

**EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME
STANDING COMMITTEE**

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**OVERALL PROGRAMME AND FUNDING PROJECTIONS FOR 1996
AND 1997**

I. INTRODUCTION

1. An update of UNHCR programme and funding projections for 1996 and 1997 was presented to the forty-seventh session of the Executive Committee (document A/AC.96/865/Add.3). The present paper provides further updated information on programme expenditure and funding projections for 1996, a summary of programme and funding projections for 1997, a brief description of General Programmes funding strategies and an explanation of developments regarding administrative support posts and other expenses funded under the United Nations Regular Budget. A list of 1996 contributions is also attached (as Annex 6 to this document).

II. UPDATE OF PROGRAMME AND FUNDING PROJECTIONS FOR 1996

2. The attached Annex 1 provides an update, as at 15 December 1996, of tentative estimates for total projected expenditure for activities programmed in 1996 and a forecast of expected income for the year.

A. General Programmes

3. At the present time, it is anticipated that General Programmes expenditure for 1996 is likely to total some \$ 425 million, which would be \$ 20.3 million less than the approved target of \$ 445.3 million. This relatively high rate of expenditure is due to high implementation rates as well as UNHCR's extensive use of the Emergency Fund, the Voluntary Repatriation Fund and the Programme Reserve.

4. Contributions to General Programmes as at 15 December 1996 totalled \$ 348.8 million. With an additional \$ 51.8 million in unobligated funds brought forward from 1995, and a further \$ 31.2 million expected in 1996 income (this amount includes some \$ 28.5 million tentatively estimated as secondary income for 1996), the total projected expenditure for 1996 of \$ 425 million will be fully funded. Including secondary income, it is currently projected that there may be a carry-over into 1997 of unobligated funds amounting to some \$ 6.8 million.

B. Funds and Reserves

5. As at 15 December 1996, allocations totalling \$ 31.6 million had been made from the 1996 *Programme Reserve*. Details of the allocations are provided in Annex 2, which also shows the remaining available balance of \$ 11.3 million, of which \$ 6.4 million is regular Programme Reserve and \$ 4.9 million an exceptional provision for loss due to exchange rate variations at Headquarters.

6. With regard to the *Voluntary Repatriation Fund*, total allocations, less subsequent cancellations, up to 15 December 1996, amounted to \$ 18.8 million and are shown in Annex 3.

Against these allocations, \$ 17.1 million had been obligated as at 15 December 1996.

7. Annex 4 shows allocations made to date from the *Emergency Fund* during 1996. The unallocated balance remaining at 15 December 1996 was \$ 3.1 million.

C. Special Programmes

8. With regard to 1996 *Special Programmes* (as shown in Annex 1), the total projected expenditure amounts to \$ 769.1 million. Some 38 per cent pertains to UNHCR's participation in the Programme of Humanitarian Assistance in the former Yugoslavia and some 34 per cent pertains to the Burundi/Rwanda Emergency. It is anticipated at this time that some \$ 65.1 million in unobligated funds from various Special Programmes may be carried forward to 1997 (Annex 5 refers).

III. SUMMARY OF OVERALL PROGRAMME AND FUNDING PROJECTIONS FOR 1997

9. A review of 1997 General and Special Programmes was completed in early December 1996 and a number of budgetary adjustments were identified in the light of changed requirements. As shown in Annex 5, the total 1997 projected needs, based on currently known or anticipated requirements, amount to \$ 1,215.9 million. Of this amount, \$ 452.6 million concern General Programmes, \$ 737.8 million are Special Programmes and \$ 25.5 million pertain to the United Nations Regular Budget. The estimates for Special Programmes include tentative projected needs for repatriation programmes planned in 1997, as well as an amount of \$ 235.9 million for the Programme of Humanitarian Assistance in the Former Yugoslavia and \$ 230.0 million for the ongoing Burundi/Rwanda Emergency.

IV. GENERAL PROGRAMMES POLICY AND FUNDING

10. The response of donors to the General Programmes continues to improve. From a low point in 1993 when some \$ 311 million was contributed, there has been a steady upward trend. On 15 December 1996, the Office had recorded \$ 348.8 million. This is indeed a positive trend, providing increased predictability of funding for UNHCR's General Programmes.

11. The Office also notes with appreciation the extremely positive results of the November 1996 Pledging Conference for 1997 General Programmes. At that Conference in New York, contributions of some \$ 200 million were announced, almost twice the announcements made the previous year for 1996 General Programmes. UNHCR is most appreciative of these results which show that donors, as a whole, are fully sensitized to the critical need of a stable funding base for the Office's core programmes. The Fund Raising Service continues to individually plan, with the Office's major donors, contribution levels to General Programmes. This, along with regular internal projections and quarterly informal consultations with donors, allows the Service to identify potential problems and take appropriate action.

12. For 1997, the distribution of activities under General and Special Programmes remains as presented to the forty-seventh session of the Executive Committee, in line with the criteria adopted in the Decision on Budget Structure and Governance (document A/AC.96/860 paragraphs 22 [c to e]). Of particular note is the Burundi/Rwanda Emergency, which continues to be budgeted under Special Programmes.

13. Under 1997 General Programmes (\$ 452.6 million), any increased requirements which cannot be offset by decreases elsewhere will initially be met through transfers between appropriations and from allocations from the 1997 Programme Reserve. Given the tentatively estimated carry-over of some \$ 6.8 million from 1996 into 1997, funding requirements for 1997 are projected at some \$ 445.8 million.

