

STANDING COMMITTEE
36th meeting

Original: ENGLISH

EVALUATION REVIEW OF OPERATIONAL RESERVE CATEGORY II

1. At its 56th session (3-7 October 2005), the Executive Committee called for a further independent review of the extended pilot phase of Operational Reserve Category II, with a view to making a final decision on it at its 57th session (A/AC.96/1021, para 23 (f)). This independent evaluation, which was the subject of an informal briefing on 17 May 2006, is attached.
2. Building on the positive discussions at the informal briefing, this paper suggests a way forward, consistent with the consultant's report and the points raised by the participants in the meeting on 17 May 2006.
3. A key observation of the evaluation (paras. 8-11, 18, 19) is that the pilot project in 2005, as in 2004, can not be proven to have had an adverse effect on overall resource flows to UNHCR. As the Report notes in the same paragraph 19, the original need that inspired the creation of the pilot project still exists; moreover, there is nothing to suggest that the contributions coming to UNHCR through the ORII would find their way into the Annual Programme Budget, if the ORII ceased to exist. However, should the Executive Committee decide to continue with some mechanism comparable to the Operational Reserve Category II: the Report makes a new proposal (para. 18 (iv)), to introduce a new budget category (outside the Operational Reserve) to cover *new or additional activities* currently being funded through the pilot project. This new budget category would not be included within the Programmed Activities (because of their *unprogrammed* nature at the time of the budget approval) but would appear below the line indicating the "Total Programmed Activities and Operational Reserve" (see Appendix 2 of the Report). This proposal, together with the recommendation of SICG that an overhead charge of 7 per cent be put in place (para. 24), met with broad support at the 17 May 2006 informal briefing.
4. As the Evaluation Report notes, if this approach is acceptable to the Executive Committee, it would not require a change to UNHCR's Financial Rules. It is clear, however from the Evaluation Report and the comments of those participating at the informal briefing on 17 May 2006, that this approach would not exempt UNHCR from developing better guidelines on the management of such a new proposed budget category. The broad principles on which such internal guidelines would be based could be reflected in any decision approving such a new budget category.
5. The text of a draft decision, consistent with the findings of the independent Evaluation Report and the sentiments expressed by Member States at the informal briefing, is attached. It addresses not only the substance of the proposal, but also the related issues of criteria governing the management of the proposed budget category and the question of an overhead charge.

DRAFT DECISION

The Standing Committee,

Recalling the Executive Committee's decision (A/AC.96/1021, para 23 (f)) in which it requested a further independent evaluation of the Operational Reserve Category II,

1. *Notes* with appreciation the report of the independent evaluation;
2. *Decides* to recommend that the Executive Committee at its fifty-seventh annual plenary session take a decision to incorporate into the Annual Programme Budget a new budget category for New or Additional Activities that are "mandate-related" as defined in the evaluation report (para. 22);
3. *Authorizes* UNHCR to include in its draft Annual Programme Budget for 2007 such a budget category with an appropriation level up to \$50 million;
4. *Further asks* that UNHCR take steps to improve transparency in the operation of this new budget category along the lines recommended in the evaluation report (para. 23);
5. *Calls on* UNHCR to develop clearer criteria for the management of such a budget category that reflect the elements contained in paragraphs 20-22 of the evaluation report, and to share such criteria with the next meeting of the Standing Committee;
6. *Authorizes* UNHCR to charge an overhead charge of 7 per cent, effective as of the date of this decision, to be deducted from contributions to the proposed budget category.

Introduction

1. This Report sets out the findings and recommendations of the second independent evaluation of UNHCR's Operational Reserve Category II (ORII) as called for by the Executive Committee at its 56th session in October 2005. It builds on the first Report presented by the Swiss Investment Consulting Group (SICG S.A.) which was considered at the 32nd meeting of the Standing Committee in 2005.

