

Identifying Needs and

| The planning process |

Comprehensive assessments of the needs of people of concern to UNHCR continue to provide the basis for the Office's planning and budgeting process. The global needs assessment enables the organization to present a comprehensive picture of what it expects to be able to deliver in a given period in response to the assessed needs of the various populations of concern. It also allows UNHCR to identify the consequences of not meeting basic needs.

The planning process starts in each country with thorough assessments by multi-functional teams of the needs of the people that UNHCR is mandated to protect and assist. Each assessment builds on previous partner and inter-agency assessments, as well as on protection monitoring reports and other relevant sources of information. Information is gathered in consultation with all involved parties, including beneficiaries, representatives of host communities, government officials, donors, NGOs and other UN agencies. Assessments are designed to take into account age, gender and diversity considerations.

In 2011, following improvements to the operations management support software *Focus*, all UNHCR offices have developed their plans using new features, including a revised, streamlined results framework and a modified set of Global Strategic Priorities. At the start of the year, operations prepared plans and budgets for 2012 and 2013, in line with revised projections of population numbers and the results of the needs assessments.

In line with the revised set of Global Strategic Priorities, field offices prioritized interventions that deliver life-saving assistance; ensure key

protection activities; improve access to education and livelihoods in protracted displacement situations; strengthen protection capacity in situations of mixed migration; improve response to urban refugee situations; ensure emergency preparedness and response; and facilitate durable solutions. Headquarters divisions presented revised plans and budgets for 2012 in line with the principles of ensuring efficiency and cost effectiveness.

In May and June 2011, all country and regional operations plans for 2012 and 2013 were reviewed at Headquarters. Regional bureaux and technical support units scrutinized the plans and budgets to ensure overall coherence, consistency with guidelines and priorities and to ensure that the proposed activities could be implemented within the planning year. The 2013 plans and budgets will be reviewed and adjusted through a similar process that will take place in 2012.

As usual, at the beginning of 2012, the Office will not know the precise level of voluntary contributions that will be received for the year. This means that a phased approach to the implementation of activities will be required, based on careful prioritization and management of income and budgets.

UNHCR will monitor implementation and periodically review the situation of people of concern in critical areas throughout the year. As income levels evolve, budgets will be reviewed and areas of intervention gradually expanded. In November 2011, operations plans will be updated and priorities confirmed. As further funds become available, plans will be updated on a regular basis to show priorities and progress towards meeting the assessed needs.

| Overview of the 2012-2013 requirements |

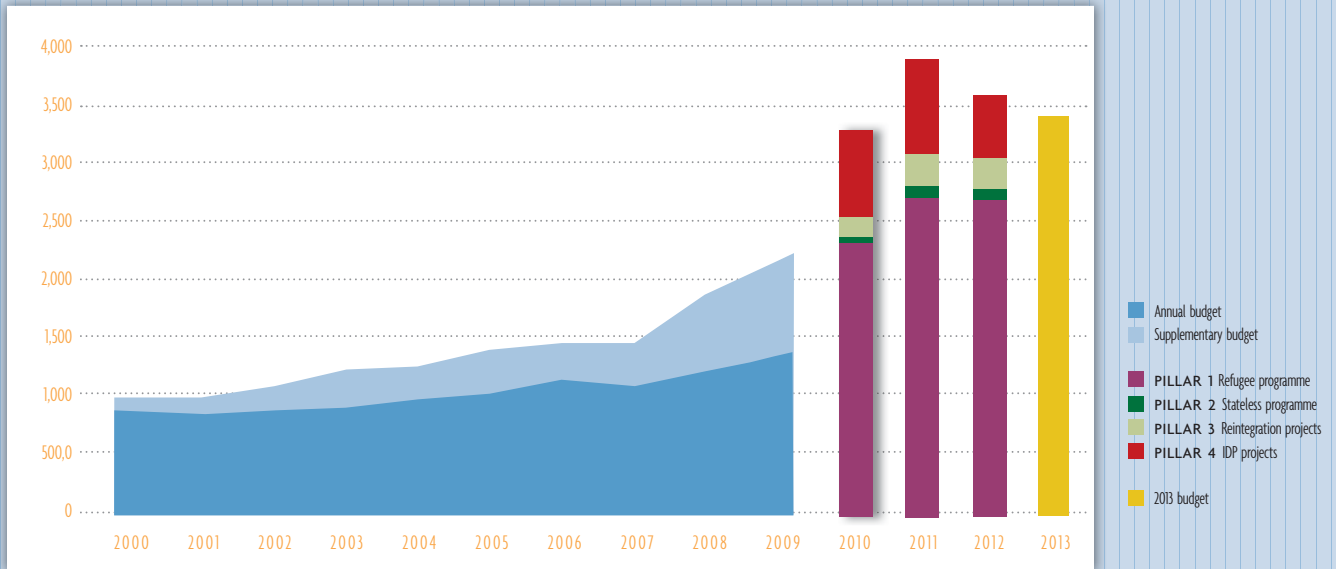
UNHCR's resource requirements for 2012-2013 are based on a comprehensive assessment of the needs of the people of concern that the Office anticipates being capable of addressing in the next two years. This is the second biennium for which UNHCR is applying this methodology to planning and budgeting, rather than the

