

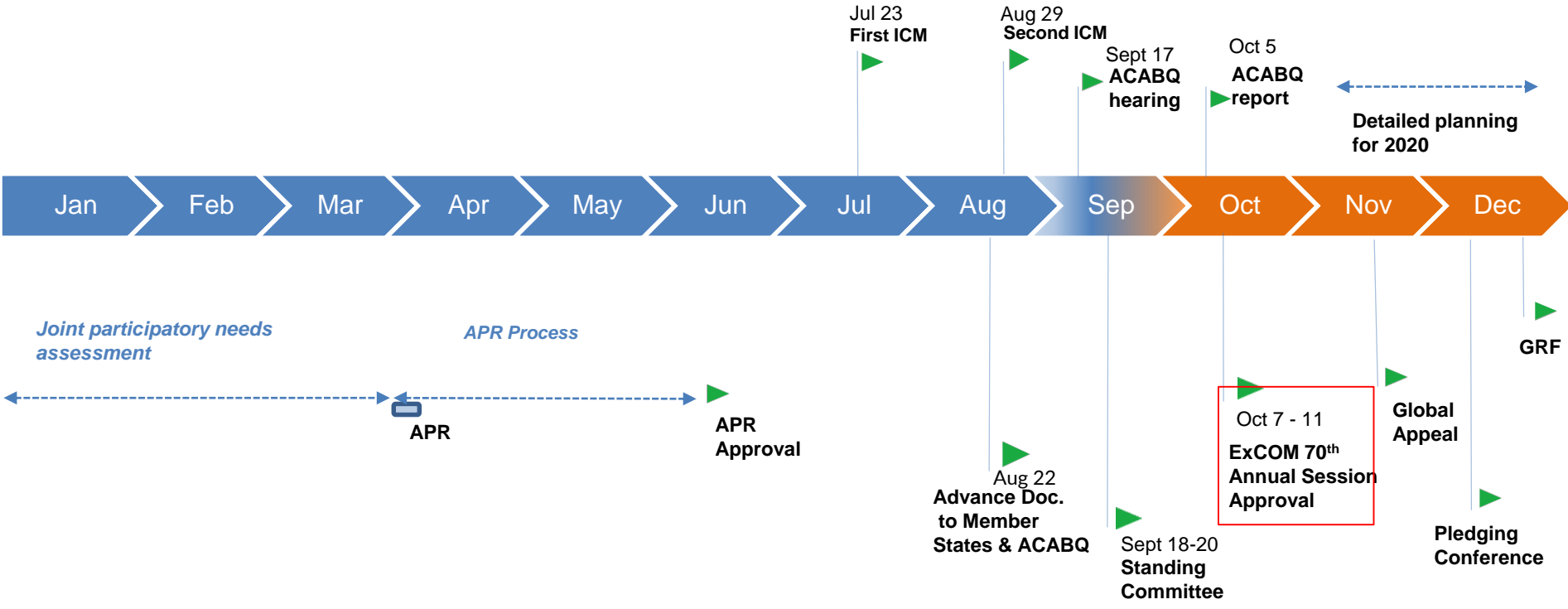
Biennial Programme Budget 2020-2021 (A/AC.96/1191)

Mr. Hans Baritt
Controller and Director
Division of Financial and Administrative Management