Project Scope

2. The main scope of the second review work focused on the following key areas:

- a) A financial analysis of the workings of the ORII based on the audited 2004 accounts and the final 2005 (unaudited) accounts, to ascertain that contributions are truly additional. This analysis will look particularly at the impact (if any) of the OR II on the overall level of contributions to the Annual Programme Budget and the Unified Budget in 2004 and 2005.
- b) Review of other options (e.g. a Special Account or Trust Fund) to meet the same purposes of the OR II, and the respective merits/disadvantages of each of these options, should it be proposed to continue with the ORII.
- c) The adequacy of the criteria for contributions to, and allocations from, both OR I and ORII, especially in ensuring that contributions to the ORII do not distort the budget priorities reflected in the approved Annual Programme Budget.
- d) Consideration of the issue of charging of an overhead on donor contributions to the ORII.
- e) Preliminary observations on the impact of developments in relation to "incentive-based fund raising".

Background

3. It will be recalled that this Category (Cat II) of the Operational Reserve was introduced by the then High Commissioner as part of the Annual Programme Budget for 2004. The immediate background for this move was that UNHCR Representatives had expressed to the High Commissioner their concern that they had been forced to turn down funding for activities proposed by donors for activities consistent with the Mandate of UNHCR, because of the inflexibility of the UNHCR budget structure. While the new proposed activities were not of an "emergency" nature or necessarily related to the *current approved budget*, they were, nevertheless, of a sort that could profit the situation of refugees/returnees and the work of the Office. As the only "free" budgetary space in the approved budget that could accommodate such new proposed activities, without raising the level of the approved budget, the then High Commissioner decided to introduce them under the Operational Reserve as a new category. While this solution readily solved the problem of accommodating such activities without altering the budget level, these activities sat somewhat awkwardly in an Operational Reserve which existed as a *contingency reserve*¹ to address new, unforeseen situations (and related budgetary requirements) in the course of the programme year.

4. In introducing the pilot project called the Operational Reserve Category II, the 2004 Annual Programme Budget document described it as follows:

"It will be used exclusively to accommodate *additional contributions* for *expanded or new activities* that are considered as falling within the *Mandate of the Office*, but which have not been included in the Annual Programme Budget because of resource considerations.² These

¹ This contingency reserve, unlike with some other such reserves in other UN organizations, is not funded. It does attract, however, some modest earmarked funds from some donors in the course of a programme year. The other reserve in UNHCR that is funded is the Working Capital and Guarantee Fund (\$ 50 million).

² The phrase "but which have not been included in the Annual Programme Budget because of resource considerations" deserves some explanation. As the same 2004 Annual Programme Budget stated: "The budget being proposed to the Executive Committee for approval, thus represents a balance between prioritized needs including programmes for achieving durable solutions, and projected income levels. It seeks to arrive at a balance between a needs-based budget and a resources-based budget. The proposed total budget level takes as basis expected expenditure in the current year, the "mainstreaming" of the 2003 Supplementary

additional contributions should not be at the expense of the contributions that would normally come from the corresponding donors for the activities already specified in the budget" (A/AC.96/979, para. 30 (b)).

5. The first independent evaluation of the Operational Reserve Category II showed that, *prima facie*, there have been no obviously negative effects on resource flows to the programmed activities in 2004, nor to the Operational Reserve Category I (ORI) (EC/55/SC/CRP 6, Annex II, para. 24 (i)). A further observation of the consultant was that: "Nevertheless, it is not yet possible to provide a definitive evaluation of the impact of ORII because the audited accounts for 2004 are not yet available. Moreover, the evaluation recommended that UNHCR should wait to base its final decision on the results of two full years of ORII operations (EC/55/SC/CRP 6, para. 4).³

Methodology

6. As with the first evaluation, the methodology for the evaluation was a combination of financial analysis, and interviews with a sampling of donor governments using the ORII mechanism, and with relevant UNHCR officers. The consultant had the benefit of a discussion on 17 May 2006 with a broader group, Members and Observers, of the Executive Committee; those discussions have influenced the conclusions and recommendations made in this Report.