previous approach whereby budget formulation was based on expected levels of income. This explains the significant increase in the Office's requirements as of 2010, compared to previous years. **Figure 1** illustrates the evolution of UNHCR's financial requirements since 2000.

Total requirements for 2012 amount to some USD 3.59 billion (comprising USD 3.31

Funding Requirements

FIGURE 1 UNHCR's requirements 2000 • 2013 | USD • millions



billion for programmed activities, USD 268 million for reserves and USD 12 million for the Junior Professional Officers scheme. The requirements for 2013, albeit preliminary at this stage, amount to some USD 3.42 billion. More updated requirements for 2013 will be presented for approval by UNHCR's Executive Committee (ExCom) at its 63rd session in October 2012.

The approved budget for 2012 is 8 per cent higher than the initial 2011 budget approved by the ExCom in October 2010. However, it is 7 per cent less than the revised 2011 budgetary requirements at the end of July 2011. This reflects

the growing number of emergency situations that the Office has been called upon to respond to in 2011, notably in West Africa (Côte d'Ivoire situation), the East and Horn of Africa (Somalia and Sudan situations), the Libya situation and the floods in Pakistan. The 2012 requirements include some of the needs for responding to ongoing emergencies wherever planning and budgeting for these has been possible in the course of the review and approval processes for the 2012 programme.

Figure 2 illustrates the distribution of 2012 budgetary requirements by region and pillar.