Standing Committee
18th September 2019



Programme budget process for the biennium 2020-2021

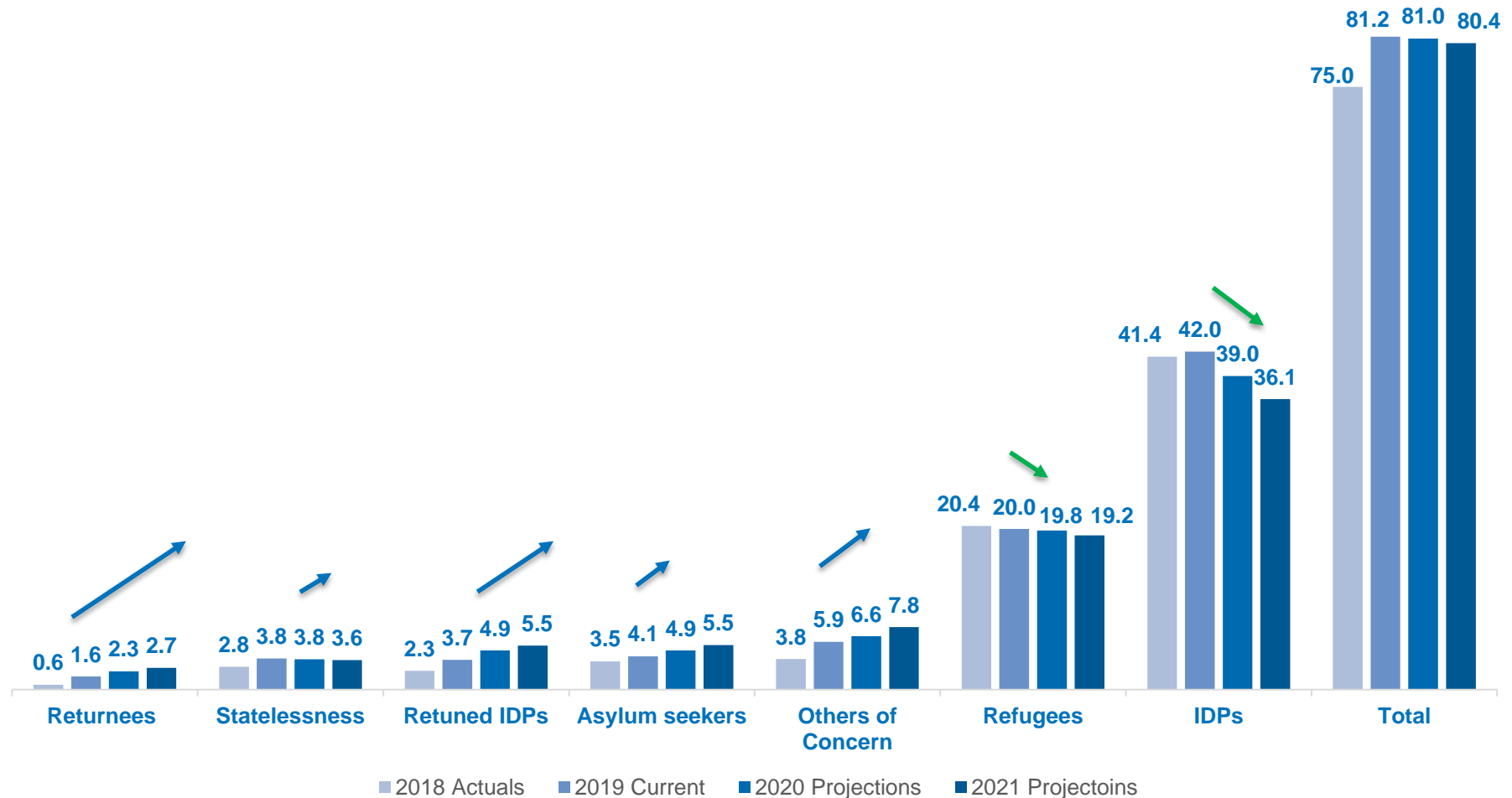


ACABQ hearing:

- We held our hearing with the ACABQ on September 17
- The main topics discussed were:
 - Decentralization and regionalization
 - Budget variances
 - Board of Auditors Recommendations
 - Operational Reserve and NAM
 - Global Service Centers
 - Implementation Rate and Carry-over
 - Funding and Prioritization
 - Needs Assessment
 - Personnel
- The report is planned to be released October 5

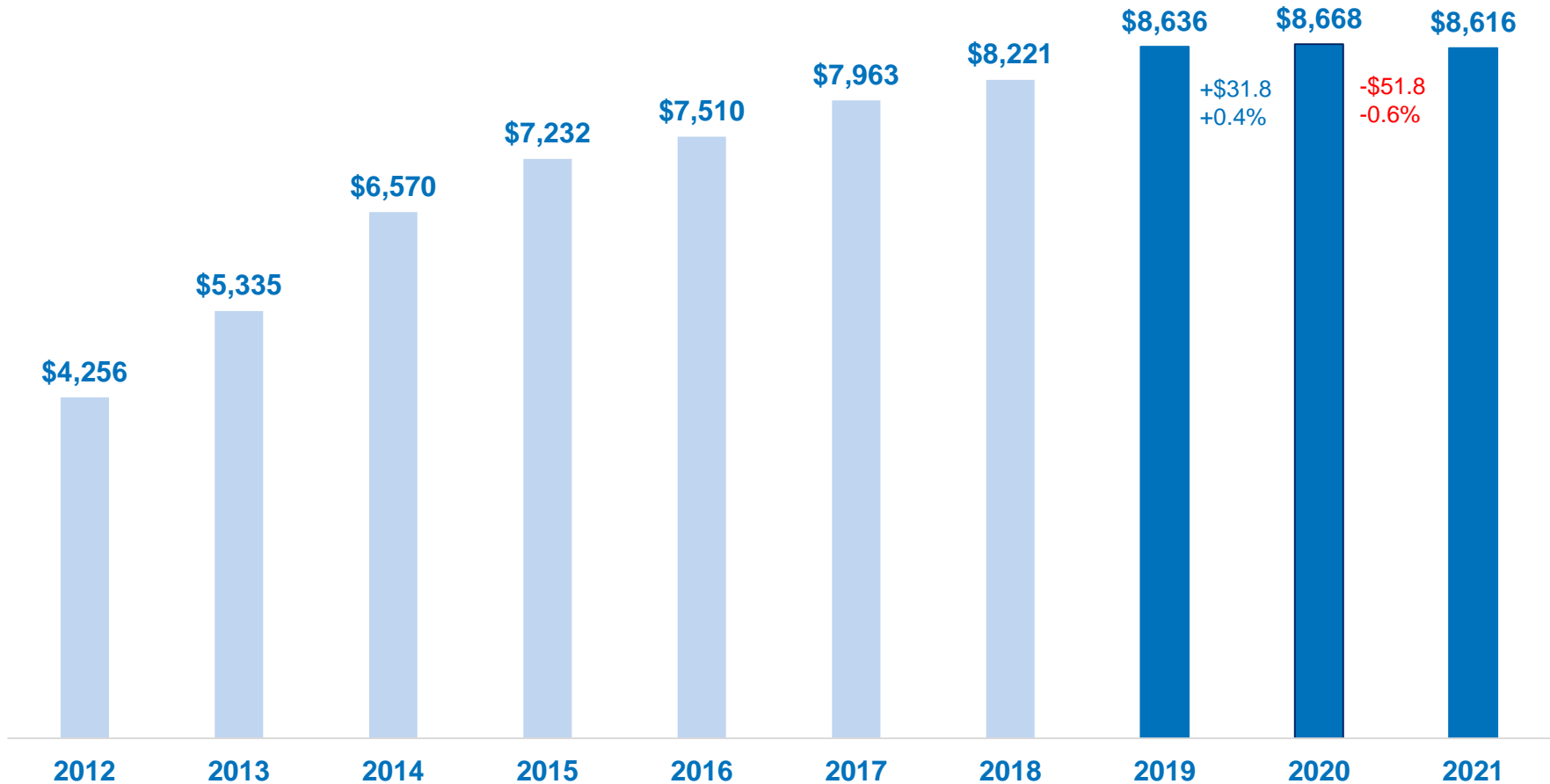
Persons of concern: a key driver of budgetary requirements

