

Identifying Needs and

| The planning process |

Comprehensive assessments of the needs of people of concern to UNHCR provide the basis for the Office's programme planning and budgeting. Assessing and responding fully to the needs of UNHCR's people of concern has always been a challenge. The global needs assessment initiative, which was piloted in 2008 and implemented globally in 2009 to plan for 2010-2011 operations, allows UNHCR to present a comprehensive picture of what the Office needs – and would have the capacity to implement – to fulfil its responsibilities. It also allows UNHCR to highlight consequences when basic needs cannot be met.

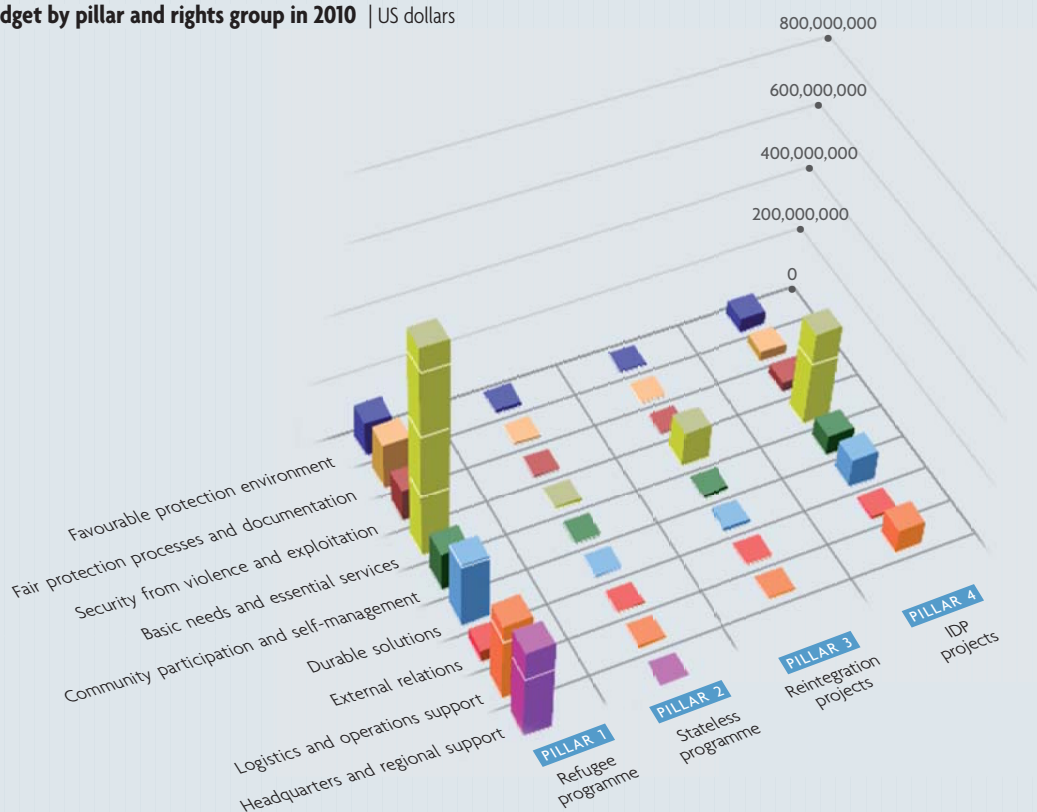
The planning process starts with thorough assessments by country teams of the needs of populations they serve. These assessments are drawn from consultations

with all involved parties, including people of concern, representatives of host communities, government officials, donors, NGOs and UN agencies. They also build on previous partner and inter-agency assessments, as well as protection reports and other relevant sources. Assessments are designed to include age, gender and diversity considerations.

Country teams translate the findings of assessments into plans and budget submissions. The resulting plans set out objectives and budgets for addressing the needs identified in relation to UNHCR's mandated responsibilities, and for which UNHCR considers it can deliver results within the biennial programme and budget cycle.

Plans and budgets for the 2010-2011 biennium are structured according to UNHCR's results framework and new budget structure. The plans

UNHCR's budget by pillar and rights group in 2010 | US dollars



Funding Requirements

and budgets are recorded in *Focus*, UNHCR's results-based management software. This allows UNHCR to consolidate information provided at a country and regional level more easily.

In April and May 2009, all country and regional plans were reviewed at Headquarters. Regional bureaux and technical support units scrutinized the plans and budgets to ensure that the activities reflected the needs highlighted in the comprehensive assessment, proposed an adequate response to the identified needs, and that the proposed activities could be implemented in the planning year.