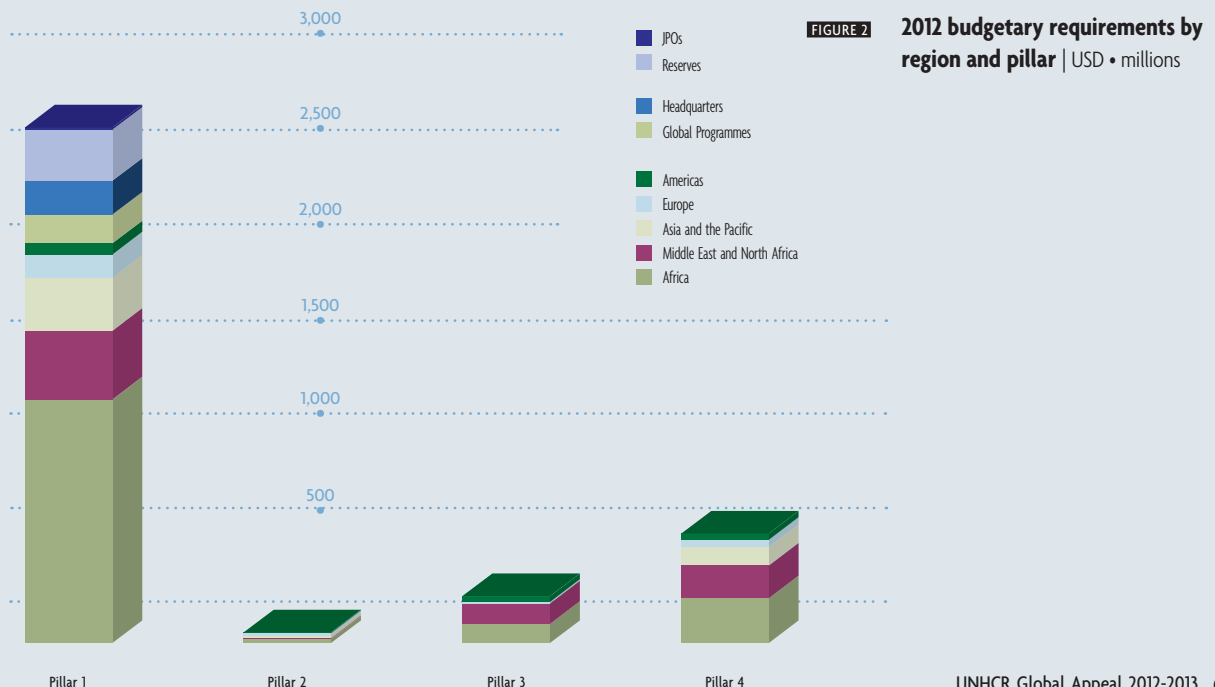
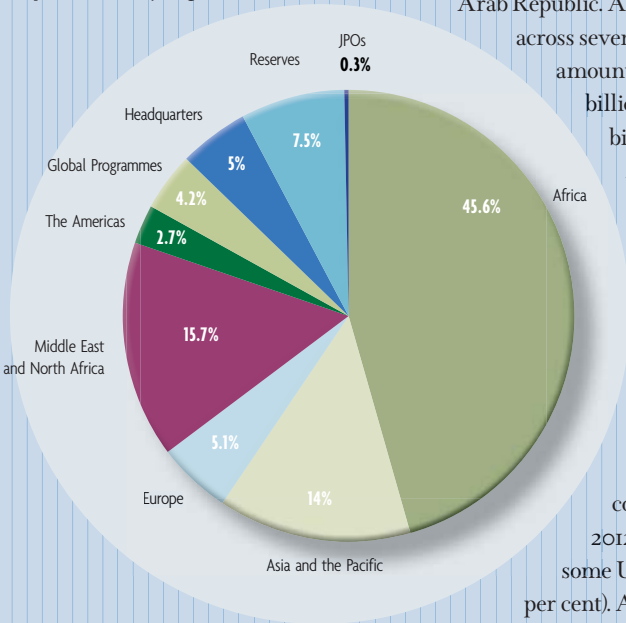


Figure 3 illustrates the global geographic distribution of 2012 requirements.

The ten largest operations in the field are located in three regions: Africa, Asia and the Pacific, and the Middle East and North Africa. They are: Afghanistan, Chad, the Democratic Republic of the Congo, Ethiopia, Iraq, Kenya, Pakistan, Sudan, South Sudan and the Syrian Arab Republic. All have requirements

FIGURE 3
2012 budgetary requirements by region



across several pillars,

amounting to USD 1.54 billion and USD 1.47 billion in 2012 and 2013, respectively, which corresponds to 43 per cent of the total requirements each year.

Pillar 1, the refugee programme, remains the largest component of the 2012 requirements at some USD 2.7 billion (76 per cent). Almost half of the

requirements for Pillar 1, some USD 1.28 billion (47 per cent), are in Africa, which remains the region with the highest levels of displacement. This is followed by the Middle East and North Africa, accounting for 13 per cent (USD 360 million). Asia and the Pacific, Europe and the Americas account for 10 per cent, 5 per cent and 2 per cent of the Pillar 1 requirements, respectively. The remainder covers Global Programmes, Headquarters, the reserves and JPOs. It should be noted that Headquarters accounts for less than 5 per cent of total 2012 requirements.

Pillar 2, the stateless programme, accounts for some USD 56.2 million or 2 per cent of total 2012 requirements. Thirty-six per cent of UNHCR's financial requirements for stateless people are in Africa, followed by 32 per cent in Asia and the Pacific, 18 per cent in Europe, 8 per cent in the Americas and 6 per cent in the Middle East and North Africa.