Main Findings

7. The findings of the second evaluation set out below relate to the following:

- An assessment of the impact of the ORII contributions on the resources for programmed activities under the Annual Programme Budget;
- Management of the pilot mechanism (ORII) by UNHCR;
- Proposals for the future of the pilot funding mechanism;
- Budget presentation and reporting
- Criteria governing the mechanism;
- Administrative surcharge;
- Relationship to incentive-based fund raising

Analysis of Contributions

8. An analysis of contributions is found at Appendix 1. This shows that on the basis of the analysis of the accounts for 2004 and 2005, one can not argue that contributions to the OR II that show a net increase of \$ 3.7 million, are having a negative impact on overall contributions to the Annual Programme Budget which shows a net increase of \$ 1.8 million or on total net contributions (comparing 2005 against 2004) which increased by \$133.4 million. For ease of reference, a comparison of 2003 and 2004 contributions, based on the audited accounts for 2004, is also given.

9. In terms of contributors to the Operational Reserve Category II, only a small number of countries (14) are availing themselves of this funding mechanism. In no instance is the contribution significant when compared to overall contributions in a given year to the Annual Programme Budget. In terms of intergovernmental contributions, the EC contributed \$ 6.1 million in 2004 and \$ 8.3 million in 2005. Private sector contributions in 2004 and 2005 amounted to \$ 2 million per year. As UNHCR seeks to expand fund raising in this sector, the ORII (or some such mechanism) will continue to prove a useful mechanism for absorbing such new contributions into the UNHCR budget.

Programmes, and an assessment of total resources availability. It is thus a result of a combination of past trends in expenditures, and a projected resources ceiling" (idem, para 25). Based on this explanation, and even allowing for other related activities planned to be undertaken by UNHCR's partners, it is conceivable that even some essential types of activities (that sometimes are called "core activities") might not have been included in the UNHCR proposed budget; other activities not included might be those needed to bring assistance and protection to more acceptable international standards; other activities not included might be more in the "desirable" category.

3 . The consultant went on to say: "This broader timeframe would allow a better comparison of operations, including the question of the impact of multi-year contributions to the ORII. For example, 2005 has begun with some \$15 million of such multi-year contributions already available under the ORII which means that the balance available for accepting funds for ORII activities for the rest of 2005 has already been reduced to \$35 million"

10. In spite of this rather positive picture, there is, nevertheless, a feeling in some parts of UNHCR that the ORII mechanism is detracting funds from the approved programmed activities under the Annual Programme Budget. It is pointed out that although the volume of approved programmed activities under the Annual Programme Budget increased from \$ 837 million to \$862 million (see Table I.3 of the 2005 Annual Programme Budget document, A/AC.96/992, p. 35), an increase of some 3 %, the contributions to the programmed activities in the same two years only increased from \$ 760 million to \$ 762 million. Expressed in terms of the percentage of the approved programme activities resourced in both years, in 2004 a total of 90.8% of such activities were resourced (\$760 million: \$837 million), while only 88.4% (\$762million: 862 million) were resourced in 2005. The same officers in UNHCR also question whether the funds coming to the ORII are really additional. In spite of these reservations, these officers in UNHCR would argue that they support the need for such a facility as the ORII, but that they would like the criteria governing its operation to be tighter.

11. It is the opinion of the SICG consultant that a review of the contributions in five countries that show an increase in ORII contributions, but a net drop in contributions to the approved programme activities under the Annual Programme Budget, does not show that this can be attributed to the ORII drawing away such funds. Based on the consultant's analysis of the relevant CAFs (Contribution Advice Forms), the consultant feels that the sources of the funds to the ORII in these countries are ministries/departments and budget lines that are not the main source for the Annual Programme Budget. On the other hand, it is recognized that as UNHCR seeks to find new sources of funds (even from within the same government or inter-governmental body), the notion of a "main source" of funding becomes problematic; but without such a point of reference, the question of how to judge additionality becomes even more difficult.