UNHCR examined all plans to determine the extent to which they related to priority needs and reflected an apportionment of costs across operations and regions, based on the assessed needs. Office and staffing proposals were reviewed to see whether they followed established guidelines.

At the beginning of 2010, it is unlikely that the Office will know the precise level of voluntary contributions that it will receive for the year. This will require a phased approach to implementation of activities based on prioritization early in the year and careful

management of income and budgets, as in previous years.

UNHCR will review priorities and budgets periodically during the year as expected income levels evolve. To ensure smooth implementation, the Office will prepare detailed plans for activities to be implemented from January 2010, and will provide a progressive view of how needs will be prioritized as further funds become available.

Guidance has been provided to the Field to prioritize interventions that strengthen protection capacity in situations of mixed migration; reinforce core protection functions; deliver life-saving assistance; respond to the needs of urban refugees; expand access to education and livelihoods in protracted situations; ensure emergency preparedness and response; and facilitate solutions.

These activities reflect the High Commissioner's global strategic priorities and represent the objectives of UNHCR's results framework. Setting targets for improvement in 2010-II, they will guide the allocation of resources towards areas that are central to UNHCR's mandate.

| UNHCR's new budget structure |

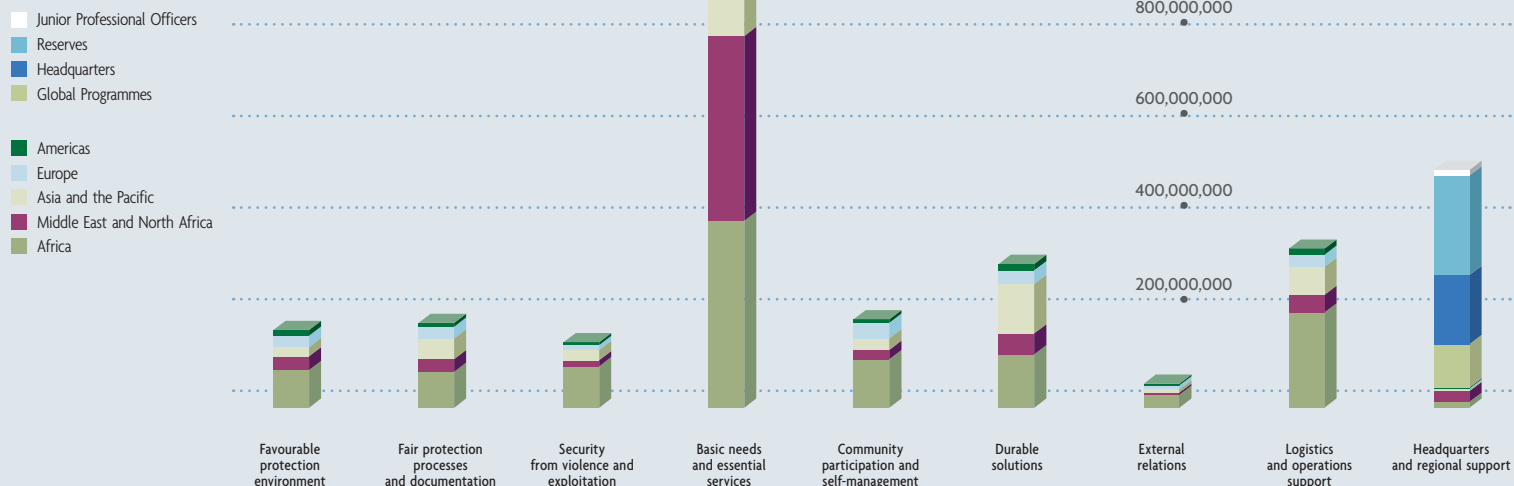
UNHCR's new four-pillar budget structure is designed to present its requirements in a more structured and transparent way. The budget is broken down into four pillars, which represent the needs of particular population groups within each operation.

The needs of refugees and asylum-seekers are shown in Pillar 1 and those of stateless people in Pillar 2. These two pillars constitute the Annual Programme Budget, which corresponds to the Office's core mandate activities. Pillar 1 also includes the initial repatriation needs of returned refugees, whereas their longer-term reintegration needs are included under Pillar 3. The needs of internally displaced persons (IDPs) are shown under Pillar 4. Pillars 3 and

4 are designed to be implemented on a project basis, which means that activities will only be implemented as funds become available. They are kept separate from the Annual Programme Budget in order to secure funding for the Office's mandated tasks. All four pillars together constitute UNHCR's annual budget.