Reintegration projects, budgeted in Pillar 3, account for some USD 246.4 million or 7 per cent of total 2012 requirements, representing a decrease from the 2011 requirements of USD 289.7 million. There are some decreases in Africa, the Middle East and North Africa region and Europe, whereas a significant increase is foreseen in the Asia and the Pacific region, largely representing expanded engagement in the reintegration of returnees in Afghanistan and support for Afghan refugees and host communities in Pakistan.

Projects for internally displaced persons (IDPs), included in Pillar 4, account for 16 per cent (USD 575.5 million) of the total 2012 requirements, highlighting UNHCR's continued engagement with the internally displaced. The 2012 requirements for Pillar 4 are 26 per cent (USD 197.5 million) less than revised 2011 requirements. This represents a scaling down in some of the operations, notably UNHCR's support to the victims of the 2010 floods in Pakistan. In 2012, 41 per cent of IDP-related requirements are in sub-Saharan Africa, again underscoring the scale of displacement issues in this region. Sub-Saharan Africa is followed by the Middle East and North Africa region (30 per cent), Asia and the Pacific (17 per cent), with Europe and the Americas accounting for 7 per cent and 6 per cent, respectively, of the requirements included in this pillar.

FIGURE 4
2012 budgetary requirements by programmed field activities
| USD • millions

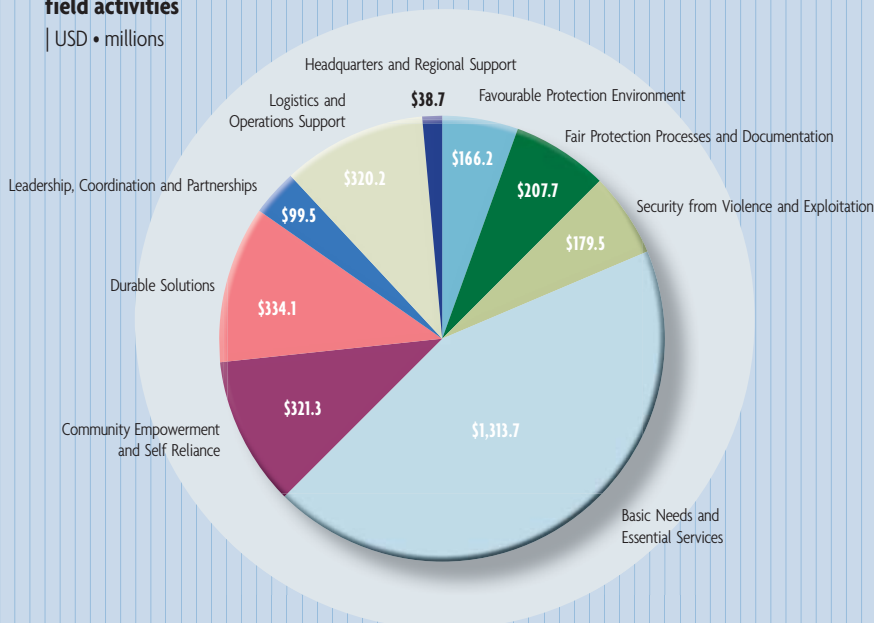


Figure 4 shows 2012 programmed activities in the Field. Basic needs and essential services comprise the bulk of these activities, accounting for almost 40 per cent (USD 1.31 billion). Durable solutions, community empowerment and self-reliance, logistics and operations support represent 30 per cent (10 per cent each). Headquarters and regional support (including regional structures in the Field and Global Programmes) account for 11 per cent. Key protection work carried out by UNHCR (durable solutions, community empowerment and self-reliance, fair protection processes and documentation, security from violence and exploitation, favourable protection environment) accounts for almost 37 per cent (USD 1.21 billion) of total programmed requirements for 2012. **Figure 5** shows the budgetary requirements for programmed activities by region.