Criteria

12. As noted above (para. 4), the initial criteria governing the pilot Operational Reserve Category II were that the contributions to Cat.II were to be *additional* and for *expanded or new activities* that were considered as falling within the *Mandate of the Office*. In relation to the criterion of additionality, the *Report on the Evaluation of UNHCR's Operational Reserve Category II* to the 32nd meeting of the Standing Committee (8-11 March 2005) noted that: "The criterion that a contribution to ORII represents additional resources from the donor will no longer be considered a pre-condition that has to be verified, but rather a stated expectation in the context of giving priority to funding planned activities under the Annual Programme Budget" (EC/55/SC/CRP. 6, para. 10). This reflected the conclusion of SICG's consultant that this was often hard to confirm, especially in the course of a programme year (idem. para. 20 c)). In proposing this nuance to the original criterion, UNHCR was not retreating from the expectation that the funds for ORII were additional, but simply recognizing that it was hard to verify this *criterion in the course of a programme year*, especially if funds were coming from the normal ministerial/departmental source in the donor government or inter-governmental body; this criterion of additionality was easy to verify, even in the course of a programme year, if the source was a new ministry/department in the donor government or inter-governmental body.

13. As regards the other criteria, it was originally stated that the activities proposed for funding under the ORII be "considered as falling within the *Mandate of the Office*". At the time of the consideration of the first evaluation report, this criterion was changed, in the Decision adopted by the 32nd meeting of the Standing Committee to read that the "ORII mechanism should be limited to the funding of projects falling within the *High Commissioner's core mandate*" (EC/55/SC/CRP.9, Annex III, op. 5). The same decision also expressed the request that "UNHCR [to] ensure that this objective is fulfilled by, *inter alia*, clear criteria for eligibility and reporting, and by the provision of appropriate advice, as necessary, to potential donors".

14. While working on the second evaluation, SICG has sought unsuccessfully to find a concise description as to what constitutes the "High Commissioner's core mandate"⁴. The main reference in this respect relates to "a core activity" as proposed under the "Actions 1, 2 and 3" exercise launched in 2001 which aimed at containment of costs based on prioritization of UNHCR activities:

"A core activity is one for which UNHCR has a central universal responsibility, as contained in its Statute and developed through subsequent General Assembly or ECOSOC resolutions. By its nature, a core activity will have a clearly established link to the international protection of refugees (and stateless persons) or the pursuit of durable solutions. A core activity includes the programme support, management and administration and related costs required to undertake it" (IOM/29/2001-FOM/28/2001, Annex A, para. 1.2).

15. In response to the request of the Standing Committee for UNHCR to develop clear criteria for eligibility and reporting as to the requirement that projects under ORII should be limited to those falling within the High Commissioner's core mandate, UNHCR has issued the following guidance:

"The Standing Committee [at its 32nd meeting] echoed the principle contained in the 2004 Annual Programme Budget by specifying that the ORII mechanism be "limited to the funding of projects falling within the High Commissioner's core mandate" and requested UNHCR to ensure this objective through clear criteria for eligibility and the provision of appropriate advice to potential donors.

Consequently, UNHCR proposes that ORII projects, in addition to the criteria listed in paragraph 1 above [namely additionality and that the activities be new or expanded ones], should have a clearly established link to the protection of refugees and other persons of concern to the Office, and/or to durable solutions for the same. The desired outcome of such projects should include the promotion, facilitation and implementation of international norms and agreed standards in the treatment of persons of concern; the securing of durable, protection-oriented solutions; and the provision of special attention to the situation of vulnerable groups and others with specific needs" (UNHCR Website/Charts/Operational Reserve Category II).

16. If the Executive Committee continues with the ORII initiative, it may be necessary to revisit this issue (see below). The issue of criteria was extensively discussed at the 17 May 2006 informal briefing. Member States feel that not only should the activities funded under the ORII mechanism be consistent with the Mandate of the Office, they should not distract from the strategic priorities approved in the Annual Programme Budget, nor the pursuit of key core activities.

17. Moreover, the SICG consultant feels that clearer internal guidelines will need to be developed to answer a range of questions: for example, when an activity is described as *new* or *additional*, what is the point of comparison? - only the programmed activities approved under the Annual Programme Budget? Further guidance is also necessary in relation to those new or additional activities (e.g. relating to emergencies, voluntary repatriation etc.) foreseen under the Financial Rules for the Operational Reserve (Category I); how does one differentiate these from the OR II activities?

