

GUIDING PRINCIPLES APPLICABLE TO THE RESOURCING OF
UNHCR'S UNIFIED BUDGET

1. Questions relating to the resourcing of UNHCR's unified budget have been discussed in a series of consultations and informal meetings beginning in 1999. They have resulted in the formulation of a set of guiding principles as set out in the draft decision below.
2. This draft decision is presented to the Standing Committee for endorsement.

DRAFT DECISION

The Standing Committee,

PP1 *Welcoming* the introduction of UNHCR's Global Appeal, Global Report and Mid-Year Progress Report,

PP2 *Noting* that UNHCR is dependent for 98 per cent of its requirements on voluntary funding,

PP3 *Stressing* that direct financial support is not the only support to the work of UNHCR for refugees and other persons of concern, but that significant contributions provided by countries that host refugee populations should also be taken into consideration,

PP4 *Recognizing* that governments are the major donors, and that the current donor base is relatively narrow,

PP5 *Noting* that donors do not at present follow a standard pattern in making their contributions to UNHCR,

PP6 *Noting* further that the tendency to earmark funds has become more prominent in recent years,

PP7 *Welcoming* the recent introduction of a unified budget, combining General Programmes and Special Programmes, and the specification of support costs under Programme Support and Management and Administration, for the purpose of ensuring greater flexibility in the use of available resources as well as increased transparency in the use of funds, in line with the harmonization of budget structures within the United Nations system,

PP8 *Acknowledging* that the recent introduction of the unified budget calls for a common understanding of and approach to the funding of UNHCR's activities,

OP1 *Recognizes and supports* the following general principles:

- (a) The desirability of full resourcing and implementation of the Annual Programme Budget, as approved by the Executive Committee;
- (b) The importance of consultations between UNHCR and Executive Committee members to establish clear prioritization throughout the Annual Programme Budget cycle, and according to its mandate;

- (c) The prerogative of donors to maintain certain general priorities in their support for UNHCR's activities;
- (d) The importance of respecting and supporting the multilateral nature of UNHCR's mandate;
- (e) The importance for UNHCR of being able to predict when contributions will be received, in order to plan and implement programmes approved by the Executive Committee;
- (f) The importance for UNHCR to have adequate flexibility in the use of the funds made available, to allow it to meet established operational priorities;
- (g) The need for adequate unearmarked contributions and/or adequate earmarked contributions for both Global Operations and Headquarters, to establish such flexibility;
- (h) The need for equitable sharing, among donors, of resourcing both Global Operations and Headquarters;
- (i) The desirability for donors to avoid:
 - (i) Earmarking below country level;
 - (ii) Concentration of earmarking on specific and visible activities or situations, both geographically and in given sectors;
 - (iii) Earmarking that diverges from the activities within the Annual Programme Budget, as well as timeframes that are at variance with the annual cycle of UNHCR's programmes;
- (j) The need for UNHCR, in cases where such earmarkings cannot be avoided, to invite donors to consider meeting the cost of additional administrative work involved in implementing their contribution;
- (k) The usefulness of the Global Report and Mid-Year Report in providing donors with the information they require on the use of their contributions, on the understanding that any additional reporting requirements by donors should be brought to UNHCR's attention in a timely fashion, and an agreement reached on specific arrangements to address such requirements, including possible resources required;
- (l) The usefulness of regular consultations to address problems related to resource mobilization, including those at multilateral level, as part of efforts to maintain full transparency on all budgetary issues;
- (m) The necessity for UNHCR to make every effort to expand its donor base;

OP2 *Takes note* of the above general principles applicable to the resourcing of UNHCR's unified budget, and requests UNHCR and donors to explore appropriate measures for the implementation of these principles.