In millions



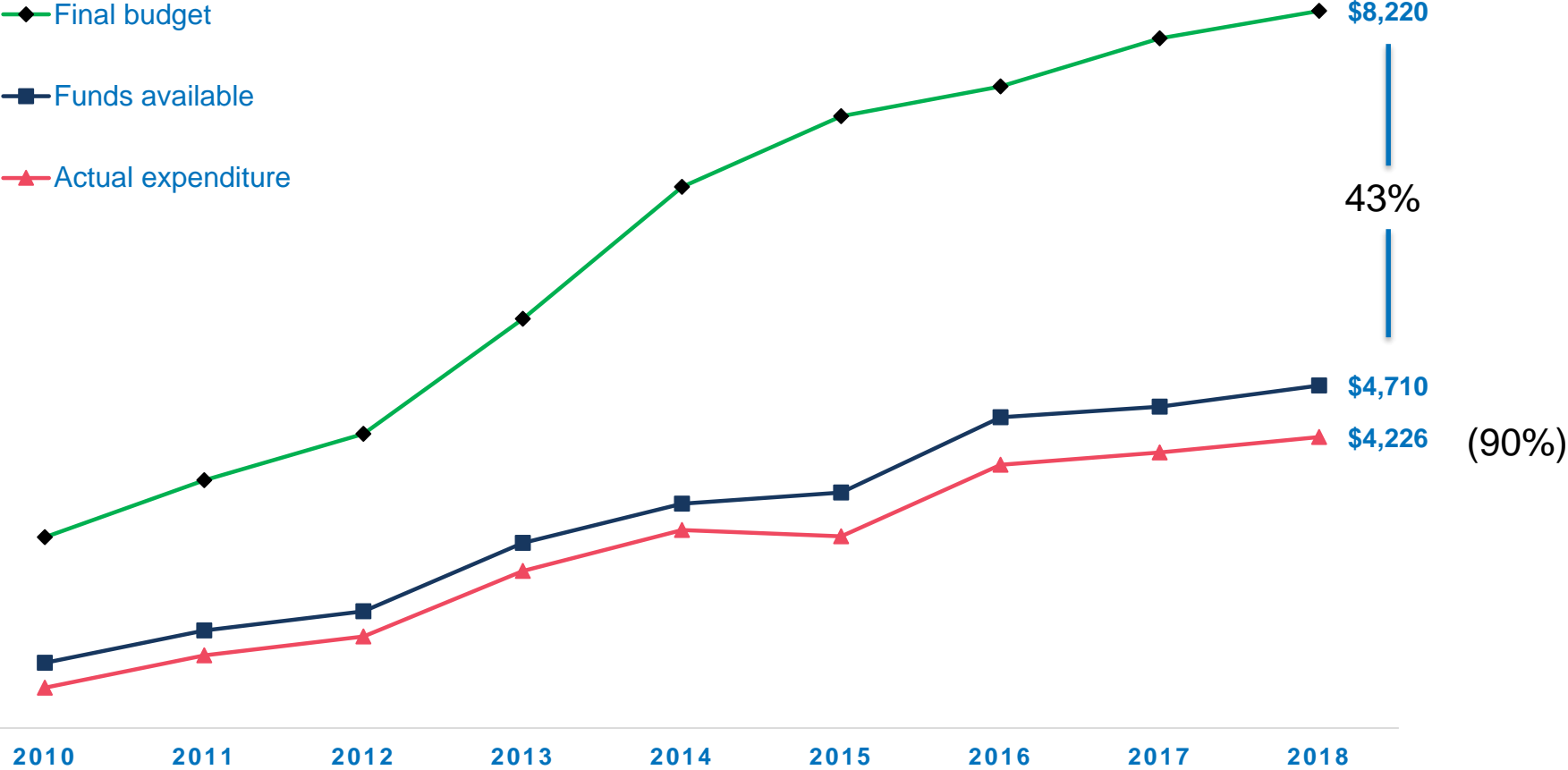
UNHCR budget trend 2012-2021

In millions



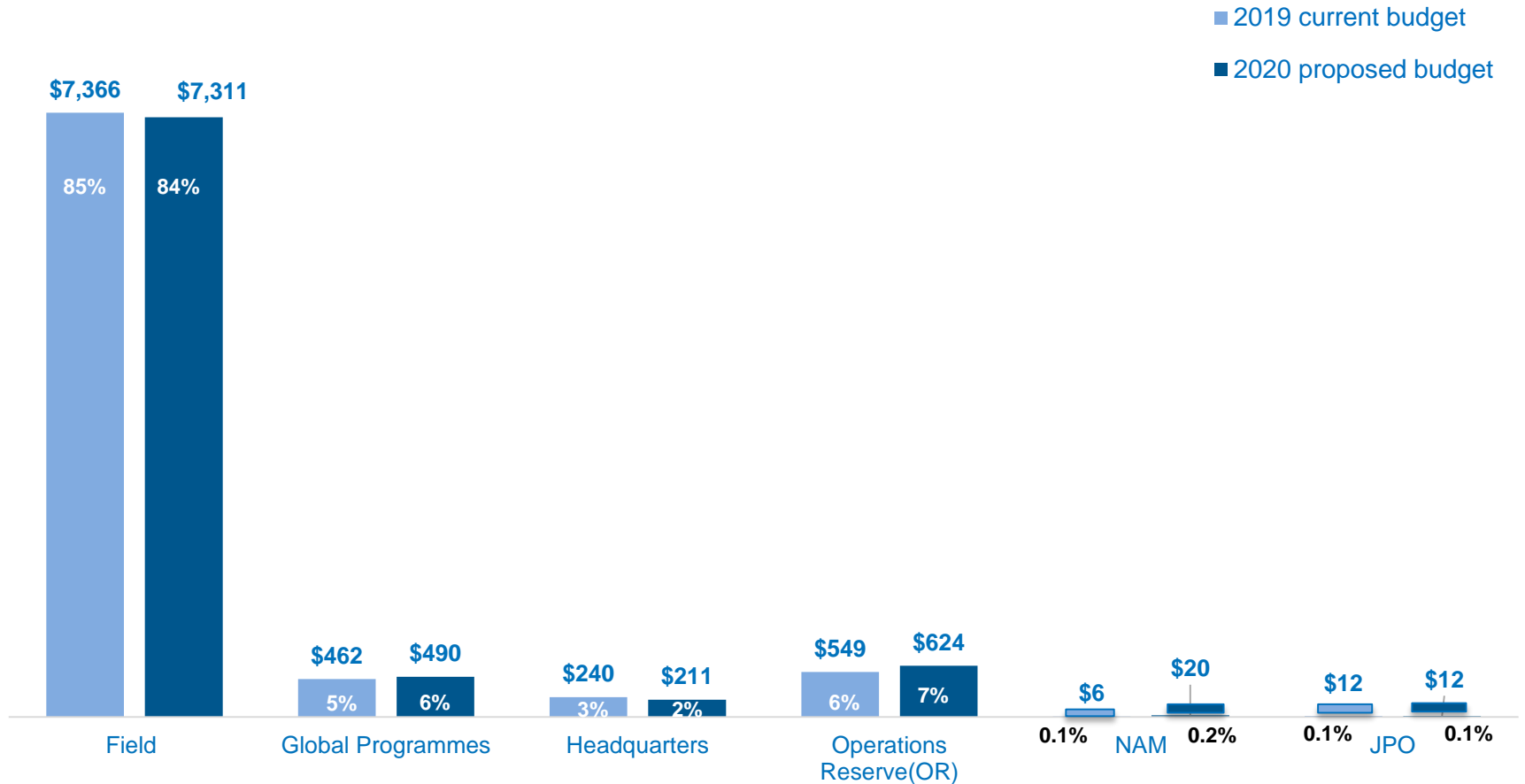
Funds available and expenditure continue to increase at the same pace