Way Forward: Options

18. In the opinion of SICG, there would appear to be six options available to the Executive Committee in regard to the current pilot phase of the Operational Reserve Category II:

(i). discontinue the pilot project; this would not be seem a logical move as the reasons for originally establishing the funding mechanism are still valid and there is no guarantee that the \$30 million currently coming to UNHCR under the ORII would then necessarily come to the Annual Programme Budget.

⁴ The recent General Assembly Resolution (59/170) on the Office of the United Nations High Commissioner for Refugees, contains the following in its operative paragraph 8: "Emphasizes that international protection of refugees is a dynamic and action-oriented function that is at the core of the mandate of the Office of the High Commissioner and that includes, in cooperation with States and other partners, the promotion and facilitation of, inter alia, the admission, reception and treatment of refugees in accordance with internationally agreed standards and the ensuring of durable, protection-oriented solutions, bearing in mind the particular needs of vulnerable groups and paying special attention to those with specific needs, and notes in this context that the delivery of international protection is a staff-intensive service that requires adequate staff with the appropriate expertise, especially at the field level"

(ii). mainstream the pilot project in much the same form as it exists now, namely as a distinct ORII category, and modify the UNHCR Financial Rules governing the Operational Reserve so as recognize the ORII as one of UNHCR's normal funding mechanisms;

(iii). integrate the funding mechanism into a single Operational Reserve, with the addition of clear additional criteria to those already governing the Operational Reserve; this proposal is similar to the previous one, with the exception that there would only be one Operational Reserve (with various sub-categories or types of activities addressed through the single Reserve).

(iv). introduce a new budget category in the Annual Programme Budget (but distinct from the Operational Reserve) to cover such *new or additional activities*; in proposing this approach, the main reason would be the recognition that the current pilot ORII funding mechanism is seen to be working well, except that the type of activities/ projects being funded under the ORII do not have the *characteristics* normally associated with a contingency reserve. A possible title for the renamed ORII, which would be a separate budget category from the Operational Reserve could be "New or Additional Activities: Mandate-related"

(v). establish a Trust Fund for such new/additional activities, but outside the Annual Programme Budget; the draw-back with this proposal, in addition to it being outside the Annual Programme Budget, is that consistent with the UN understanding of Trust Funds, Member States supporting such a Trust Fund would not be seen as making contributions to UNHCR, when making contributions to the proposed Trust Fund. In addition, the consultant recalls that at the time of the first review, a number of Member States expressed opposition to a Trust Fund as a serious alternative way by which the purposes envisaged under the ORII might be achieved. The reasons for this opposition related to issues of governance and transparency.

(vi). establish a Supplementary Programme (which would be ongoing and not rolled-up into the Annual Programme Budget) for "New/Additional Activities: Mandate-related"; this proposal which is somewhat like the one made above for a similarly named budget category in the Annual Programme Budget. For the consultant, the main drawback with this proposal is that it would be outside the Annual Programme Budget.

19. Of the above options, the consultant favours (iv), for the following reasons:

- a) the initial perceived need that the pilot project was meant to address still exists;
- b) there is no evidence that the pilot project has been diverting resources from the Annual Programme Budget contributions;
- c) that if the pilot is discontinued, current resources coming to UNHCR through the pilot project would not necessarily find their way into the Annual Programme Budget;
- d) that the purposes of projects/activities currently being resourced under the pilot project do not have the characteristics of projects/ activities normally funded under an operational reserve; hence it would be better to call the mechanism by another title.
- e) that for reasons of transparency and reporting, it would be better to keep the funding mechanism in the unified budget.

Criteria

20. If this option is accepted, a change in Financial Rules would not be strictly necessary as the proposal is only to introduce an additional appropriation line into the Annual Programme Budget. On the other hand, it would be important to draw up clearer guidance for UNHCR staff and donors on the types of activities that could be accommodated under this budget category, especially on how to differentiate them from those that would be resourced through the Operational Reserve (or currently ORI).

