

Funding the needs of the world's refugees

While the overall protection and assistance needs of refugees and returnees are enormous, the financial requirements vary substantially, depending on the local situation and on the availability of existing support. Governments, private donors, UN agencies, intergovernmental organizations, NGOs and the recipient local populations provide humanitarian assistance in a variety of ways. At the same time, refugees and returnees generate support that is often extended to members of their own communities. Many of these contributions, in particular those of the local communities and local governments, cannot be properly quantified for lack of a universal measurement technique.

In such a multi-faceted environment, it is essential that UNHCR ensures that the most urgent and essential needs are being addressed, that duplication of effort is avoided and that the most competent channels are used to ensure that the needs are met. The bottom line is that necessary protection and assistance are available to the refugees and other persons of concern to the Office.

For its 2005 planning, UNHCR has begun to apply a systematic way of identifying gaps in the assistance and protection regime for refugees by measuring actual needs against certain generally accepted standards. These standards are closely aligned with other international standards, such as the Sphere Minimum Standards and the UN Millennium Development Goals. The initial effort was limited to camps with a population of 5,000 or more. Various stakeholders, including refugees, governmental authorities, NGOs, and others, were invited to contribute to the assessment process as well as to participate in the response planning. All were expected to contribute their share in addressing the situation according to the capacity and competency of each contributor.

It is not unusual that refugees and other persons of concern to the Office find themselves in a situation where the local population is also in need of assistance and where the circumstances are such that meeting the humanitarian assistance needs are beyond the competency of UNHCR alone. In such



The opening of UNHCR's Executive Committee in October 2004, Geneva - budget and funding were among issues discussed to find ways to better meet the needs of refugees. *UNHCR / S. Hopper*

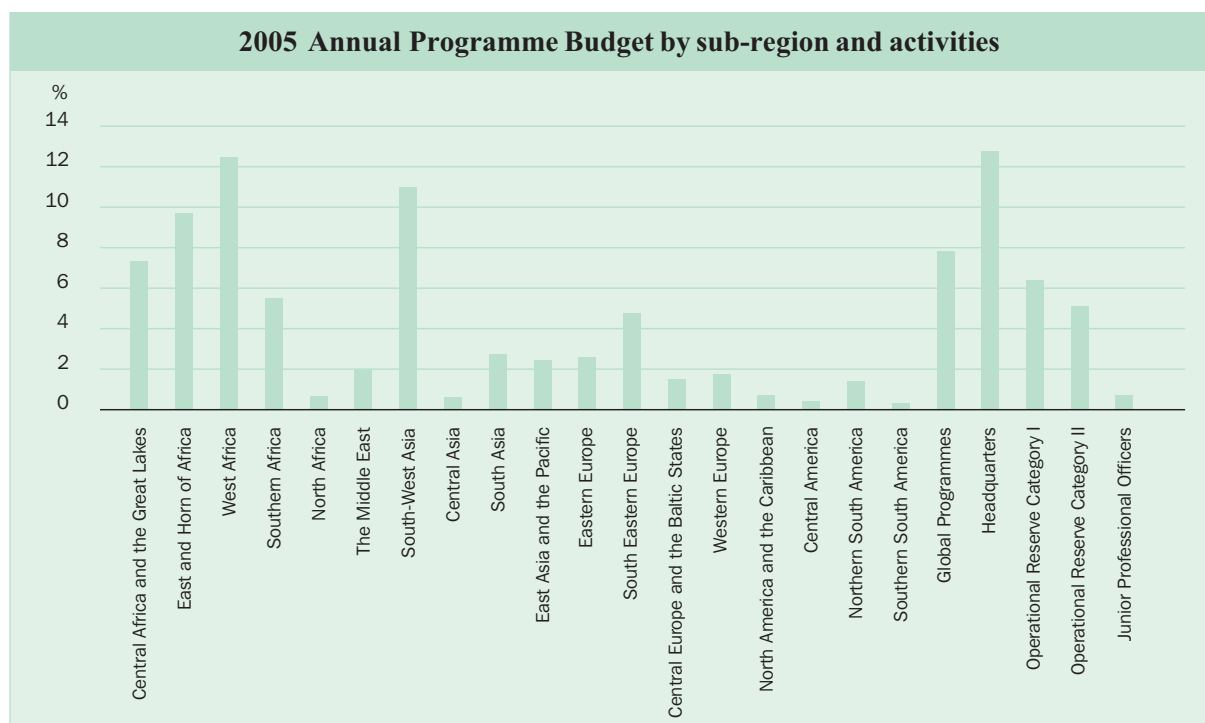
a complex humanitarian situation, a Consolidated Appeals Process (CAP) is initiated together with the other members of the Inter-Agency Standing Committee (IASC)/UN Country Team, facilitated by OCHA. Based on the Common Humanitarian Action Plan, developed by the partners, a Consolidated Appeal (CA) is launched that presents projects to address the commonly agreed most urgent needs. In 2005, UNHCR will participate in 13 of the 16 CAPs (the other three concern situations where UNHCR has no mandate or programme). In this Global Appeal document, UNHCR will highlight programmes which are part of a CAP and the ensuing inter-agency consolidated appeal. (See reference map and the table showing the requirements of the CA at the end of this chapter).