V. UNITED NATIONS REGULAR BUDGET

14. Since 1990, UNHCR has had 244 administrative support posts at Headquarters funded under the United Nations Regular Budget. In the 1994 -1995 biennium, expenditure for these posts amounted to \$ 51,561,300. As noted in document A/AC.96/865, *Overview of UNHCR Activities*, presented to the 1996 session of the Executive Committee, UNHCR was required in 1996 and 1997 to make annual savings of some \$ 1.7 million under the Regular Budget. This meant that the initial appropriation for 1996-1997 of \$ 54,318,500 has been revised downwards to \$ 52,564,000 (A/C.5/50/57/Add.1). In preparing the UN biennium budget for 1998-1999, UNHCR has been informed that its proposed allocation will only be \$48,995,300.

15. To accommodate this diminishing support from the United Nations Regular Budget for the 244 posts and in order to safeguard the number of its United Nations Regular Budget posts (it will be recalled that the Executive Committee considers that UNHCR should have an even higher number of posts funded under the Regular Budget - A/AC.96/804, para. 32 (h) refers), UNHCR has kept a number of these posts vacant and absorbed the costs of some 12 others under General Programmes. While exploring other options with regard to the Regular Budget (see para. 17 below), UNHCR proposes to safeguard its 244 Regular Budget posts through the strategy employed to date.

16. In addition to the United Nations Regular Budget provision for these administrative support posts, UNHCR has always received under the Regular Budget (Administration and Management, Geneva) a contribution from the United Nations Office in Geneva (UNOG) to its general operating expenses (rent, cleaning, electricity, water, telephones, supplies, etc.). In the biennium 1996-1997, it is estimated that UNOG will have paid to UNHCR some \$ 3.3 million under the section of the United Nations Regular Budget dealing with UNOG Administration and Management. At a meeting on 23 December 1996, UNHCR was informed by the Director of Administration of UNOG that UNOG would not be making a budget submission for the 1998-1999 biennium for these general operating expenses for UNHCR. UNHCR would be required to present its own request for these expenses under the Section of the Regular Budget dealing with Protection and Assistance to Refugees (UNHCR). Moreover, UNOG proposes to drop from its budget submission for the biennium 1998-1999, six Regular Budget posts (3 security personnel, 3 telephonists) whose incumbents provide services to UNHCR and which UNOG has covered until now. UNHCR will be expected to take on these posts which would, if approved, bring its Regular Budget staffing table up to 250, and the related costs, estimated to be some \$ 1.2 million for the biennium 1998-1999. In the current climate of reductions to the United Nations Regular Budget, UNHCR is seriously concerned that what would in fact be a redeployment from the UNOG to the UNHCR chapter of the Regular Budget will rather be seen as an increase in Regular Budget support to UNHCR. If, as appears likely, such an "increase" is not accepted for the 1998-1999 biennium, some \$ 4.5 million would effectively be transferred from the UNOG Regular Budget appropriation to UNHCR voluntary funds¹, in addition to the further reduction announced in Regular Budget support to the 244 approved posts. UNHCR feels that the reductions under the Regular Budget should not be across the board, but should be applied in correspondence with the content of the various budgetary components.

17. In addition to the financial implications of the further reduction in support for the 244 posts and of the proposals by UNOG, the fact that the level of Regular Budget support is related to a specific number of posts, yet subject to imposed reductions in dollar terms, creates obvious new practical difficulties. These developments and the long-standing problems caused by the need to account for Regular Budget expenditure at the individual post level suggest that it may be opportune to review again the whole question of the nature of Regular Budget support to be provided to UNHCR in accordance with article 20 of the Statute, whatever its level. If this support is provided in the form of a grant, to be applied towards those expenditures that have been recognized as a proper charge on the Regular Budget, even if the Regular Budget has never been able to meet them in full, much accounting work would be saved and the new accounting system could be simplified and significant efficiencies realized. UNHCR intends to pursue this

question with the United Nations Secretariat and will keep the Executive Committee fully informed.

(Editor's Note: Annexes I to VI could not be included for technical reasons.)

Annex VII: Draft Decision: Programme and Funding Projections

The Standing Committee,

Recalling the decision of the forty-seventh session of the Executive Committee on programme, administrative and financial matters,

- OP1 Notes that the overall needs for 1997, based on currently known or anticipated requirements, now amount to \$1,215.9 million, of which projected needs for General Programmes remain at \$ 452.6 million, as approved by the Executive Committee at its forty-seventh session, and those for Special Programmes are \$ 737.8 million, while the remaining \$ 25.5 million pertain to the United Nations Regular Budget;
- OP2 Expresses satisfaction with the positive trend in the level of contributions to General Programmes and, in view of the priority attached to the full funding of these programmes, urges the Office to sustain its efforts to ensure an improved and stable funding base for them;
- OP3 Notes with concern the trends in relation to UNHCR's share of the United Nations Regular Budget and, bearing in mind the priority attached to the work of the Office, requests the High Commissioner, as a matter of urgency, to enter into negotiations with the Secretary-General on the level and form of the contribution from the Regular Budget.

¹ It should be noted that one such transfer to voluntary funds has already been effected. Since November 1996, UNHCR is being charged for conference rooms and office space at the Palais des Nations for all the meetings except the annual session of the Executive Committee Plenary.