International Public Sector Accounting Standards

The **International Public Sector Accounting Standards (IPSAS)** are being implemented throughout the United Nations to replace the United Nations System Accounting Standards (UNSAS), as part of ongoing efforts to align the organization with internationally recognized accounting standards and best practices.

Following the United Nations General Assembly resolution (A/Res/60/283) that approved IPSAS as the accounting standards for the United Nations, UNHCR aims to be IPSAS-compliant as of 1 January 2012. The Office is working closely with the United Nations System IPSAS Task Force, other UN organizations that have already adopted IPSAS and the United Nations Board of Auditors for successful implementation, with the aim of publishing IPSAS-compliant financial statements as of 31 December 2012.

One of the basic differences between UNSAS and IPSAS is that the former accounting standards are based on modified cash-basis measures and IPSAS is based on accrual measures. The accrual method of accounting provides increased transparency, particularly in respect of an organization's assets and liabilities, and better monitoring of the financial situation. Budgets will continue to be formulated on a cash basis, and expenditures (disbursements and commitments) reported against the budget on a comparable basis (modified cash basis), as per current practice. Financial reporting to donors will therefore not change, and the differences with the financial statements prepared on accrual basis will be disclosed in the notes to the financial statements.

Adoption of IPSAS also means that UNHCR will change the way it records income, expenses, assets and liabilities. Assets which were previously not recorded in the accounts, such as Properties, Plant and

Equipment (PPE) and Inventory will now be recognized in the financial statements, and liabilities such as After Service Health Insurance will be recognized as they are accrued.

Recognition of inventories and PPEs in the financial statements will provide a better picture of assets held and will also result in greater efficiency in the deployment of these assets at the operational level. From the liability recognition standpoint, the accrual concept provides more information on the long-term implications of present decisions and activities, because it shows costs incurred today, but not payable for years to come, hence allowing for better risk management.

In the past year, UNHCR has made considerable progress in preparing for the adoption of IPSAS. A comprehensive Project Strategy and Plan has been developed consisting of: (a) Financial Policy and Transition, (b) Information Technology, (c) Change Management and Training, (d) Preparedness, and (e) Project Governance. The next steps are:

- Issuance of all IPSAS policies and procedures in October 2011 followed by appropriate management and training activities, which will continue throughout 2012;
- IPSAS end-to-end test ("dry run") planned in October and November 2011;
- Initial trial closure which has been planned for May 2012 with the aim of validating IPSAS opening balances, and a possible second one which will be completed in September 2012 to address remaining issues; and
- First IPSAS year-end financial closing process at the end of 2012.

In anticipation of the adoption of IPSAS in 2012, a revision was made to UNHCR's Financial Rules, which was endorsed by ExCom in October 2011. The revised Financial Rules will enter into effect on 1 January 2012.

| Consolidated appeals process |

In complex emergencies, UN agencies, NGOs, other international organizations and government officials work together to ensure a swift, efficient and appropriate response to the needs and scale of any given crisis. For members of the Inter-Agency Standing Committee, that is done by developing a response plan through the UN Country Team and with the guidance of the Humanitarian Coordinator. This enables an integrated approach to planning, implementation, monitoring and appealing for funds. Thus each agency endeavours to ensure that its activities have maximum impact while avoiding duplication in the response.

In 2012, UNHCR will participate in 14 out of 16 Consolidated Appeals: Afghanistan, the

Central African Republic, Chad, Côte d'Ivoire, the Democratic Republic of the Congo, Haiti, Kenya, Niger, the Philippines (Mindanao), Somalia, South Sudan, Sudan, Yemen, and Zimbabwe. Other consolidated appeals remain under discussion. UNHCR will also be part of any other inter-agency appeals and emergency responses to crises that have an impact on people of concern to the Office in the next two years.

For new refugee emergencies, UNHCR assumes the lead role and will, when appropriate, coordinate a joint funding appeal with agencies. Similar to the Consolidated Appeals Process for complex emergencies, UNHCR together with its partners will prepare a response plan proportionate to the severity of the refugee crisis.