The four-pillar budget is linked to UNHCR's new results framework. It replaces the traditional sectoral breakdown of activities with different levels of objectives (results) that the Office seeks to achieve. At the highest level, the financial requirements are shown as nine different "rights groups", which represent the main thematic groupings of results for the Office. **Figure 1** shows UNHCR's comprehensive budget across the various rights groups. Beneath the rights groups,

FIGURE 1 Budget by region and rights group in 2010 | US dollars



the financial requirements are broken down into 78 individual objectives showing a more detailed picture of the results that the Office seeks to achieve. The financial requirements of each operation are directly linked to the results to be achieved.

One third of the overall requirements in 2010 address basic needs and services for people of concern. This rights group is the largest in all regions, except for the Americas. It includes efforts to provide water, shelter, domestic items, health care, education, sanitation and other infrastructure, as well as efforts to improve

the nutritional status of people of concern and prevent diseases like HIV and AIDS.

For 2010-2011, all existing supplementary budgets have been incorporated into the annual budget. Should new emergencies occur in the course of the year, or should existing needs expand significantly, the High Commissioner will decide whether to extend the budgetary requirements.

In this Appeal, all financial requirements for operations above USD 10 million are presented by pillars, rights groups and objectives.

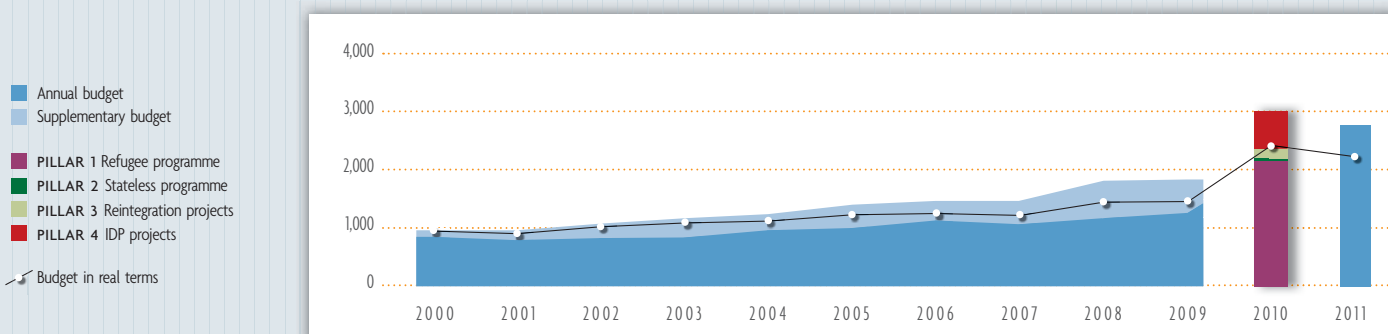
| Overview of the 2010-2011 requirements |

UNHCR's financial requirements for 2010 are based on the comprehensive needs of people of concern, rather than on the previous approach that was closely linked to expected income levels. This explains the significant increase in the 2010 requirements as compared to the previous year.

In 2010, the total requirements are just over

USD 3 billion, which is 36 per cent more than the revised 2009 requirements of USD 2.2 billion. The 2010 requirements include the Operational Reserve, the "New or additional activities – mandate-related" (NAM) Reserve, and the Junior Professional Officers scheme. **Figure 2** illustrates the change in UNHCR's financial requirements over the last decade.

FIGURE 2 UNHCR's requirements 2000-2011 | US dollars • millions



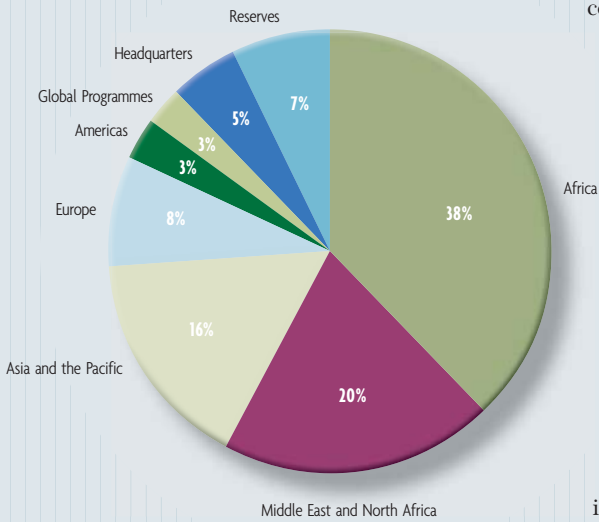
NOTE: Budget in real terms has been adjusted with the United States consumer price index, using 2000 as the base year.