21. In paragraphs 12-17 above, the question of criteria has been touched on already. For many donors this is a key issue as they do not want to see this mechanism as a distorting element on the approved Annual Programme Budget and the implicit priorities that it incorporates, nor distracting from the pursuit of those activities at the core of the mandate (see footnote 4 above). Others see the ORII mechanism as an interim measure as UNHCR moves to a full needs-based budget, whereby this mechanism is being used to accommodate activities that normally would have found their way into such a budget, if it already existed. For example, those activities that are presented by UNHCR operations in the field in their budget submissions, but which are subsequently excluded at the Headquarters level as part

of the annual budget review exercise prior to the presentation of the budget to the Executive Committee for approval, are, in the opinion of some donors, the preferred activities/projects for funding under the ORII. On the other hand, there are some activities that were funded through private sector fundraising activities, and that have been processed through the ORII, that are not only consistent with the mandate of UNHCR, but have improved the situation of refugees. It would seem useful to have criteria that would respect the primary focus on activities directly related to the mandated activities and directly linked to the approved budget priorities, while not excluding other activities that are consistent with the mandate of UNHCR.

22. It may be sufficient to revert to a broader criterion, namely that activities not only be consistent with the mandate of the Office of the High Commissioner for Refugees, but also ensuring that activities approved through the ORII mechanism should not detract from the strategic priorities reflected in the Annual Programme Budget, nor dilute efforts by UNHCR to pursue durable solutions and other high priority activities at the core of the mandate of the Office. A possible reading for such criteria might be:

"Activities to be funded by additional contributions under the proposed "New or Additional Activities: Mandate-related" category in the Annual Programme Budget should be:

- (i) consistent with the activities and strategies in the approved Annual Programme Budget and which, but for budgetary constraints, would have been included in that Budget; or
- (ii) consistent with the Mandate of the Office and do not detract from the pursuit of the approved Annual Programme Budget".

It is recognized that the criterion that such activities are funded through *additional* resources, may, at times, be difficult to verify; UNHCR, through its Donor Relations and Resource Mobilization Service (DRRM) will continue to remind donors of UNHCR's funding priority which is that of resourcing the Annual Programme Budget, and Supplementary Programmes as they come on line.

Budget Presentation and Reporting

23. If the proposal for the new budget category "New or Additional Activities: Mandate-related" is accepted, then the relevant budget Table (Table 1.3 of the 2005 UNHCR Annual Programme Budget; document A/AC.96/992, p. 35) would be as set out in Appendix 2. Moreover, it would be important to continue to include reporting on this new budget category in Executive Committee documentation, comparable to what is being provided for the current pilot project ORII, but improved along the lines recommended in the first SICG Report, namely a fuller description of the purposes of a contribution, and the name of the donor.

Administrative Charge

24. A further issue is the charging of (or rather the deduction of) an administrative fee for costs incurred in managing the ORII projects. Currently, no administrative costs are included (i.e. except for the EC contributions that include an administrative overhead). The tracking, monitoring and reporting of projects under the ORII, even though it is currently in the Annual Programme Budget, represents significant overhead costs. The SICG consultant recommends that the management of UNHCR should negotiate the charging of an administrative fee (using the standard 7% charge) with the Executive Committee to cover such costs.

Incentive-based Fundraising

25. In the course of this evaluation, the consultant has been asked questions as to the likely impact on the ORII of the new initiative called "Incentive-based Fundraising". As there is, to date, no empirical data on which to base a judgement, it is difficult to answer this question. But if one considers the rules or criteria governing both the ORII and "Incentive-based Fundraising", one can safely say that there should not be any adverse impact on the ORII, as one is dealing with two distinct things: The "Incentive-based Fundraising" is focused on programmed activities under the approved Annual Programme Budget, whereas the ORII is looking at new unprogrammed activities.

Conclusion

26. The SICG consultant would like to thank Member States of the Executive Committee and the staff of UNHCR for facilitating his work on this second evaluation of the Operational Reserve Category II.