FIGURE 6

UNHCR's main donors | 2010

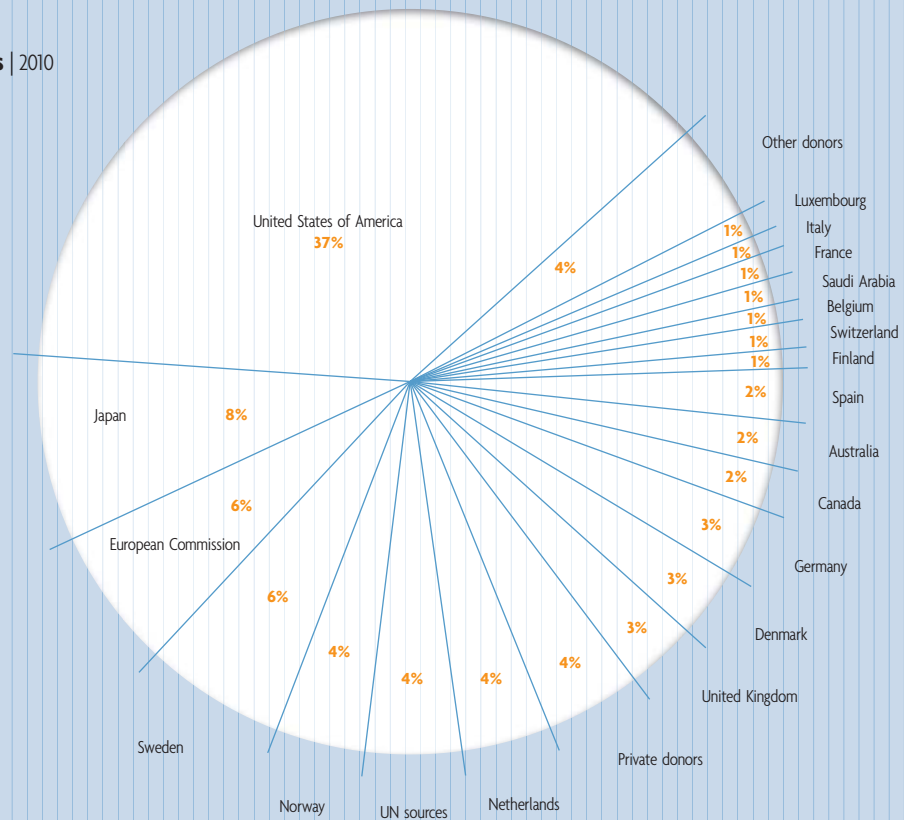
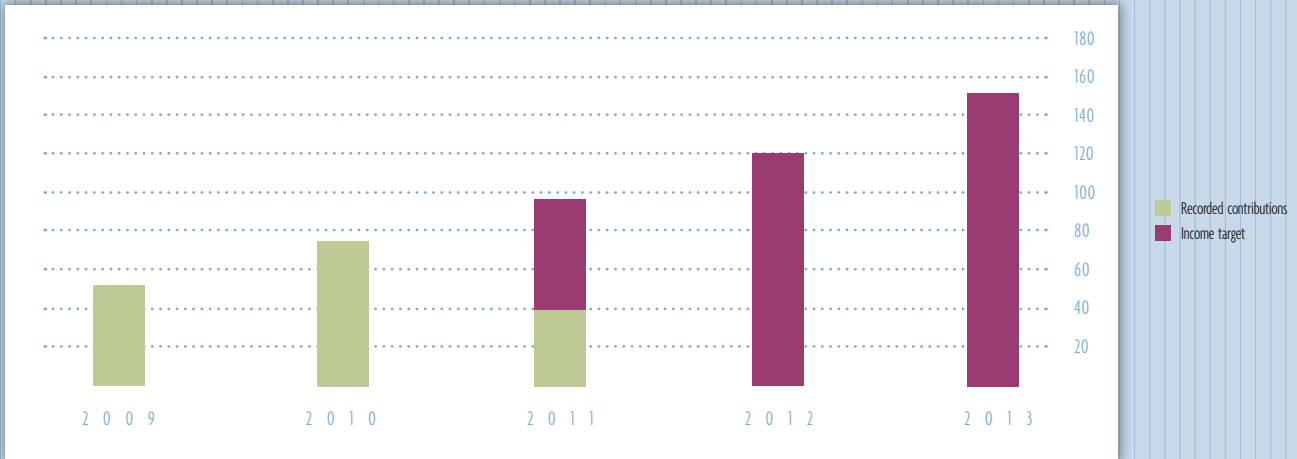