UNHCR involves refugees and other displaced people in the planning process. Here, UNHCR staff in Thailand speak with refugees from Myanmar.

In 2010, UNHCR's requirements in Africa (USD 1.1 billion) will remain the highest of any region. **Figure 3** shows that Africa accounts for 38 per cent of UNHCR's total requirements. The region with the largest increase from 2009 is Asia and the Pacific, where the proportion of the budget has grown from 10 to 16 per cent of UNHCR's total. Headquarters' share of the financial requirements has been further reduced from 8 per cent in 2009 to 5 per cent in 2010.

FIGURE 3
Budget percentage by region
| 2010



The geographical dispersion of UNHCR's work is highlighted by the fact that its three largest country operations are all in different regions. Iraq is the biggest operation with a budget of USD 264 million. The increase in Iraq can be mostly attributed to the need to improve shelter and other infrastructure for IDPs. Pakistan is the second largest operation at USD 177 million, followed by Sudan at USD 174 million.

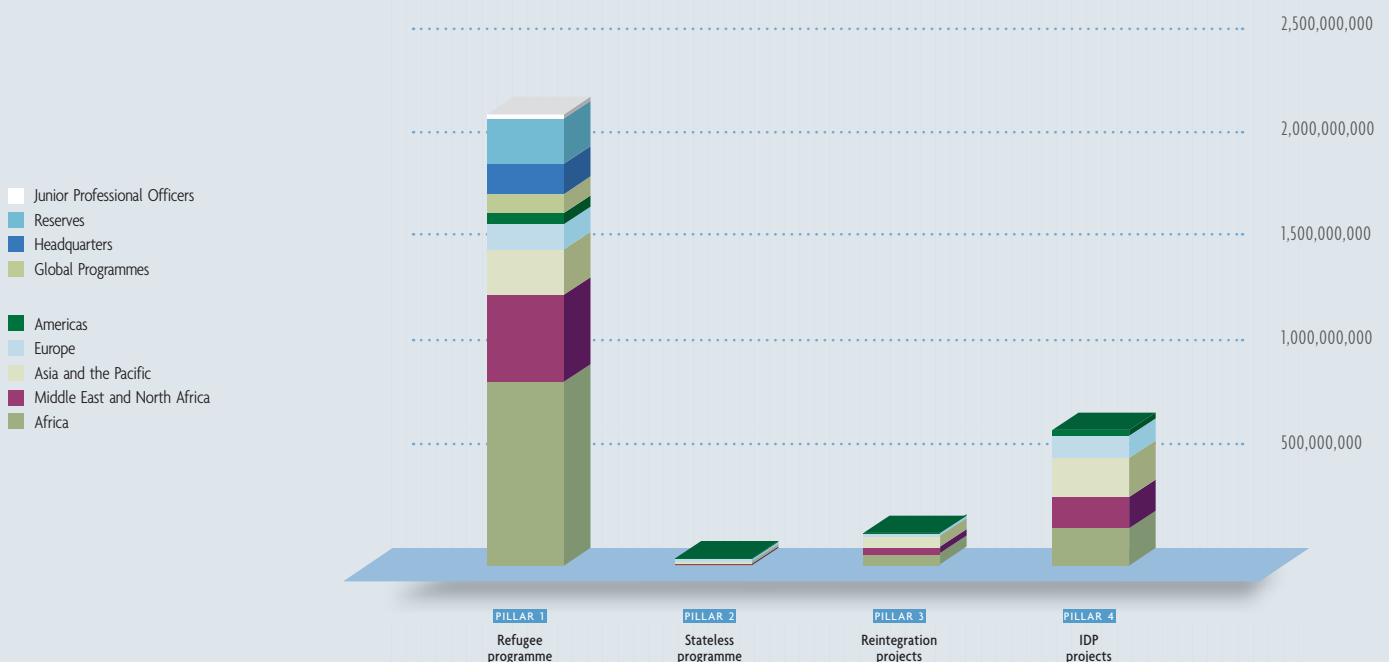
Figure 4 shows the requirements for all four pillars as well as the regional breakdown of each pillar. UNHCR's refugee programme under Pillar 1 accounts for the vast majority of the requirements. The budget for this pillar is more than USD 2 billion or 72 per cent of the total. IDPs under Pillar 4 have the second largest requirements with 22 per cent. Here, any activities relating to IDPs will be covered, including their reintegration. Pillar 2, covering stateless programmes, accounts for just over one per cent of UNHCR's budget.