In millions



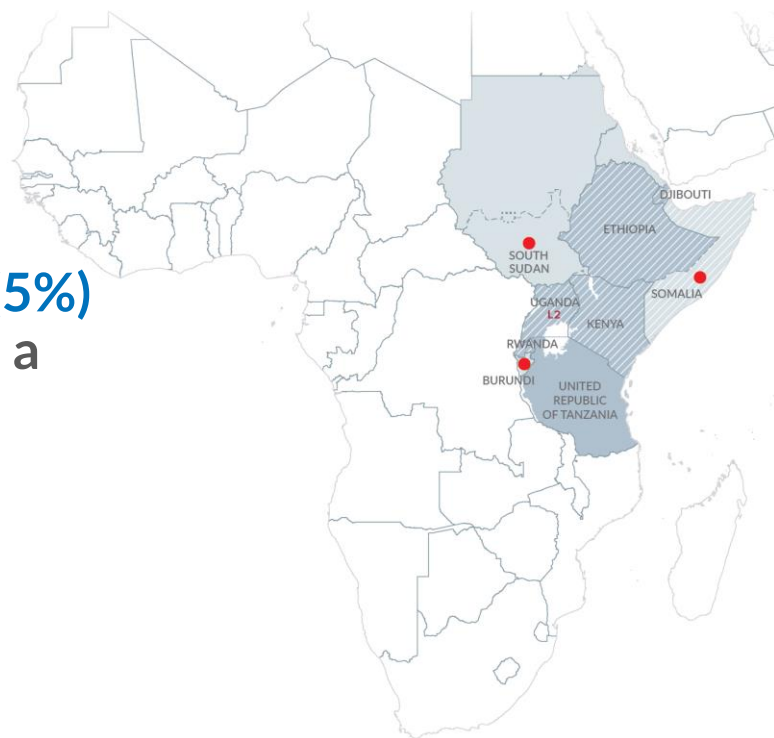
Field requirements continue to account for the vast majority of the total budget

In millions



AFRICA - East & Horn and Great Lakes

- **POC: from 13.4 million to 12.7 million (5%)**
- **Budget requirements: \$1,797.1 million, a \$25.4 million or 1.4 per cent reduction**

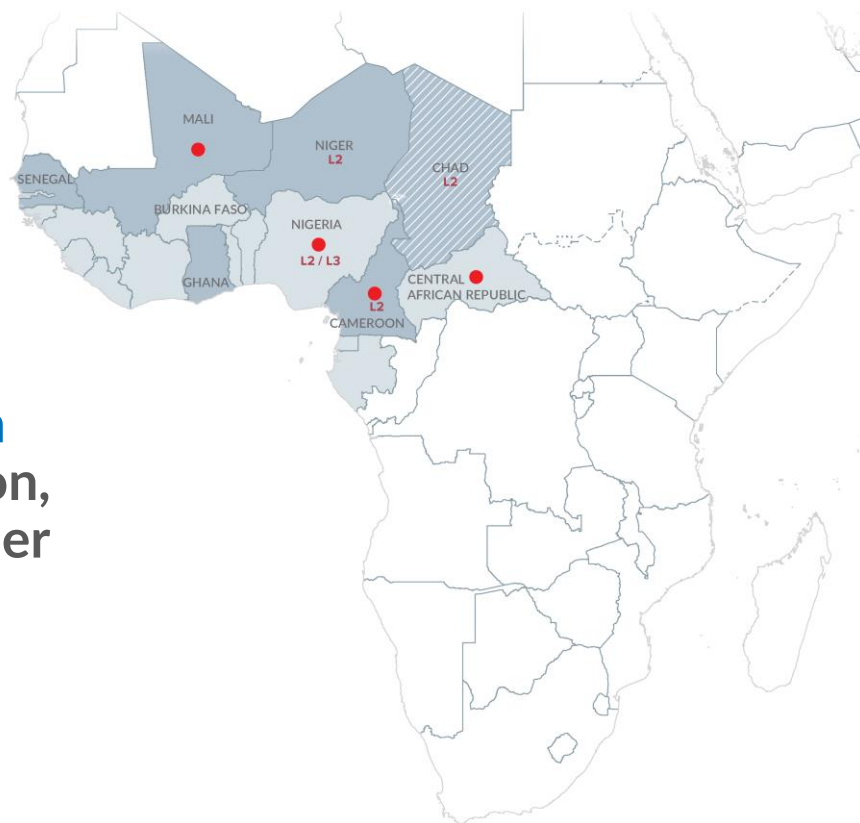


AFRICA - Southern

- **POC: from 6.2 million to 6.1 million**
- **Budget requirements: \$301.2 million, a net increase of \$9.1 million or 3 per cent**