Based on the joint processes at the field level, the 2005 budget submissions for implementation through UNHCR totaled USD 1.26 billion. However, even this figure was not a complete reflection of the refugees' unmet needs since not all field offices had already been able to measure all the needs against the newly developed standards and indicators. Nevertheless, it was felt necessary to carry out a prioritization exercise to balance the budgetary proposals with potentially available resources. After close internal scrutiny and informal consultations with donors, UNHCR presented, in October 2004, its 2005 Annual Programme Budget (AB) to the Executive Committee of the High

Commissioner's programme. The approved budget amounted to USD 981.6 million.

The 2005 AB represents an increase of USD 27 million over the 2004 AB. The budget includes an amount for the Operational Reserve that, as in 2004, is split into two categories. The first category is meant to accommodate additional requirements due to emergencies or other unforeseen developments. While UNHCR will not in any way actively fund raise for the second category, it enables the Office to accept additional contributions - up to an overall total amount of USD 50 million - to address some of the many existing, but unbudgeted, needs. In this manner, UNHCR hopes to strike a delicate balance between overall needs and resource limitations, as well as specific donor interests to address unmet requirements through additional contributions. This second category is in a pilot phase - the criteria and its application will be evaluated in 2005.

The approval of the budget by the Executive Committee enables UNHCR to begin preparations for resource mobilization. Apart from a grant totalling USD 28.8 million from the UN Regular Budget that is used to cover part of the Headquarters' staff costs, UNHCR is completely dependent on voluntary contributions from governments, intergovernmental, non-governmental organizations, and private donors. Currently, UNHCR's funding base is

