Where can I find the Funding Updates?
The latest Funding Updates for all major operations and situations can be found on UNHCR’s main operational reporting platform, Global Focus.

UNHCR BUDGET CYCLE
UNHCR programs activities a year in advance, using a Comprehensive Needs Assessment. This process results in country programmes, a share of which is prioritised. This share is limited to the spending authority that the High Commissioner extends to country representatives based on an estimate made by the Division of External Relations of future income. By doing this, the High Commissioner takes a calculated risk and gives the country operations the authority to spend money that UNHCR does not currently have.

As UNHCR relies almost entirely on voluntary contributions to fund country operations, global programmes and headquarters, UNHCR must work hard to raise these funds. Flexible funds are critical to this process. They allow us to kick-start emergency responses, to bolster underfunded operations, and to implement programmes allowing UNHCR to fund prioritized activities. As UNHCR manages funding at the programme level, it does not trace how individual unearmarked contributions were used, as that would be contrary to the principle of flexible funding. Rather, UNHCR looks at the total unearmarked revenue as one pot and traces how the entire amount was used. During the course of the year, actual and projected contributions, both earmarked and unearmarked, are tracked and allocated against approved spending authorities issued to each operation on a regular basis.

EARMARKING LEVELS AND THE GRAND BARGAIN
The Grand Bargain was adopted at the World Humanitarian Summit in May 2016 with the aim to improve aid effectiveness and efficiency of humanitarian response. To date, 24 key donors accounting up to 88% of aid budget have signed up.

UNHCR’s Grand Bargain commitment to increase visibility of unearmarked and softly earmarked funding, and to improve transparency on the use of unearmarked funding, is reaffirmed through the Funding Updates.

How does UNHCR use unearmarked funding?
Unearmarked funding helps ensure UNHCR’s neutrality and independence, and strengthens UNHCR’s reputation as a trusted partner.

The report accessible using the QR code opposite acknowledges the generosity of those donors which provided UNHCR with unearmarked contributions, and adds depth and detail to how this most valuable of financial resources was used.

FUNDING UPDATES – GUIDANCE NOTE
UNHCR’s Funding Updates clearly and accurately represent the financial requirements and the true level of funding available to support UNHCR’s work. They are produced by the Donor Relations and Resource Mobilisation Service in the Division of External Relations for each UNHCR country operation, for situations, and for regions and sub-regions.

The Funding Updates produced for countries and situations are two views of the same information. Situations span across multiple countries, and countries can be affected by multiple situations. The two views provide a more complete understanding of this complex reality.

While showing the level of funding, the Funding Updates also show:

a) Donors of funds earmarked to the country/situation/region, and

b) Donors of flexible funding which can potentially be used for the country/situation/region.

The true level of funding available to country operations includes carry-over from prior years and excludes the programme support component of contributions. Adjustments are made in the Funding Updates in the interests of transparency and accuracy.

FLEXIBLE FUNDING
UNHCR defines two main types of funding as flexible. Softly earmarked funding—which can be used across a given region or situation in accordance with the priorities and activities identified by UNHCR—and the most valued, which is unearmarked funding. Contributed without restrictions on its use, unearmarked funding allows UNHCR critical flexibility in how best to reach refugees and other populations of concern who are in the greatest need and at the greatest risk.

From October 2018, the Funding Updates include an indicative allocation of softly earmarked and unearmarked funding to give a comprehensive picture of the level of funding. The Funding Updates, with their indicative allocation of flexible funding and their lists of donors of flexible funding, increase the transparency of UNHCR funding and recognise the contribution made by donors of flexible funding.
The financial requirements based on the comprehensive needs assessment. This is the funding target for this UNHCR operation or situation.

‘Contributions’ to the operation or situation, broken down by the type of earmarking. This is useful to demonstrate which donors have provided flexible funds.

‘Indicative allocation of funds and adjustments’ enables an accurate and comprehensive representation of the level of funding. The methodology for these calculations is explained in the blue box. Most importantly, it shows the amounts indicatively allocated from softly earmarked and unearmarked contributions. It also makes adjustments to deduct the Programme Support Component of contributions and to include carry-over.

In the example funding update, $6.3 million in unearmarked funds, an additional $6.8 million in softly earmarked funds, and an additional $4.7 million in contributions earmarked to countries affected by the situation, have been indicatively allocated to the Mali Situation, bringing the total funding level to $42.8 million.

‘Unearmarked contributions’ lists all the donors that have contributed unearmarked funds to UNHCR, with details given for donors of $10 million or more. These valuable funds can be used to cover any expense incurred by UNHCR worldwide. Every Funding Update will show the exact same figures for each donor contributing unearmarked funding globally to UNHCR. A portion of those funds will have been indicatively allocated to operations and situations.

The chart shows the level and type of funding received to date, from the least to the most flexible.

**Tightly earmarked**, which is the most restrictive type of funding, limited to a particular population within the country and/or specific objectives, areas or sectors.

**Earmarked**, which are contributions at the country level (including a country/situation combination).

**Softly earmarked (indicative allocation)**, valuable because they can be used flexibly at the sub-regional, regional, thematic or situation level.

**Unearmarked (indicative allocation)**, the most useful and valuable type of funding UNHCR can receive, which can be used anywhere, for anything within the budget.

This represents the gap between the indicative funding level and the total financial requirements.

**Contributions** to the operation or situation, broken down by the type of earmarking.

This is useful to demonstrate which donors have provided flexible funds.

‘Other softly earmarked contributions’ lists all the donors who contributed softly earmarked funds that are not mentioned in the ‘Contributions’ table. Details are given for donors of $2 million or more.

The donors and amounts appearing in this section will be different from one operation to another as it respects the earmarking (sub-regional, regional, thematic and situation) of each contribution.

In the example funding update, the total of $170.7 million for softly earmarked contributions from the United States of America is exclusive of the $11.6 contribution earmarked to the Mali Situation.