AFRICA – West and Central



- **POC: from 7.0 million to 6.8 million**
- **Budget requirements: \$555.7 million, a net increase of \$3.9 million or 1 per cent**

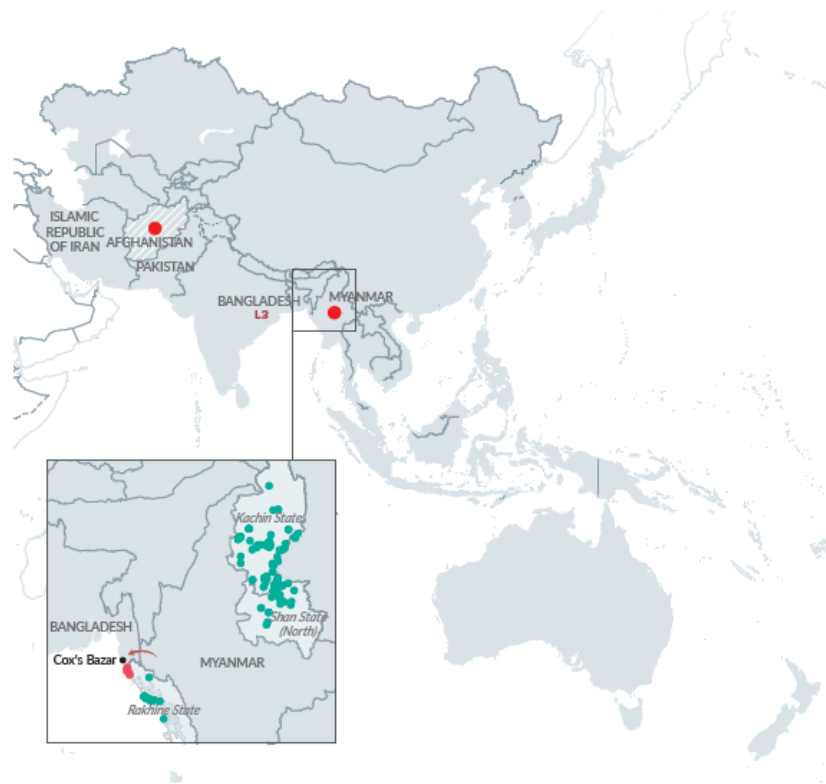
Middle East and North Africa

- **POC: from 17.5 million to 16.2 million**
- **Budget requirements: \$2,604 million, a net decrease of \$146.1 million or 5 per cent**



Asia and the Pacific

- **POC: from 9.5 million to 9.1 million**
- **Budget requirements: will remain stable overall, at \$777.1 million**



Europe

- **POC: from 11.3 million to 11.4 million**
- **Budget requirements: \$806.7 million, a decrease of \$24.1 million or 3 per cent**



Americas

- **POC: from 16.2 million to 18.7 million**
- **Budget requirements: \$468.0 million, an increase of \$ 127.3 million or 37 per cent**



Global Programmes increase by \$28 million between 2019 and 2020

*In US\$
millions*

Main variances 2019-2020	
Global Fleet (DESS)	19.3
Education-related projects	17.4
Private sector partnerships	12.7
Shelter related projects (PG)	(13.4)
Refugee Housing Unit (PS)	(3.8)
Other net decreases	(4.2)
Net GP variance	28.4

HQ decrease by \$30 million between 2019 and 2020

*In US\$
millions*

Main variances 2019-2020	
Regional Bureaux HQ	(34.3)
Change management	(2.0)
Governance services	3.1
DIP	1.7
DHR	1.4
Other net decreases	0.4
Net HQ variance	(29.7)

Cost of decentralization and regionalization

Budget 2020

1. Current cost of Regional Bureaus	-\$34.29 (table II.13)
2. New Regional Bureaus	\$97.76 (Annex 5b)
3. Existing Regional Offices	-\$57.83
4. <u>Reduction in Division GP's</u>	-\$5.59
Total	\$0.05

2019 Activities

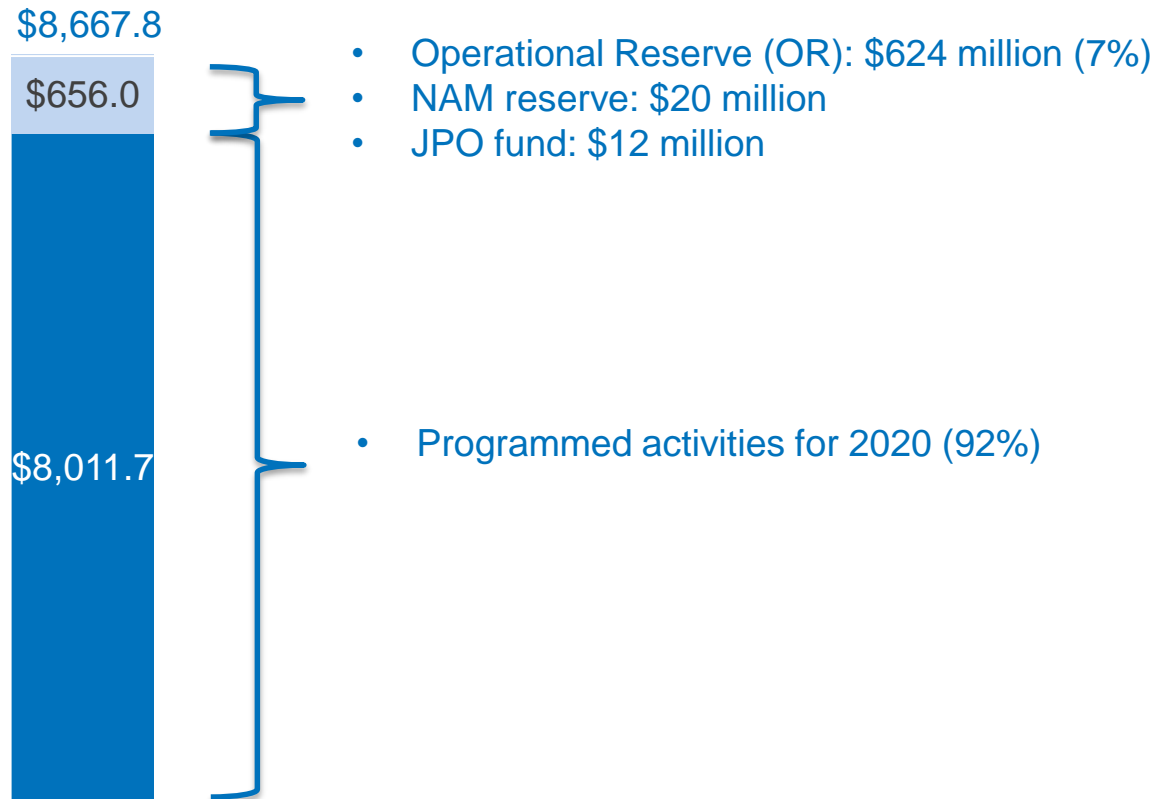
Start-up Costs: \$23.29 (mainly staffing overlap and office set up)