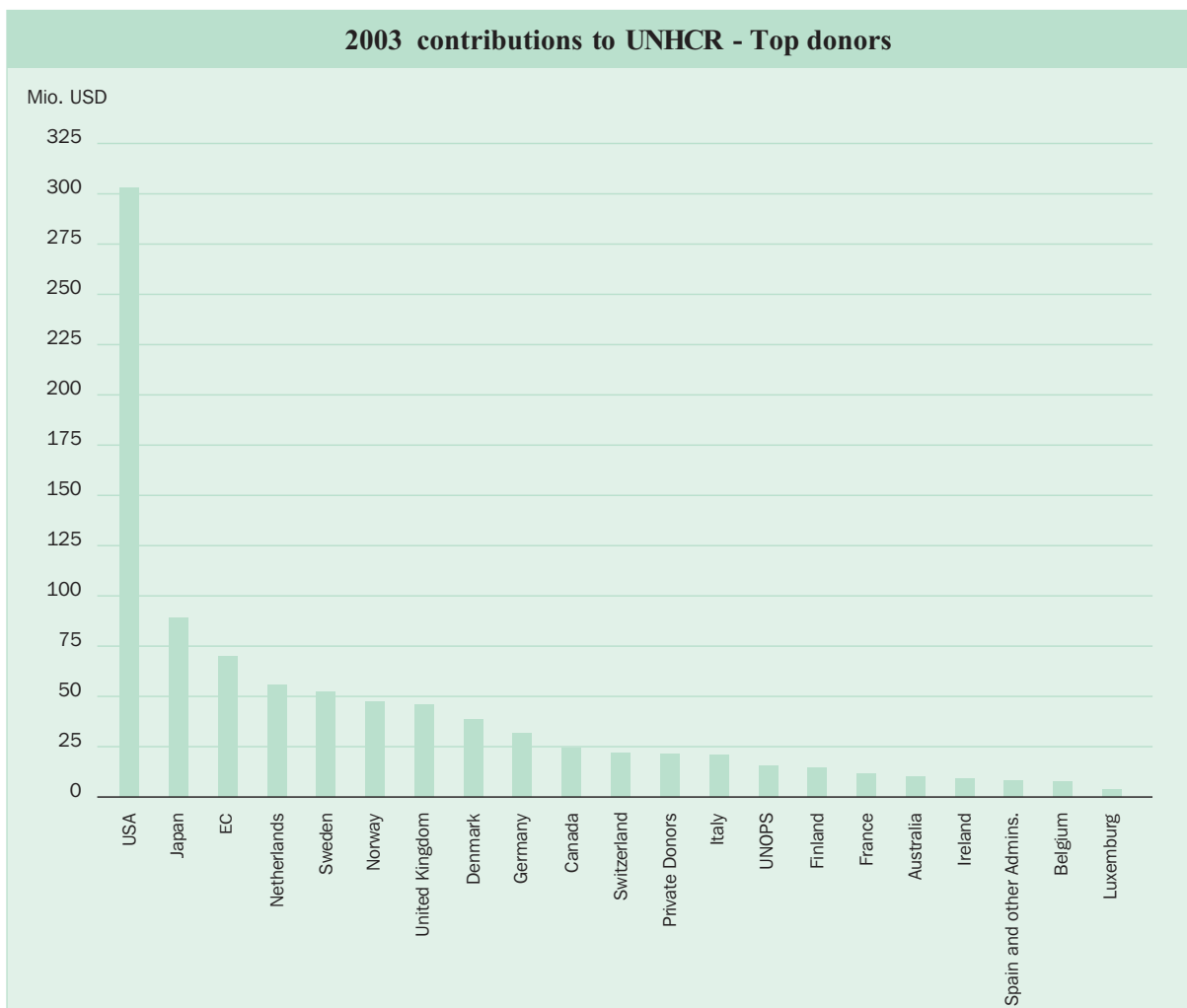


relatively narrow, with ten donors providing 83 per cent of its funding, and three donors covering 51 per cent of the total contributions. Thus, a number of initiatives have been taken to broaden and strengthen the donor base, as was suggested in the "UNHCR 2004 process". The Office has sought to establish or renew its contacts with more governmental donors and will strive to encourage these countries to provide a minimum level of support. UNHCR has also intensified efforts to increase its collaboration with intergovernmental organizations.

In 2005, UNHCR will work towards expanding its activities to raise funds from non-governmental sources in selected countries, as a component in diversifying its donor base. Activities will focus on raising funds from individuals and on developing long-term partnerships with international corporations. In order to enhance the sense of participation by private donors in 2005, fund raising for this sector will again be directed towards selected activities identified within the AB. Focusing efforts

in this manner will enable private donors to have a better understanding of exactly what is being achieved as a result of their financial support. This strategy has ensured, in previous years, that the interests of individual donors are maintained as an essential mechanism to sustain their support over a period of several years.

In addition to the AB, the current document includes the 2005 component of two Supplementary Programme budgets (SB): the Return and Reintegration of Sudanese Refugees to Southern Sudan, and the Return and Reintegration of Burundian refugees. The overall estimated budgetary requirements amount to USD 56.7 million and USD 58.5 million, respectively (not including 7 per cent support costs). Likewise, UNHCR's protection and assistance programmes relating to Chad/Darfur and to Iraq will also be presented as SBs in 2005. These Supplementary Appeals will be issued as soon as the estimated 2005 requirements are determined. In the meantime, tentative requirements for Eastern Chad have been included.



The current Global Appeal document will be launched at UNHCR's Pledging Conference to be convened in Geneva in December 2004. A number of characteristics of donor contributions are key to the smooth planning and implementation of UNHCR's projects in 2005. These include "predictability", "early pledges", "timely payment", and "flexibility". Over recent years, donors have increasingly made early pledges towards UNHCR's programme. Such early contributions allow for an immediate start-up of planned activities, particularly as considerable amounts of up-front funding are often required, for example, for the purchase of non-food items or to begin construction works or repairs. Predictability of contributions allows the Office to plan

for a balanced, phased implementation of programmes throughout the year. Finally, flexibility – the level of earmarking – will determine the extent to which UNHCR can apply its funds where they are deemed to be needed most.

