

## PROPOSAL FOR THE REDESIGN OF UNHCR'S BUDGET STRUCTURE

### Addendum

#### Modifications and clarifications stemming from the consultative process on UNHCR's new proposed new budget structure

### I. INTRODUCTION

1. Since conference room paper EC/58/SC/CRP.25 was issued on 29 August 2007, consultations with Executive Committee Members have been held in various formats on the proposed redesign of UNHCR's Budget Structure. While the overall structure of the 29 August 2007 proposal remains the same, the views expressed by Members have led UNHCR to introduce certain modifications and to provide a number of clarifications.

### II. MODIFICATIONS

2. The modifications made to the August 2007 proposal relate to the content and delineation of the four pillars of the proposed new budget structure. While the titles of the pillars remain as set out in paragraph 7 of EC/58/SC/CRP.25, their content has been adjusted as follows:

- **Global Refugee Programme:** This first pillar relates to UNHCR's refugee mandate. It covers protection, assistance and durable solutions activities in countries of asylum, together with capacity building, advocacy, and resource mobilization activities. As part of its durable solutions content, the pillar includes all activities undertaken to facilitate and support the voluntary repatriation of refugees (e.g. preparations for return in country of asylum and origin, measures to address material obstacles to return, transportation, financial and material assistance packages, as well as immediate assistance for a limited period following return).
- **Global Stateless Programme:** This second pillar relates to UNHCR's mandate for statelessness. It covers all UNHCR's programmes addressing stateless people, including populations with undetermined nationality.
- **Global Reintegration Projects:** This third pillar addresses an area where UNHCR has joint responsibilities with other United Nations agencies within the context of "Delivering as One". It covers all longer-term activities to reintegrate returning refugees in their country of origin or to locally integrate refugees in their country of asylum.

Under this pillar, reintegration activities are conceived in the broader framework of the United Nations country programmes; they promote sustainability through and an effective interface between humanitarian and development action. Activities tend to be context specific but would often be in such areas such as health, education, livelihoods and infrastructural needs necessary to ensure sustainable reintegration.

- Global IDP Projects: This fourth pillar covers all internally displaced persons (IDP) operations, where UNHCR increasingly operates within the inter-agency collaborative framework of the “cluster approach”. To the extent that UNHCR is called upon to become involved in the reintegration of IDPs in any given situation, these activities will be funded under the IDP pillar, not the reintegration pillar which is reserved for refugees. A degree of flexibility will be exercised, however, in situations where refugees and IDPs are being reintegrated within the framework of the same operation.

### III. CLARIFICATIONS

3. In the course of the consultations a number of other issues have been further clarified. These are summarized below.

#### A. Funding of the different pillars

4. The Global Refugee and Stateless Programmes are funded from a common pool of funds which is managed in the same way as the current Annual Programme Budget. They are clearly firewalled from Reintegration Projects and IDP Projects which are funded on a project by project basis. In this way, budget targets collectively set by the United Nations country teams in relation to reintegration and IDP activities do not precipitate reprioritization within the Global Refugee and Global Stateless pillars from which they are insulated. Funds received for the refugee and stateless programmes cannot be moved to projects for reintegration or for IDPs.

#### B. Level at which a project is defined

5. Under the Reintegration and IDP pillars, projects will be established at the level of the overall operation for a particular country (or, on occasion, a group of countries) and not at the level of an individual activity or sector. Projects will be funded in the same way as is currently the case for Supplementary Programme Budgets (SBs).

#### C. Increased access to funding

6. UNHCR believes that the new budget structure will allow it to tap into certain categories of funds for reintegration and IDPs which are not easily accessed or absorbed under the existing budget structure because of limitations it places on overall budget space. Under the new budget structure, UNHCR will be able to explore new and diversified funding opportunities for these activities.

D. Headquarters and administrative costs

7. Headquarters and global administrative support costs for the third and fourth pillars will be funded from the Global Refugee Programme by means of a 7 per cent overhead charge on contributions to Reintegration and IDP projects.

E. Integration of refugee SBs into the Global Refugee Programme

8. Supplementary Programme Budgets (SBs) will continue to be established for those refugee operations which emerge after the Executive Committee has approved the biennial programme budget, in cases where such operations cannot be funded from the Operational Reserve. Refugee SBs will, in principle, be incorporated into the Global Refugee Programme budget for the following biennium, contingent on the operation concerned having achieved the necessary degree of stability and predictability.

F. Unearmarked contributions

9. Unearmarked contributions can be made towards the totality of UNHCR's programmes (four pillars) or towards the Global Refugee and Global Stateless Programmes. Unearmarked contributions made towards the Global Refugee and Global Stateless programmes, or earmarked contributions towards components of these programmes, cannot be moved to finance activities under the Reintegration and IDP pillars.

G. Executive Committee oversight

10. The Executive Committee will approve the totality of UNHCR's budget. In so doing, it will review known projects to be funded under the Reintegration and IDP pillars and set the budgetary space available for projects under these pillars. Where reintegration and IDP projects emerge after Executive Committee approval, including those in the Consolidated Appeals launched in November, they will be reviewed in the next Standing Committee meeting.