Appendix 1

1.1 OR II: Overall Analysis of Contributions 2004-2005

2005 SUMMARY OF CONTRIBUTIONS (US\$ '000)					31st Dec. 2005	
Contribution Source	OR I	OR II	SP's	JPO	Annual Programme	Total Contributions US\$
Government Donors	7,169	18,039	238,365	9,603	701,830	975,006
European Commission	0	8,299	28,109	0	49,722	86,130
Intergovernmental Donors	0	418	165	0	1,029	1,612
UN Donors	0	650	1,614	0	357	2,621
Private Donors	0	2,015	19,251	0	8,979	30,245
Total Contributions:	7,169	29,421	287,504	9,603	761,917	1,095,614

2004 SUMMARY OF CONTRIBUTIONS (US\$ '000)					31st Dec. 2004	
Contribution Source	OR I	OR II	SP's	JPO	Annual Programme	Total Contributions US\$
Government Donors	8,060	14,857	139,405	10,030	679,558	851,911
European Commission	0	6,121	6,543	0	67,857	80,521
Intergovernmental Donors	0	612	110	0	992	1,714
UN Donors	0	2,126	7,126	0	19	9,271
Private Donors	0	2,026	5,088	0	11,735	18,848
Total Contributions:	8,060	25,741	158,272	10,030	760,161	962,264

COMPARISON OF CONTRIBUTIONS (US\$ '000) - 2005 VERSUS 2004					31st Dec. 2005	
Contribution Source	OR I	OR II	SP's	JPO	Inc (Dec) Contributions 2005 V 2004	
Government Donors	(891)	3,182	98,960	(427)	22,272	123,095
European Commission	0	2,178	21,566	0	(18,135)	5,609
Intergovernmental Donors	0	(194)	55	0	37	(102)
UN Donors	0	(1,476)	(5,512)	0	338	(6,650)
Private Donors	0	(11)	14,163	0	(2,756)	11,397
Total Contributions:	(891)	3,680	129,232	(427)	1,756	133,350

1.2 OR II: Overall Analysis of Contributions 2003-2004

2004 SUMMARY OF CONTRIBUTIONS (US\$ '000)					31st Dec. 2004
Contribution Source	OR I	OR II	SP's	JPO	Total Contributions US\$
Government Donors	8,060	14,857	139,405	10,030	679,558
European Commission	0	6,120	6,543	0	67,857
Intergovernmental Donors	0	612	110	0	992
UN Donors	0	2,126	7,126	0	19
Private Donors	0	2,026	5,088	0	11,735
Total Contributions:	8,060	25,741	158,272	10,030	760,161

2003 SUMMARY OF CONTRIBUTIONS (US\$ '000)					31st Dec. 2003
Contribution Source	OR I	OR II	SP's	JPO	Total Contributions US\$
Government Donors	8,740	0	223,307	8,050	584,265
European Commission	0	0	21,700	0	49,433
Intergovernmental Donors	0	0	0	0	0
UN Donors	0	0	17,580	0	50
Private Donors	0	0	5,592	0	10,149
Total Contributions:	8,740	0	268,179	8,050	643,897

COMPARISON OF CONTRIBUTIONS (US\$ '000) - 2004 VERSUS 2003					31st Dec. 2004
Contribution Source	OR I	OR II	SP's	JPO	Inc (Dec) Contributions 2005 V 2004
Government Donors	(680)	14,857	(83,902)	1,980	95,293
European Commission	0	6,120	(15,157)	0	18,424
Intergovernmental Donors	0	612	110	0	992
UN Donors	0	2,126	(10,454)	0	(31)
Private Donors	0	2,026	(504)	0	1,586
Total Contributions:	(680)	25,741	(109,907)	1,980	116,264

Note: The 2004 Summary of Contributions Table (as included in the First OR II Evaluation Report by the Consultants dated January 31, 2005) has been updated to agree with the 2004 Audited Accounts. The first Evaluation, as stated in that Report, was based on early (mid-December 2004) unaudited figures; the findings of the Evaluation, however, are not affected by bringing the amounts up to date.

Appendix 2

Proposed Annual Programme Budget Structure

Regional and Global Programmes/Headquarters
West Africa
East and Horn of Africa
Southern Africa
Subtotal Africa
CASWANAME
Asia and the Pacific
Europe
The Americas
Global Programmes
Headquarters (including Regular Budget)
Total Programmed Activities
Operational Reserve
Total Programmed Activities and Operational Reserve
New or Additional Activities: Mandate-related
Junior Professional Officers
Total Annual Programme