

Informal Consultative Meeting

15 June 2006

Explanatory Note on the 2007 Budget

The preparation of UNHCR's 2007 Annual Programme Budget was guided by the High Commissioner's Global Strategic Objectives for the period 2007-2009. Regional Bureaux translated these objectives into priorities specific to the situations under their purview. These were further refined at the country level and provided guidance for comprehensive needs-based assessments, for which country offices were requested to engage all key partners - host governments, operational partners, implementing partners and the beneficiaries - in participatory planning exercises.

This process helped country teams to identify overall beneficiary needs which are expected to amount to some \$3 billion in 2007. Of this amount, field offices and headquarters units presented budget submissions totaling \$1,126.7 million for UNHCR's component of the overall assessed needs. As a result of an extensive review process, partly based on fundability, these submissions were reduced to a 2007 budget submission of \$1,096.5 million. This provisional amount corresponds to a decrease of some 5 per cent over the 2006 Annual Programme Budget.

The consolidated results of this process are provided in the attached table, which shows 2005 expenditure, the 2006 budget approved by the Executive Committee, the 2007 field submissions, the results of the consultations, and the preliminary budget being proposed for 2007.

It should be noted that the figure of \$1,096.5 million corresponds to a budget of \$1,019.2 million which UNHCR hopes is fundable. In addition, there is an increased Operational Reserve Category I (calculated at 10 per cent of programme activities rather than at 7.5 per cent); and \$50 million of activities deemed by the High Commissioner to be protection and assistance priorities, including activities in the areas of HIV and AIDS, nutrition, malaria, safe motherhood and sexual and gender-based violence (SGBV), as well as the provision of sanitary materials. While substantial components of these activities are already included in the "fundable" budget, special fund raising efforts will be made by UNHCR to raise the additional \$50 million in order to come closer to meeting the entirety of the requirements.

It should also be noted that the 2007 budget submission does not yet reflect any of the possible change initiatives being identified through UNHCR's structural and management change process.

The final results of the 2007 budget exercise are to be presented to UNHCR's Operations Review Board on 21 June 2006, before being submitted to the High Commissioner for endorsement and subsequent review by the ACABQ, the Standing Committee and the Executive Committee.

Office of the Controller
13 June 2006