

MOBILIZING RESOURCES FOR A UNIFIED BUDGET:  
THE PLEDGING CONFERENCE

I. PURPOSE

1. The recent introduction of a unified Annual Programme Budget has brought to the fore two issues of concern to UNHCR:

- How to develop an effective pledging mechanism to ensure that UNHCR has adequate resources available at the beginning of a programme year covering the entire Annual Programme Budget?
- How can UNHCR acquire information on the level, spread and scheduling of contributions as early as possible after the unified Annual Programme Budget is approved by the Executive Committee in October and the launch of the Global Appeal in December?<sup>1</sup>

2. The contents of this document are based on a note providing background information on the above two issues, discussed in consultations held over recent months. It should be read in conjunction with the document *Resource Mobilization for the Unified Budget of UNHCR*, which was presented for consideration during the Consultations on Resource Mobilization, Earmarking and Budget held in December 1999. A draft decision is contained in Annex 1 for consideration by the Standing Committee.

II. BACKGROUND

3. UNHCR's pledging conference forum -- the Ad Hoc Committee of the General Assembly for the Announcement of Voluntary Contributions to the Programmes of the Office of the United Nations High Commissioner for Refugees -- was created in 1961 by a General Assembly resolution adopted at the initiative of the Fifth Committee.<sup>2</sup> The Ad Hoc Committee was born of a recognition that a mechanism was needed to secure voluntary contributions towards programmes approved by the General Assembly but for which funds were not available from the United Nations Regular Budget.

4. The principal reason for convening the Pledging Conference during the annual session of the General Assembly was to give the Assembly an indication of the financial support that it may be expected will be forthcoming for the next financial year before considering the report of UNHCR. "In deciding the future scope of these programmes, the Assembly will therefore be in a position to make a realistic appraisal of the funds available for their implementation."<sup>3</sup>

5. The UNHCR Pledging Conference is traditionally timed to coincide with the close of the Third Committee and is part of a long-established sequence of meetings (Advisory Committee on Administrative

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<sup>1</sup> These concerns were described in some detail in the relevant sections of document SC/Budget/1 of 13 January 1999, entitled *Consultations on UNHCR's Budget Structure: Resourcing and Managing a Unified Budget*.

<sup>2</sup> General Assembly resolution 1556 (XV) created the Ad hoc committee for one year, under the chairmanship of the President of the regular session of the General Assembly. The following year, the General Assembly resolved to convene the Ad hoc committee "as soon as practicable after the opening of *each* regular session of the General Assembly." (General Assembly resolution 1729 (XVI)).

<sup>3</sup> "Report of the Negotiating Committee for Extra-Budgetary Funds," document A/4623 of 7 December 1960, para. 23.

and Budgetary Questions (ACABQ), UNHCR's Standing Committee, the Executive Committee of the High Commissioner's Programme, the General Assembly, Fifth Committee, and Third Committee), briefly described in the attached timeline.

6. The procedure for the Pledging Conference is as follows. UNHCR's Donor Relations and Resource Mobilization Service (DRRM), in cooperation with UNHCR's Liaison Office in New York, prepares an aide-mémoire, describing UNHCR's total requirements for the following calendar year. UNHCR New York liaises with the relevant services at United Nations Headquarters for the dispatch of invitations and the aide-mémoire to all Member States of the United Nations. Advance notice of the Pledging Conference is also given in the United Nations Journal and posted on bulletin boards. The conference is usually held the day following the close of the Third Committee, to take advantage of the presence of delegates from capitals. Pledges are made in a sequence of statements. Pledge forms are given to the head of delegation, who must sign the form. The signed pledge forms are recorded in the conference room and converted to their US dollar equivalents. This recording serves as the basis for an announcement by the Chair and the issuance of a press release on the results of the Pledging Conference. The total pledged is recorded by UNHCR and serves as the basis for its initial obligation plan covering the first quarter of the following year.

### III. ADVANTAGES/DISADVANTAGES TO UNHCR

7. The present system affords a number of advantages to UNHCR:

- The signed pledges are used as a basis to register income for expenditure on 1 January. This early income is crucial in a time of little or no year-end carry-over.
- The Pledging Conference enables DRRM to secure an organized assessment of initial contribution income for the following year, as early as November.
- Coming on the heels of the close of the Third Committee, which considers UNHCR's annual report and hears a statement from the High Commissioner, the Pledging Conference takes advantage of the interest and momentum thereby created.

8. At the same time, the present system has a number of disadvantages:

- Attendance at the annual Pledging Conference is relatively limited or, at times, very poor.
- Although the report of the Executive Committee is considered within the Third Committee, which immediately precedes the Pledging Conference, there is, in practice, a disconnect between the Pledging Conference and the Executive Committee.
- Variations in national fiscal years make it impossible for some countries to use the Pledging Conference mechanism owing to its timing.
- The Pledging Conference does not give a clear indication of the total amounts which UNHCR can expect to raise for the following year.
- There is no link between the budgetary mechanism and the funding mechanism.