In 2010, the Operational Reserve will nearly double from USD 108.2 million to USD 196.8 million. The Reserve, which is designed to address new and unforeseen activities, is set at 10 per cent of the requirements under Pillars 1 and 2.

Due to the comprehensive nature of the 2010 and 2011 planning process, the "New or additional activities – mandate-related" (NAM) Reserve has been set at USD 20 million, which is considerably less than in previous years and down from USD 90 million in 2009. However, unforeseen projects can still be accommodated under this reserve.

In 2010, the financial requirements under the Junior Professional Officers (JPO) scheme amount to USD 12 million. In 2009, eighteen countries contributed to this programme where government-sponsored young professionals work for UNHCR in various operations around the world.

FIGURE 4 Budget by pillar and region in 2010 | US dollars



| Consolidated appeals process |

Meeting humanitarian needs in complex emergencies requires comprehensive coordination between UN agencies, NGOs, other international organizations and state officials. UN agencies and other members of the Inter-Agency Standing Committee coordinate their efforts by creating a coherent response plan, developed through the UN Country Team under the leadership of the Humanitarian Coordinator. This enables organizations to plan, coordinate, implement and monitor their emergency responses and appeal for funds together.

The Consolidated Appeals Process (CAP) remains the humanitarian sector's main tool for coordination, strategic planning and programming. In 2010, there will be 15 consolidated appeals and UNHCR plans to participate in 14 of them. It will be involved in appeals for Afghanistan, Chad, the Central African Republic, the Democratic Republic of the Congo (DRC), Kenya, Nepal, Pakistan, Somalia, Sri Lanka, Sudan, Uganda, West Africa, Zimbabwe and Yemen. The Office will also participate in any new inter-agency appeals that take place during the year, which have a bearing on people of concern to UNHCR.

| Fund raising |

UNHCR funds its programmes almost entirely through voluntary contributions. Only a small portion of the Office's needs are covered from the United Nations Regular Budget, which has been proposed at USD 81 million for the biennium 2010-2011. It is therefore crucial that the Office receives enough voluntary contributions to allow it to implement its planned activities fully. Equally important are the inputs of refugee-hosting countries, which make an invaluable direct contribution by protecting and assisting refugees on their territories.

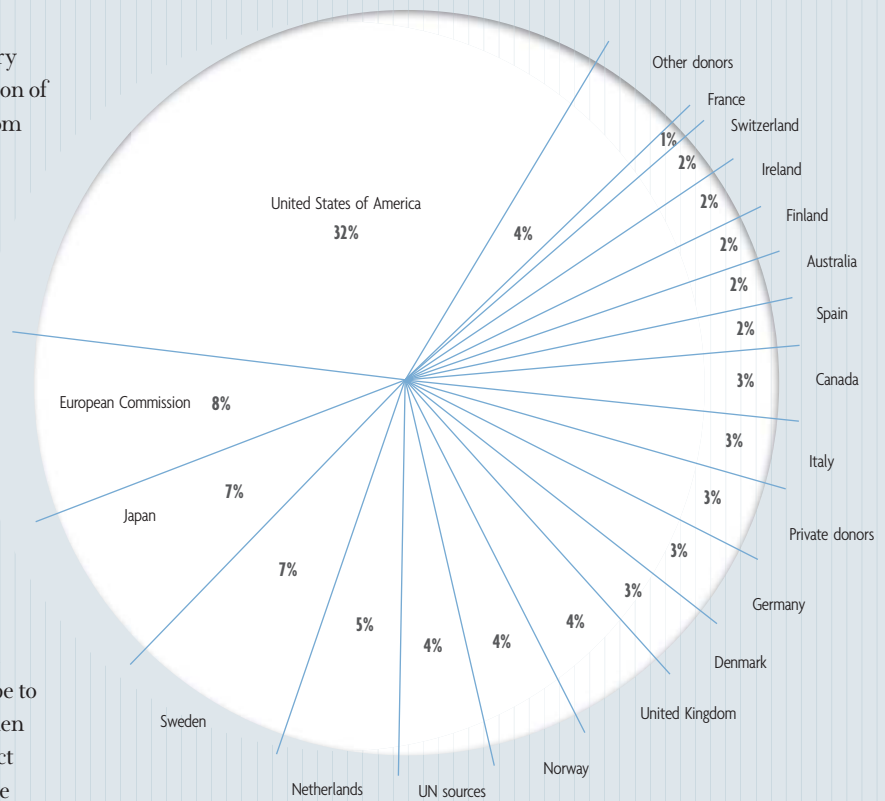
In 2010, a particular challenge includes the need to raise funds for the first time against a comprehensive budget, which is significantly larger than any past budget and which is presented in a new format. Another main challenge will be to solicit increased donor support at a time when governments are struggling with the impact of the global financial crisis. Comprehensive resource mobilization strategies, which include private sector fund-raising activities and communications and public awareness plans, will therefore be initiated for all larger operations.