Funded from: \$18.63 – Regional Activities

\$4.66 Other Transfers

Strategic issues - Reserves

In Millions

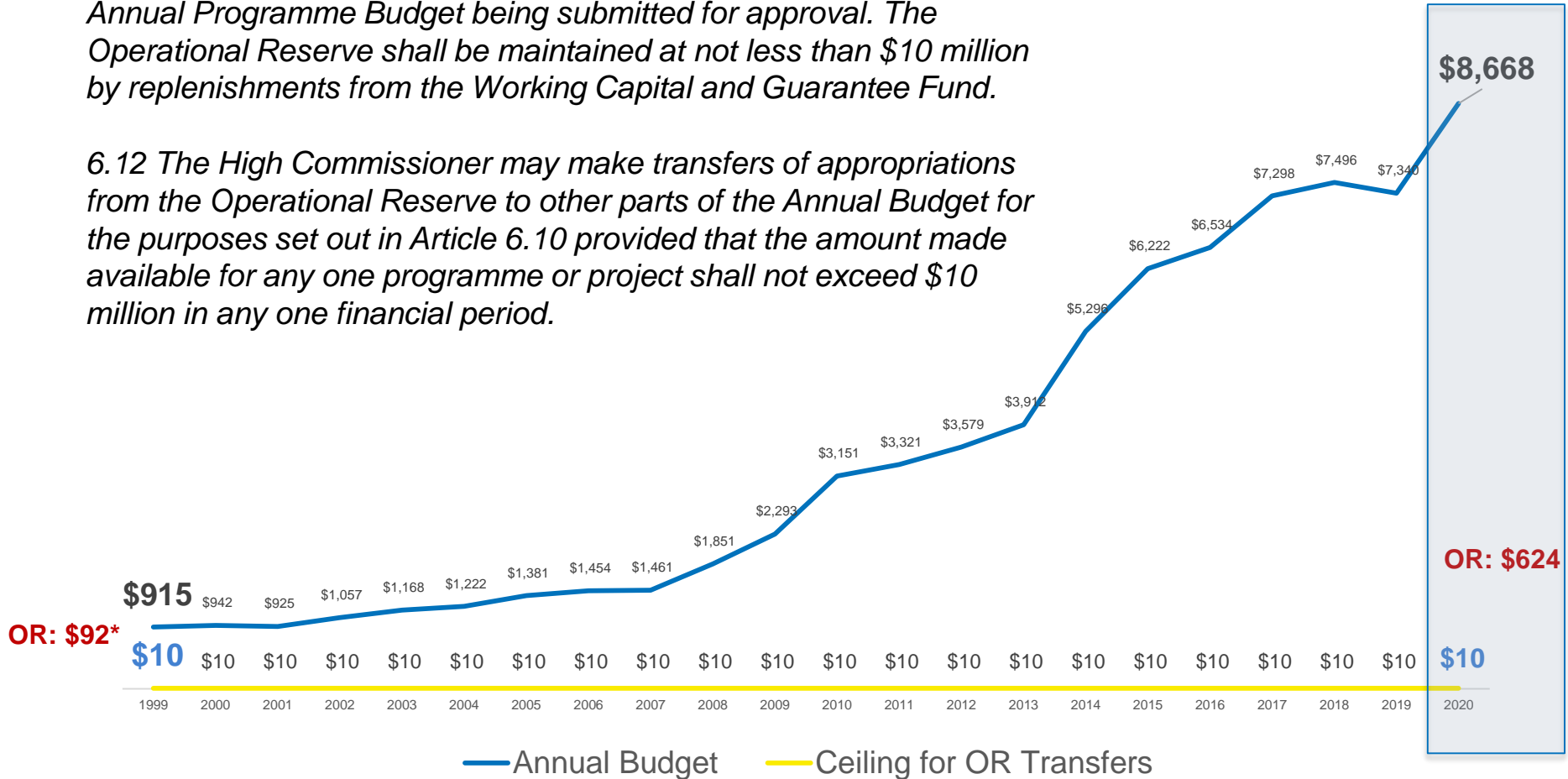


Operational Reserve Limits – Financial Rules same for 20 Years

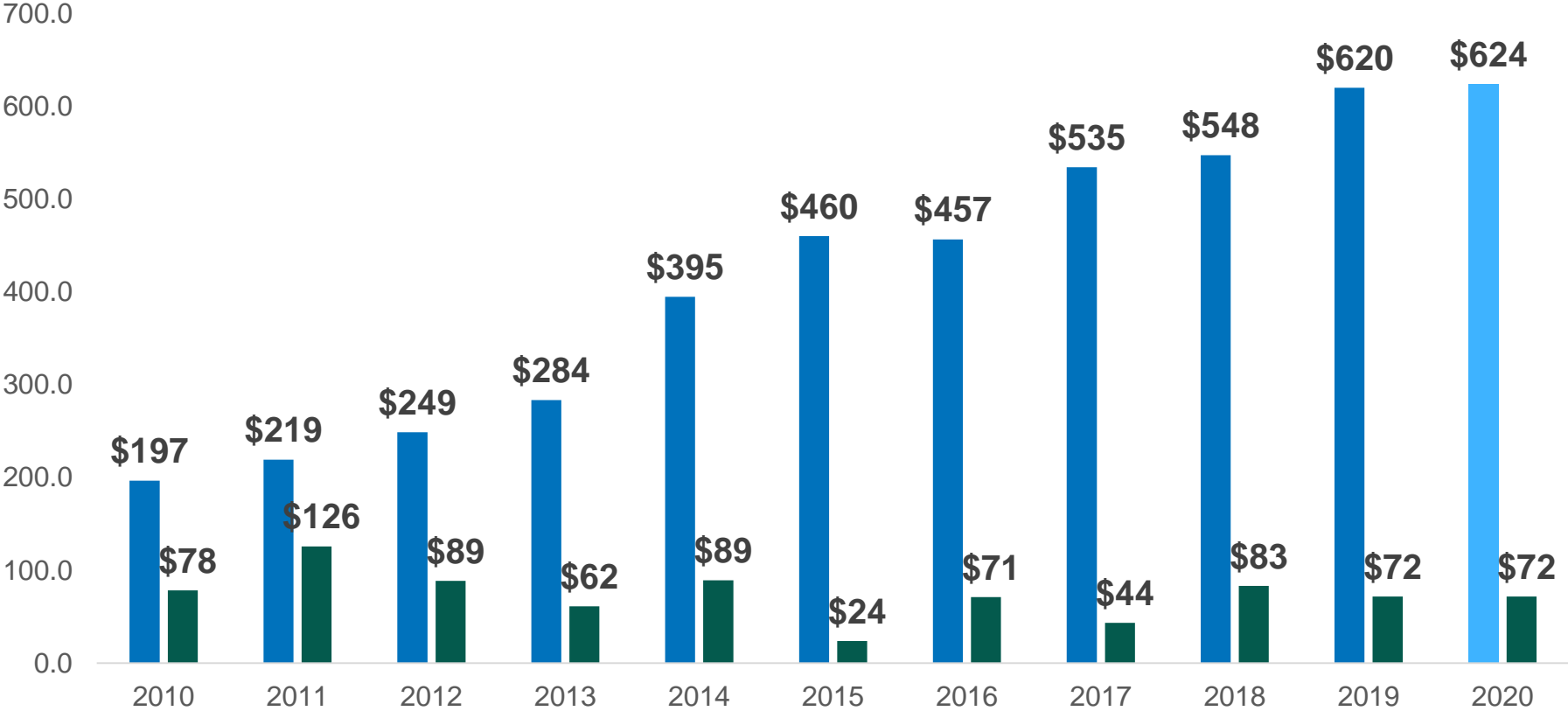
Financial Rules:

6.11 An Operational Reserve shall be constituted at an amount equivalent to 10 per cent of the proposed programmed activities in the Annual Programme Budget being submitted for approval. The Operational