FIGURE 7 Contributions from the private sector 2009 • 2013 | USD • millions



| Resource mobilization |

The introduction of the global needs assessment and corresponding increase in financial requirements in 2010 required a change in UNHCR’s fund-raising strategy. Previously, annual programmes were prepared based on expected funding levels; now efforts have shifted towards mobilizing resources to cover the basic protection and assistance needs of people of concern that UNHCR expects to be able to address in a given year. This has changed the basic premise of UNHCR’s fund-raising strategy.

UNHCR is developing a long-term strategy with the aim of maintaining and increasing support from traditional donors; broadening its donor base, in particular, in the Gulf countries, Asia and Latin America; increasing contributions from decentralized funding mechanisms, in particular, pooled funds; engaging and working with development actors (see text box on Transitional Solutions Initiatives); and expanding support from the private sector.

Broadening UNHCR’s donor base by involving more non-traditional donors and partners will be key in the years to come to sustain the level of contributions required to cover the needs of people of concern. Investments made in the Gulf countries, Asia and Latin America are starting to show results, which will be the basis for consolidating and expanding efforts in the coming years. **Figure 6** shows the share of contributions to UNHCR by its main donors in 2010.

Fund raising from the private sector continues to play an important role in UNHCR’s efforts to diversify its funding base. Robust growth in private contributions is expected to continue, thanks to sustained investment over the past years. After raising a record USD 72 million in 2010, the symbolic threshold of USD 100 million should be exceeded in 2011, and by 2013, UNHCR expects to raise over USD 154 million from private donors, as shown in **Figure 7**.

Multi-year funding requirements for solutions

Tackling protracted refugee and IDP situations and facilitating the reintegration of returnees require long-term planning and programming. UNHCR's extensive experience has shown that the key to success can be found in joint planning with development actors and, most importantly, the support and commitment from host communities and authorities. UNHCR has now started formulating several multi-year and area-based programmes jointly with development actors. Two programmes – in eastern Sudan and Colombia - have now been formally launched as three-year Joint Programmes with UNDP under the **Transitional Solutions Initiative**.

In eastern Sudan, the programme aims at consolidating twelve camps hosting Eritrean refugees and several local communities into self-reliant villages. The initiative will include projects to improve health services, schools and infrastructure for water. Local market surveys and income generation activities will also be carried out. It is estimated that the total financial requirements for five years, up to 2016, will amount to some USD 100 million. The first phase that targets five refugee camps

is included in the UNHCR-UNDP Joint Programme, with financial requirements of USD 44.8 million for 2012-2014.

In Colombia, a newly established three-year programme specifically aims at providing successful examples of solutions for IDPs, by targeting five communities in three Departments during the first phase, and subsequently additional communities. The areas of intervention are: land, housing, access to basic services and local economic development, in parallel with measures to protect IDPs. UNHCR and UNDP are jointly appealing for USD 26.2 million for 2012-2014 for this purpose.

These solutions-oriented multi-year programmes will depend on the availability of predictable resources for a minimum of three years. UNHCR is urging donors to support this initiative by identifying additional resources, so that activities to promote solutions will not be implemented at the expense of humanitarian or emergency programmes.

Individual donors, especially regular monthly givers, are the bedrock of private sector fund raising. Their contributions bring predictable, sustainable and flexible income to the Office. By 2013, UNHCR expects to have over 700,000 individual donors, including individuals giving one-time donations, as well as committed donors making donations on a regular basis. The private sector fund-raising strategy remains focused on attracting and retaining these donors in priority countries including Australia, Germany, Italy, Japan, Spain and the United States. Over the next two years, UNHCR's partnerships with corporations and foundations are also expected to yield substantial funds, in-kind support and expertise. Developing partnerships such as those with the IKEA Foundation and the Japanese company UNIQLO among others will be a priority.