Contributions to UNHCR have increased significantly in recent years – from USD 912 million in 1999 to a record of USD 1.6 billion in 2008. The increase is partly explained by strong donor support and the Office's more systematic involvement in complex emergencies, such as Iraq, Pakistan and Somalia.

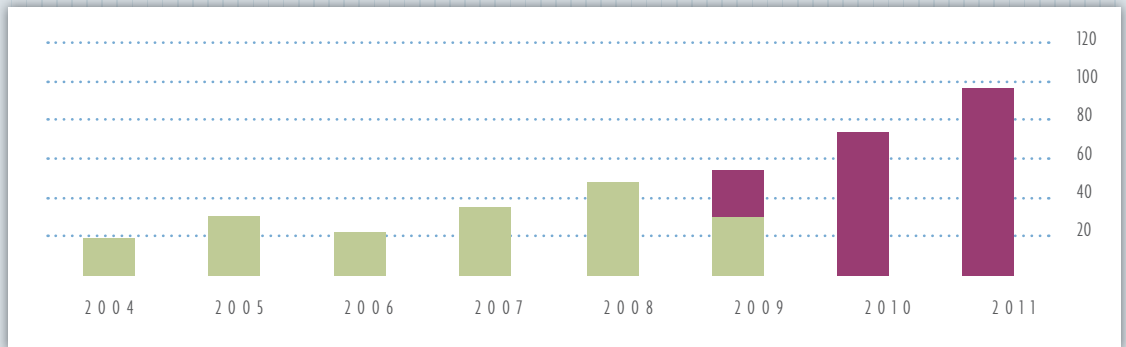
This positive trend has been maintained in 2009 despite the uncertainties related to the global financial crisis. A notable development in 2009 was the increase in support from a number of Gulf States. The current economic downturn will intensify pressure to maintain and increase funding from traditional donors while searching for new funding sources.

FIGURE 5

UNHCR's main donors | 2008



Recorded contributions
Income target



In 2010, UNHCR continues to advocate for predictable, timely and flexible contributions. The success of the new budget structure will depend on continued support through unearmarked contributions to ensure even and consistent funding for all activities. Contributions that have no restrictions or only limited earmarking are particularly valuable as they allow the Office to direct funds where they are most needed, ensuring that less visible or forgotten refugee situations and prioritized activities receive adequate resources. Multi-year contributions are important as they improve UNHCR's financial predictability. In the coming year, the Office will continue to advocate for multi-year contributions and flexible funding.

To gain more financial resources, UNHCR continues to expand its donor base. These efforts are showing gradual progress. The number of governmental donors contributing more than USD 20 million per year increased from 11 in 2005 to 17 in 2008. The increase is partly explained by favourable exchange rates, but contributions have also gone up when measured in local currencies. Similarly, dependence on the 10 largest government donors has decreased from almost 90 per cent in 1998 to 75 per cent in 2008. **Figure 5** shows the share of contributions to UNHCR by its main governmental donors in 2008. In 2010, UNHCR hopes to attract new donors and funding sources, and thereby further reduce its dependence on a limited number of donors.

Access to new and decentralized humanitarian financing mechanisms has expanded in recent years and will continue to be a priority area for growth. In 2008, UNHCR received funding from 13 UN pooled funding mechanisms, with contributions from the Central Emergency Response Fund alone amounting to USD 45.7 million. The new reintegration pillar of the budget structure will increase funding opportunities from multi-donor trust funds for reintegration and recovery programmes.