Reserve shall be maintained at not less than \$10 million by replenishments from the Working Capital and Guarantee Fund.

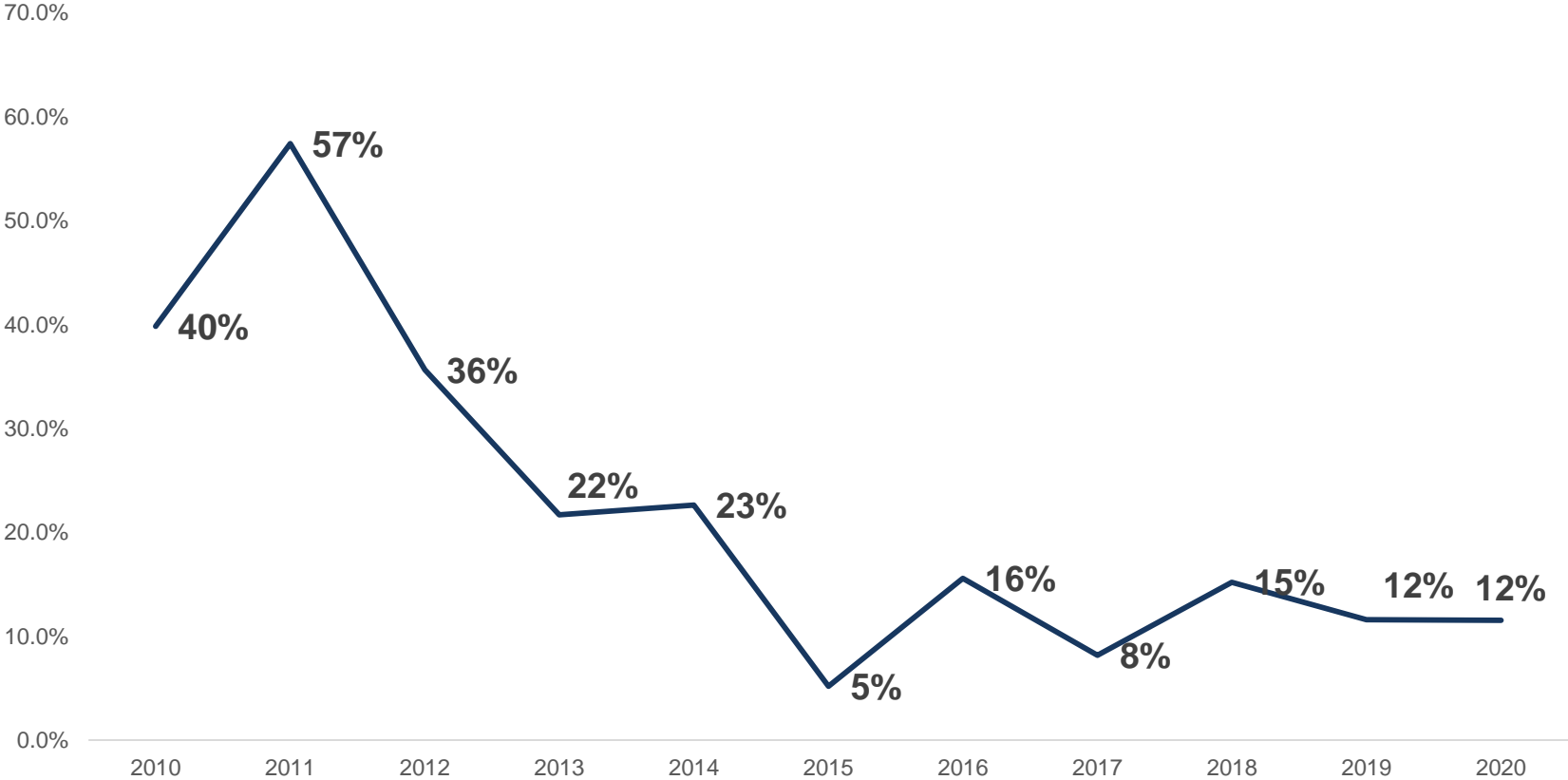
6.12 The High Commissioner may make transfers of appropriations from the Operational Reserve to other parts of the Annual Budget for the purposes set out in Article 6.10 provided that the amount made available for any one programme or project shall not exceed \$10 million in any one financial period.