### IV. STRENGTHENING DIALOGUE ON RESOURCE MOBILIZATION

9. In view of the adoption of a unified Annual Programme Budget and its approval by the annual session of the Executive Committee, pledges can henceforth be made to UNHCR's unified budget during the Pledging Conference. Any initiative to modify the timing, format or venue of the Pledging Conference per se, however, would require a General Assembly resolution on the initiative of the Fifth Committee. UNHCR is convinced that this mechanism should only be modified after a full analysis of alternatives, including whether the present advantages to UNHCR would be maintained.

10. For the above reasons, UNHCR believes that timely consultations are needed to assist States to prepare for the Pledging Conference and encourage early announcement of pledges. UNHCR therefore

requests consideration of whether dialogue on resource mobilization for the unified Annual Programme Budget might be strengthened in the following ways:

- Maintain the present Pledging Conference format without modification, for the time being.
- Launch preliminary consultations on the level of the Annual Programme Budget during the Operations Review Board process in April/May of a given year.
- Continue these consultations on the Annual Programme Budget in connection with the last meeting of the Standing Committee, which precedes the annual session of the Executive Committee.
- Conclude substantive discussion on the Annual Programme Budget during the annual session of the Executive Committee.
- Prepare a meeting in Geneva to be convened by the newly elected Chairperson of the Executive Committee. The meeting could be timed to be held after the annual plenary session of the Executive Committee at which UNHCR's Annual Programme Budget has been approved. During the meeting, UNHCR's DRMM would be given the opportunity to highlight the principal components of UNHCR's unified budget, as described in the Global Appeal under preparation, as well as give an indication of urgent first-quarter priorities. The meeting would seek to elicit a commitment to fund the Annual Programme Budget just approved by the Executive Committee and to give UNHCR advance notice of the likely level of commitments.
- Use the launch of the Global Appeal, timed to take place in the month of December, as a pledging opportunity in anticipation of the beginning of the calendar year.

DRAFT DECISION ON MOBILIZING RESOURCES FOR A UNIFIED BUDGET:  
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*The Standing Committee,*

*Noting* the information relating to the Ad Hoc Committee of the General Assembly for the Announcement of Voluntary Contributions to the Programmes of the Office of the United Nations High Commissioner for Refugees, contained in document EC/50/SC/CRP.14, examined by the Standing Committee at its 18<sup>th</sup> meeting;

*Noting* in particular the proposals it contains aimed at strengthening the dialogue between UNHCR and donors on resource mobilization within the context of the unified budget;

*Welcoming* the informal consultations that accompany the preparation of the budget for the next financial year, prior to its approval at the annual session of the Executive Committee;

OP1 *Requests* UNHCR to convene in Geneva a separate meeting of donors to consider the funding of the budget following its approval by the Executive Committee;

OP2 *Requests* UNHCR to make arrangements to allow United Nations members, observers and other donors to announce pledges at the meeting in early December, in Geneva, that serves to launch the Global Appeal for the coming year;

OP3 *Requests* the Chairman of the Executive Committee of the High Commissioner's Programme to propose to the Chairman of the Fifth Committee of the United Nations General Assembly that a review of the pledging mechanism be undertaken as soon as possible by the Fifth Committee, in the light of experience gained through the alternative pledging arrangement outlined above.

### UNHCR PLEDGING CONFERENCE TIMELINE

MAY/JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<b>Consultations on Priorities for Annual Programme Budget</b>	<p><b>20 July :</b> <b>Deadline for submission of UNHCR's Budget document to the ACABQ</b></p> <p>Preparation of UNHCR's Mid-Year Progress Report</p>	<p><b>End August:</b> <b>Publication of UNHCR's Mid-Year Progress Report</b></p>	<p><b>General Assembly</b> begins annual session</p> <p>Mid-September: Meeting of the <b>ACABQ</b></p> <p>Commencement of preparation of UNHCR's Global Appeal</p> <p>End September: <b>Standing Committee</b> meeting to discuss commitment levels</p>	<p>Early October: <b>UNHCR's Executive Committee approves the Annual Programme Budget.</b> This gives UNHCR the green light to raise funds against the approved budget.</p> <p>Work continues on UNHCR's Global Appeal</p>	<p>mid-November: <b>Pledging Conference</b> timed to be held one day after the close of the Third Committee</p> <p>Finalization of UNHCR's Global Appeal</p>	<p>Early December: <b>Publication of UNHCR's Global Appeal for the following year</b></p> <p>mid-December: <b>Close of the General Assembly</b></p>