In addition, the growing importance of decentralized funding puts greater fund-raising responsibilities on field operations. In 2010, UNHCR will support regional and country offices to improve their fund-raising capabilities. A global strategy was presented to Executive Committee members at the September 2009 Standing Committee and specific fund-raising strategies are being developed for major operations. UNHCR will intensify its efforts to train staff and support field offices on how to access multi-donor pooled funds at the field level, notably in order to fulfil the detailed reporting and monitoring required by some of these mechanisms. Access to decentralized funds will require continued donor support and inter-agency collaboration.

Private sector fund raising plays an important role in UNHCR's efforts to diversify its funding base. Contributions from the private sector increased from USD 21.7 million in 2006 to USD 48 million by the end of 2008. In 2010, the target is to raise USD 73 million, representing a steady increase from previous years and in accordance with a robust investment plan. In 2011, the Office seeks to raise USD 96 million from private donors, as shown in **Figure 6**. The private sector fund-raising strategy will remain focused on individual donors, foundations and corporations in Australia, Canada, Italy, Japan, Spain and the United States. These efforts aim to secure predictable and broadly earmarked funding for the Annual Programme Budget. The Office will also consolidate its partnerships with international corporations and foundations, as well as strategically enlist new private sector partners. Individual donors, in the form of regular monthly givers, will continue to account for the biggest share of private sector income.

UNHCR hopes that highlighting its full operational requirements will help the organization to better meet the needs of a greater number of people of concern and to show a more comprehensive relationship between budgets, the populations it cares for and the main objectives of UNHCR.