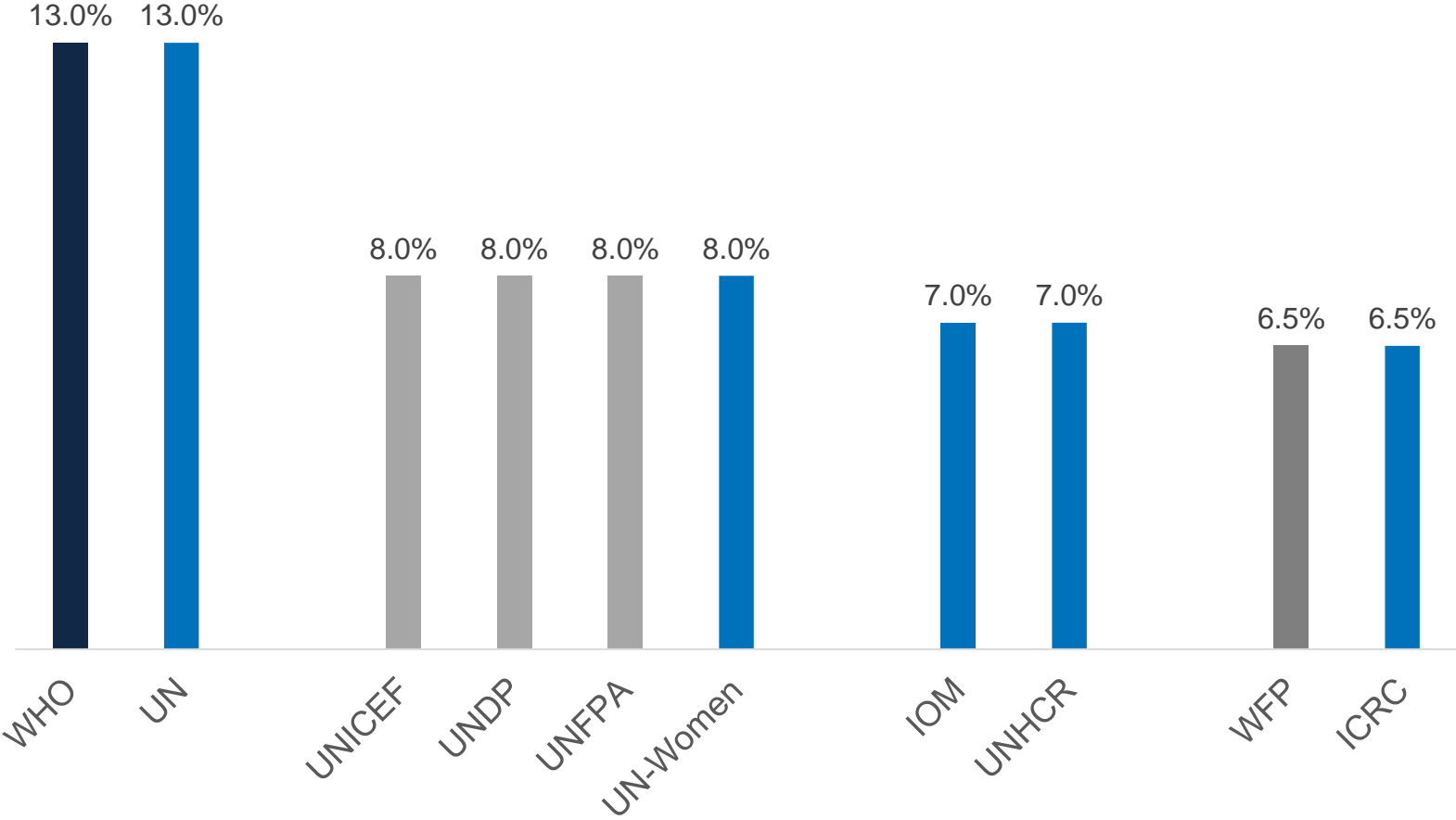
Operational Reserve– Level and Utilization



Operational Reserve– Use in % of Levels



Strategic issues - PSC



Programme Support Costs – UNHCR Proposal

1. Reduce the **rate** of PSC from 7% to 6.5% for all agreements signed from 1st January, 2020
2. Follow same process in 2015, an updated paper on “UNHCR’s Programme Support Costs”, will be distributed to the Executive Committee Members in October to be followed by a dedicated briefing on the subject sometime in November.
3. If there is support for the proposals the High Commissioner sign and updated policy on Programme Support Costs which would be in effect from 1st January 2020.

Proposed Biennial Programme Budget 2020-2021 (A/AC.96/1191)

THANK YOU