

## UNHCR'S NEW BUDGET STRUCTURE: MODEL FOR 2009

### I. INTRODUCTION

1. At its 41<sup>st</sup> meeting in March 2008, the Standing Committee endorsed UNHCR's proposal for a new budget structure for the 2010-2011 biennium. The new budget structure has four distinct components: (a) global refugee programme; (b) global stateless programme; (c) global reintegration projects; and (d) global IDP projects, as well as significantly enhanced descriptions of the protection and solutions results UNHCR works to achieve in its operations. The Standing Committee then requested the Office to prepare, for presentation to its 43rd meeting, an outline of the 2009 Annual programme budget, as well as any 2009 Supplementary programme budgets known at the time, in a format representing the new budget structure, with a view to incorporating any adjustments or modifications to the structure as may be recommended by the Committee.

2. This paper responds to that request and presents UNHCR's work in producing a model of the 2009 programme budget in the new budget structure. The paper provides an overview of the work carried out; presents the results of that exercise in a series of tables and charts which illustrate the ways in which UNHCR's budget will be conveyed in the future; and highlights lessons learned through the modelling exercise that UNHCR must apply to effectively make the transition to the new budget structure for the 2010-2011 biennium.

### II. THE MODELLING PROCESS

3. During the months of April, May and June 2008, the UNHCR Focus Team and the Division of Operational Services' Training Unit conducted a series of one-week workshops in each of the Regional Bureaux. The objectives of the workshops were to:

- strengthen understanding of and skills for applying results-based management (RBM) in UNHCR operations;
- enable understanding of the new budget structure and identification of its implications for operations;
- develop knowledge and skills in using UNHCR's new RBM software *Focus*;
- translate the proposed 2009 country operation plans/budgets for all operations around the world into the new budget structure using *Focus*;

- prepare participants in the workshops to present to colleagues the new budget structure, the *Focus* software and their efforts to translate their 2009 country operation into the new budget structure using *Focus*;
- begin the process of preparing UNHCR offices around the world to submit their 2010-2011 operations plans/ budgets in the new budget structure using *Focus*.

4. A total of 190 staff members participated in the *Focus* workshops. During the workshops, country teams recast their 2009 operations plans submissions in the new budget structure using *Focus*. To do so, they had to:

- translate their 2009 planned results into the format of the new budget structure;
- select relevant indicators and targets for their planned results;
- translate their 2009 proposed budgets into the format of the new budget structure;
- record their organigrams and administrative support budgets in *Focus*
- apportion the cost of all UNHCR staff in the UNHCR operation to their planned results on the basis of time estimates required to achieve objectives; and
- incorporate relevant narrative content from their 2009 Country Operations Plans submissions into *Focus*.

5. In July and August, UNHCR teams further refined their work. The *Focus* Team and staff members in the Bureaux supported this effort by providing technical assistance on the use of *Focus*, and support and feedback as required.

### III. RESULTS OF THE MODELLING PROCESS

6. The following table shows an outline of the new format.

#### UNHCR's 2009 revised budget in new budget structure format

Budget Component	Total
Global Refugee Programme *	1,022,951,808
Global Stateless Programme	12,251,364
Global Reintegration Projects	225,247,646
Global IDP Projects	356,486,082
Operational Reserve	108,223,700
New or additional activities - mandate-related Reserve	75,000,000
Junior Professional Officers	10,000,000
<b>Grand Total</b>	<b>1,810,160,600</b>

\* Included within the Global Refugee Programme is \$ 119,119,400 for Global Operations and \$ 146,661,000 for Headquarters

A more detailed breakdown of this model of the new budget structure will be presented to the Committee under agenda item 4.c)(ii), in the form of a slide show, with charts, as well as screen shots from *Focus* illustrating how the information was recorded in UNHCR's new RBM software. An electronic version of this PowerPoint presentation is being shared with the Committee before the meeting, and copies will also be made available in the meeting room.

7. It is important to note that the figures represented in the charts are based on the work done by UNHCR field teams, based on their 2009 submissions prior to the Annual Programme Review Process. The Annual Programme Review is UNHCR's annual process of reviewing and revising field and headquarters submissions in order to arrive at a finalized programme budget to be presented to the Executive Committee in October. In order to minimize any confusion between UNHCR's 2009 revised budget being proposed to the Executive Committee and this effort to model the 2009 budget in the new budget structure, the *Focus* team has adjusted the numbers recorded in *Focus* in order to reconcile them to the fullest extent possible with UNHCR's revised 2009 budget submission. Nevertheless, the numbers reflected in the charts should be seen as indicative and not used for purposes of comparison.

#### IV. LESSONS LEARNED

8. As part of the modelling exercise, UNHCR has learned a number of lessons about the new budget structure which will be important as the Office moves forward with its implementation. These lessons include:

- UNHCR teams were able to make the transition to the new budget structure with relative ease as the categories of information were largely familiar.
- Presenting budgets in the new budget structure, with staff and administrative support costs apportioned to results, provides a rich and useful additional view of UNHCR's budgets.
- Ensuring an effective and efficient interface between *Focus* and the Management Systems Renewal Process (MSRP) is essential to the implementation of the new budget structure. This requires reconfiguring MSRP to the new budget structure, and building a systems interface between the two systems.
- Regional Offices are the most difficult office structures to reflect in *Focus*.
- The *Focus* software is relatively easy for UNHCR staff to learn and use, but it is still important to provide sufficient orientation and learning opportunities for staff members.
- While recording budgets on the basis of population planning groups does ensure consistency between the way UNHCR plans operations and budgets, for Headquarters, regional offices and some country-level results, the category of "All populations of concern" is required as a means of reflected work that benefits all populations of concern in a given category or categories.
- UNHCR's work can be neatly grouped into the population types of "refugee", "stateless", "returnee" and "internally displaced" for purposes of planning and management. For funding purposes, *Focus* will support the grouping of programme activity under the "global refugee programme" and "global reintegration projects" pillars of the budget in any combination of activities for returning refugees, returnees and their reintegration into their countries of origin.