UNHCR'S FINANCIAL REQUIREMENTS | in US dollars

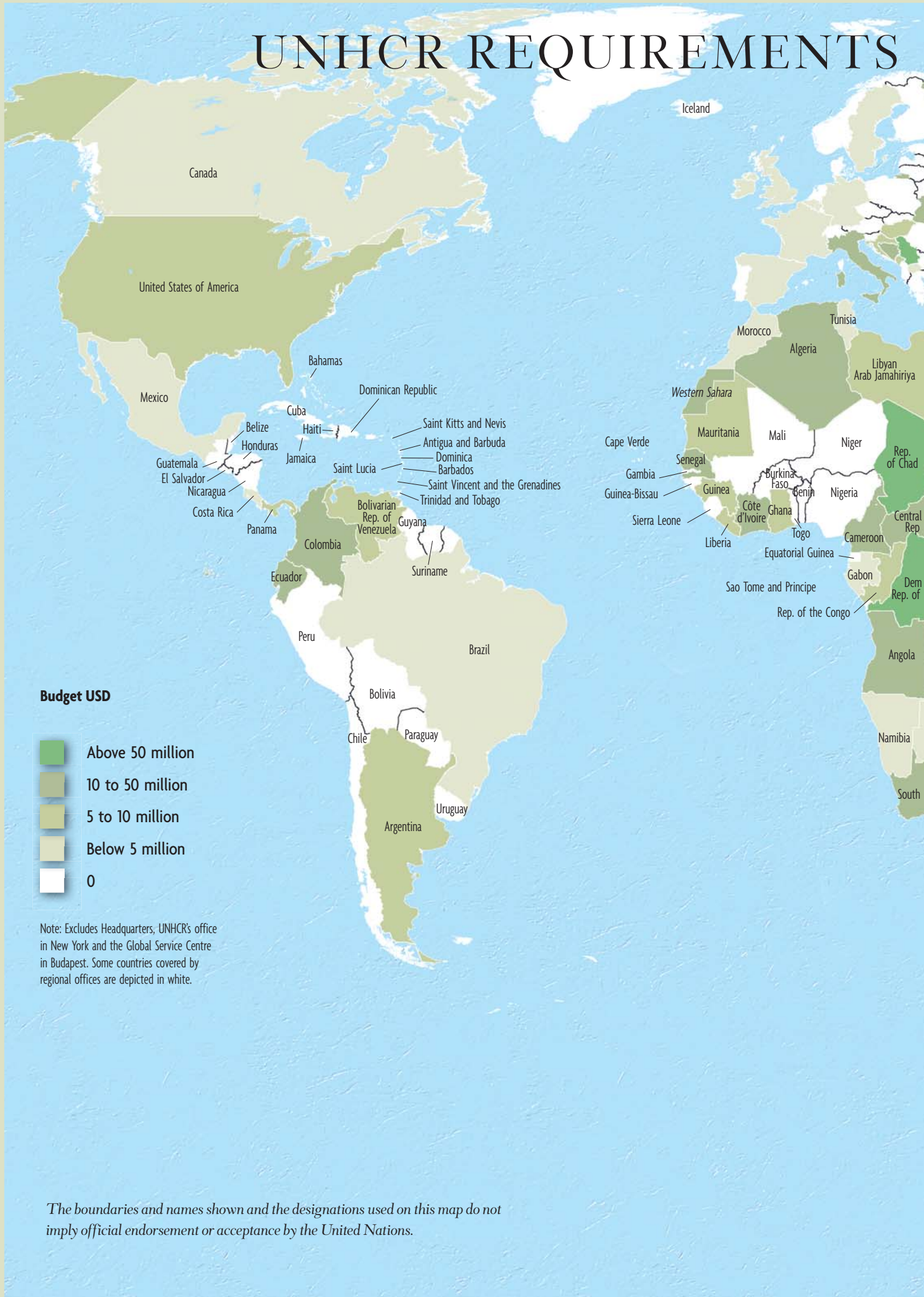
Operations by subregion	2009	PILLAR 1	PILLAR 2	PILLAR 3	PILLAR 4	Total	2011
		Refugee programme	Stateless programme	Reintegration projects	IDP projects		
Central Africa and the Great Lakes	314,182,965	329,297,966	2,460,774	18,449,837	61,951,244	412,159,821	388,213,100
East and Horn of Africa	371,704,866	415,205,093	1,697,095	28,635,180	112,845,440	558,382,807	505,092,400
West Africa	62,019,790	72,793,375	3,411,922	0	4,615,756	80,821,054	68,129,600
Southern Africa	52,752,687	62,597,583	616,856	8,262,636	3,027,517	74,504,592	60,595,400
North Africa	30,105,318	46,314,525	22,350	0	0	46,336,875	40,242,100
Middle East	430,332,146	374,789,990	2,723,029	31,088,775	149,824,038	558,425,832	502,990,000
South-West Asia	225,000,121	120,805,112	0	51,471,572	145,988,607	318,265,291	299,556,500
Central Asia	5,454,112	6,656,757	1,391,332	0	0	8,048,089	8,400,000
South Asia	53,738,279	24,738,027	277,095	2,413,005	36,330,717	63,758,845	52,622,600
South-East Asia	48,154,655	49,308,008	12,235,370	350,801	4,804,783	66,698,962	66,296,100
East Asia and the Pacific	13,674,540	13,208,817	817,477	0	0	14,026,294	13,892,000
Eastern Europe	98,812,743	47,827,387	3,405,918	4,559,411	68,992,893	124,785,609	107,206,900
South-Eastern Europe	46,394,200	34,913,592	5,127,869	11,148,423	37,977,391	89,167,275	85,804,400
Central Europe	7,093,626	8,938,441	749,329	0	0	9,687,769	9,936,100
North, West and South Europe	28,725,099	28,133,637	2,109,606	0	0	30,243,243	29,979,900
North America and the Caribbean	5,596,512	6,393,246	1,086,434	0	0	7,479,680	7,206,000
Latin America	53,603,692	43,166,861	393,207	0	27,476,204	71,036,273	78,568,600
Global programmes	134,961,903	94,421,720	0	0	0	94,421,720	90,921,720
Headquarters ¹	160,391,146	150,220,955	0	0	0	150,220,955	149,757,419
Total programmed activities ²	2,142,698,399	1,929,731,092	38,525,663	156,379,641	653,834,590	2,778,470,986	2,565,410,839
Operational Reserve	47,154,701	196,826,275	0	0	0	196,826,275	182,619,500
<i>Subtotal</i>	2,189,853,100	2,126,557,367	38,525,663	156,379,641	653,834,590	2,975,297,261	2,748,030,339
NAM Reserve	2,808,583	20,000,000	0	0	0	20,000,000	20,000,000
Support costs ³	62,069,201						
Junior Professional Officers	10,000,000	12,000,000	0	0	0	12,000,000	12,000,000
Total requirements	2,264,730,884	2,158,557,367	38,525,663	156,379,641	653,834,590	3,007,297,261	2,780,030,339

¹ Includes allocations from the UN Regular Budget: USD 45,111,200 for 2009 and USD 81,005,500 for 2010-2011.

² The 2009 budget includes supplementary programme requirements of USD 927,201,083.

³ A support cost (7%) is recovered from contributions to meet indirect costs for UNHCR.

UNHCR REQUIREMENTS



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

