- **Income from contributions** - represents the value of contributions made to UNHCR during the financial year, recorded in accordance with UNHCR's financial rules.
- **Other funds available** - includes the opening balance (carry-over from previous years), cancellations, refunds, adjustments and transfers. It also includes the amount allocated by UNHCR to an operation from unearmarked or broadly earmarked contributions.
- **Total funds available** - includes income from contributions plus other funds available.

Total expenditure - corresponds to disbursements/deliveries plus unliquidated obligations as of 31 December 2003.

Financial Data

Voluntary Contributions

All voluntary contribution tables show the difference (if any) between amounts reported as contributions and amounts reported as income. The following definitions apply:

- **Contribution** represents the value of pledges received.
- **Income** represents the value of pledges as recorded in UNHCR's accounts, in accordance with the Office's financial rules. Unconditional pledges from governments are fully recognised as income at the time of receipt of the pledge. In the interest of prudent financial management, up to half of the value of firm pledges by organizations of established repute is recognised as income, at the time the pledge is received.

The following **tables** can be found in this Report (the relevant chapter is shown between brackets):

- Level of donors' earmarking in 2003 (Funding UNHCR's Programmes), hereafter called "Funding"
- Contributions - Top 12 donors (1992-2003) (Funding)
- 2003 initial and revised Annual programme budget and Trust funds
- Extra-budgetary in-kind donations (Funding)
- Top government donors to UNHCR in 2003 (Funding)
- Percentage of unearmarked portion and the percentage of total received (Funding)
- All contributions by donor and programme (Funding)
- Transfers from the Operational Reserve (Funding)
- Contributions to the Junior Professional Officer Scheme (Funding)
- Contributions to Global Programmes (Global Programmes)
- Contributions to Headquarters (Headquarters)
- Contributions at the regional level (in the respective regional overview)
- Contributions at the subregional level (in the respective regional overview)





Eritrea: High Commissioner, Ruud Lubbers, with returnee children in their classroom. *UNHCR/W. Rapoport*

- Contributions at the country level and below, such as sector or item level (respective regional overview and in the donor profiles).

Contribution tables at the subregional level provide the following information (by earmarking): funds earmarked to the Annual programme budget and to the Supplementary programme budget; to the subregion; and to country operations in the region. The difference between total expenditure in a subregion and the total of earmarked voluntary contributions consists of (as applicable): unearmarked contributions; contributions earmarked to a level higher than the subregion; carry-over; and adjustments (cancellations, refunds and transfers).

Financial Reports

The following financial reports have been included:

- Budget and expenditure of all programmes and operations (Funding)
- Budget and expenditure under Global Programmes (Global Programmes)
- Budget and expenditure under Headquarters (Headquarters)
- Budget and expenditure by subregion (respective regional overview)
- Expenditure by country (respective regional overview and/or country chapter)
- Allocations from the Operational Reserve (Funding)

A slight difference may be noted when comparing total expenditure reported in the country chapter with the figure reported for that country in the respective regional overview. This is due to the fact that some country operations implement projects that "belong" to more than one region. The financial report for the country chapter contains all projects.

The following terminology is used:

- **Current Year's Projects** – contains details of disbursements made against obligations which were incurred during 2003 under AB and SB.
- **Prior Years' Projects** – this column contains details of disbursements made against obligations raised during previous financial years (2000-2002); negative amounts are offset by positive entries under one or more line items in this

column. These include the sum of: Annual programme budget and Supplementary programme budget activities that took place prior to 2003.

- **Expenditure** – represents the amount of funds obligated, i.e. the allocation of available funds constituting the ceiling for disbursements. Obligations are liquidated by payment, by delivery in-kind or by cancellation.
- **Unliquidated Obligations** – represent amounts yet to be disbursed.
- **Transit Account** – is a temporary account from which entries are cleared to their final destination. This account will be brought to zero before the project(s) concerned is (are) closed.
- **Instalments with Implementing Partners** – represents payments made to partners (allocated to a general sector) for which reports on the use of such funds had not been received as of the end of the financial year. These amounts will be cleared upon receipt of financial reports from the partners, which indicate to which specific sector the amounts should be allocated.
- **Protection, Monitoring and Coordination** – represent the cost of UNHCR's presence at operating locations (i.e. the direct cost of providing international protection to refugee populations). This differs from the sector Legal assistance, which refers to the cost of specific projects and/or materials.
- **Combined Projects** – some projects may be financed from several sources of funds. Funding for a particular project may be increased in a subsequent financial year from either the same or a different funding source. In either of these scenarios, a "combination" of two or more projects is created. Disbursements are recorded under the original project (under which the budget is also held).
- **Programme Support** – refers to administrative and personnel costs of operational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide back-stopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Statistics

The statistical tables and graphs in this Global Report are provisional and subject to change. They can, to a large extent, be cross-referenced with UNHCR's 2003 Population Statistics. However, for a better understanding of the context in which UNHCR operates in a country or region, more detailed statistics are sometimes included in footnotes. For the purpose of this Report, the term "of whom UNHCR assisted" is used for persons having benefited directly from UNHCR's protection and assistance, unless stated otherwise. The statistical data used in this Global Report are those officially communicated to Headquarters by field offices during the annual exercise leading to the annual publication of UNHCR's statistical report. This ensures maximum and consistent use of one set of data centrally maintained by UNHCR's Population Data Unit.

The following definitions are used:

Refugees: persons recognised as refugees under the 1951 Convention relating to the Status of Refugees, and/or the 1969 Organization of African Unity (OAU) Convention, in accordance with the UNHCR Statute, as well as persons granted humanitarian status or temporary protection.

Asylum-seekers: persons whose application for refugee status is being processed according to the

asylum procedure or who are otherwise registered as asylum-seekers.

Returnees: refugees who have returned to their place of origin and who remain of concern to UNHCR (up to a maximum period of two years from their date of return).

Internally Displaced Persons (IDPs): persons who are displaced within their country and to whom UNHCR may extend protection and/or assistance pursuant to a special request by a competent organ of the UN.

Others of Concern: certain specific groups of persons not falling within the ordinary mandate of UNHCR, stateless persons, including IDPs, or IDPs who have returned to their place of origin.

A dash (-) in tables means that the figure is either zero or not available.

For all population statistics:

- Refugees and returnees are only listed for populations of 500 or more individuals;
- Others of concern are included if the population is 500 or more;
- Asylum-seekers are included if population is 100 or more.