UNHCR greatly appreciates the generous donor support it has been receiving over the last 60 years. The emergencies in 2011 have shown that forced displacement continues to wreak havoc in the lives of millions of people around the world. The Office trusts that drawing attention to its comprehensive operational requirements will help the international community to understand the full picture of the needs of people of concern. Broadening UNHCR's donor base and sustaining support from traditional donors remain key aspects of the Office's strategy to close the gap between funding and financial requirements. Moreover, flexible and unearmarked contributions are important to ensure that UNHCR can make efficient use of available funding, in areas of greatest need. ■

UNHCR FINANCIAL REQUIREMENTS | USD

	Revised budget	PILLAR 1	PILLAR 2	PILLAR 3	PILLAR 4	Total	
		Refugee programme	Stateless programme	Reintegration projects	IDP projects		
Operations	2011	2012					2013
Central Africa and the Great Lakes	416,551,285	241,550,039	3,337,931	81,606,465	55,131,911	381,626,347	313,261,846
East and Horn of Africa	1,091,158,347	818,674,109	9,720,178	3,388,411	165,167,472	996,950,170	958,323,572
West Africa	226,307,683	136,238,603	4,466,223	15,059,863	13,005,332	168,770,020	156,290,336
Southern Africa	91,261,755	84,037,551	2,965,297	0	1,986,354	88,989,203	88,904,221
North Africa	146,968,929	117,728,778	68,890	0	16,925,724	134,723,392	109,953,745
Middle East	499,984,242	242,880,717	3,120,566	29,914,264	154,880,150	430,795,697	370,856,833
South-West Asia	373,884,444	150,379,068	821,992	106,322,252	68,791,227	326,314,538	359,774,469
Central Asia	23,620,278	12,430,071	2,797,403	0	7,650,184	22,877,659	16,398,225
South Asia	58,327,689	36,175,943	1,501,422	1,411,101	7,553,889	46,642,354	46,922,898
South-East Asia	89,936,639	65,231,937	12,446,302	565,000	11,669,211	89,912,450	98,982,856
East Asia and the Pacific	17,275,177	15,879,492	384,108	0	0	16,263,600	16,387,996
Eastern Europe	83,807,328	47,724,567	2,464,598	0	13,377,066	63,566,230	64,969,337
South-Eastern Europe	75,632,408	23,780,997	4,851,837	8,114,795	26,806,893	63,554,523	50,638,135
Northern, Western, Central and Southern Europe	49,887,519	51,431,824	2,975,154	0	0	54,406,978	51,236,170
North America and the Caribbean	16,924,783	7,768,837	4,264,845	0	4,166,655	16,200,337	15,550,046
Latin America	86,432,317	50,973,109	0	0	28,353,223	79,326,332	82,638,689
Global programmes	153,416,285	151,652,141	0	0	0	151,652,141	168,300,133
Headquarters ¹	174,863,146	177,763,729	0	0	0	177,763,729	176,490,734
Subtotal	3,676,240,255	2,432,301,513	56,186,747	246,382,151	575,465,291	3,310,335,702	3,145,880,240
Operational Reserve	148,196,376	248,848,811	0	0	0	248,848,811	240,711,770
Subtotal	3,824,436,630	2,681,150,324	56,186,747	246,382,151	575,465,291	3,559,184,513	3,386,592,010
NAM Reserve	15,383,652	20,000,000	0	0	0	20,000,000	20,000,000
Junior Professional Officers	12,000,000	12,000,000	0	0	0	12,000,000	12,000,000
Total	3,851,820,282	2,713,150,324	56,186,747	246,382,151	575,465,291	3,591,184,513	3,418,592,010

¹ Includes allocations from the UN Regular Budget: USD 44.1 million for 2011 and USD 42.8 million per year for 2012 and 2013.

UNHCR REQUIREMENTS



*Kosovo (SC Res. 1244) included

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

IN 2012-2013 | BY COUNTRY