The above-mentioned "desirable" characteristics of donor contributions are amongst the objectives of Good Humanitarian Donorship (GHD), an initiative through which donors aim to provide adequate and equitable assistance based on needs. UNHCR hopes to collaborate closely with the GHD so that refugees and others of concern may benefit from this initiative.

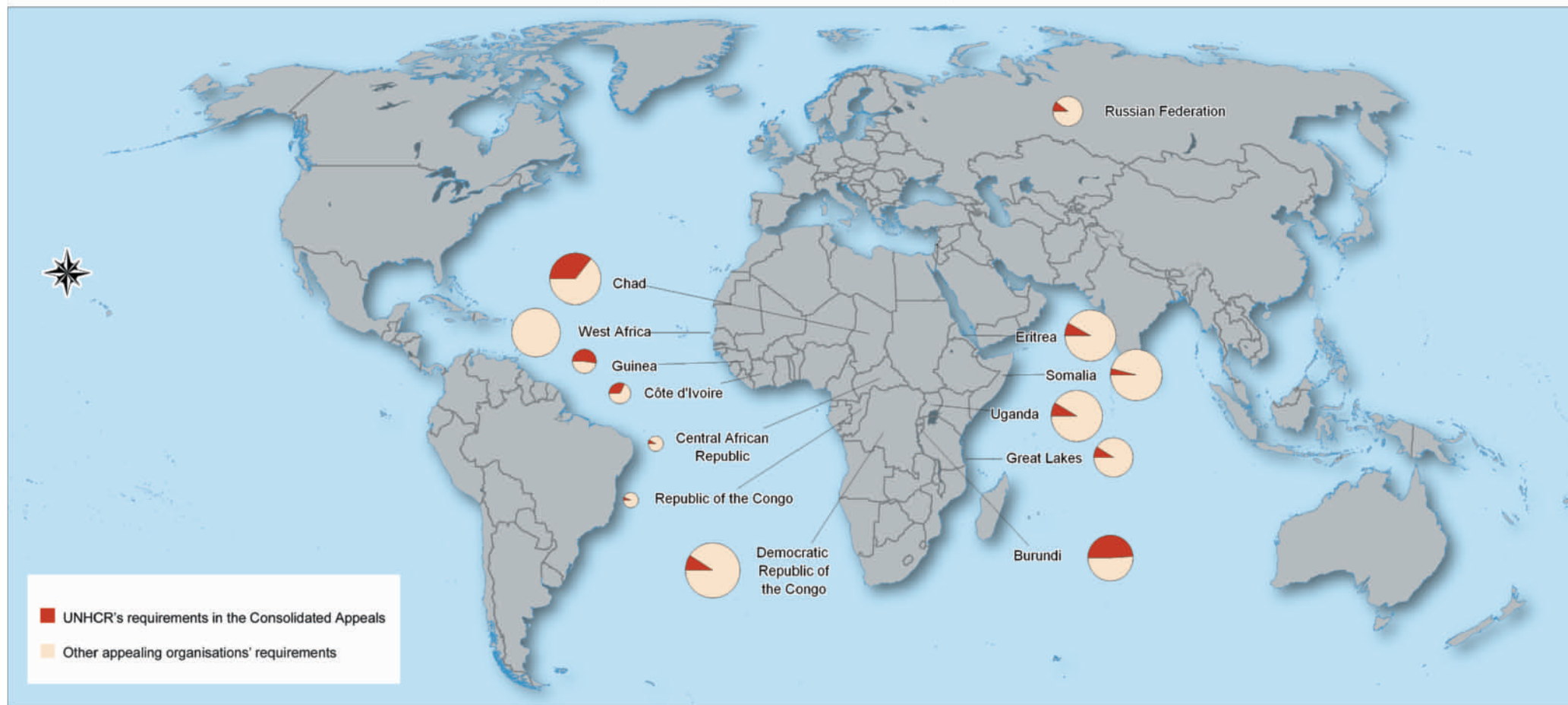
Total financial requirements (USD)			
Operations / Activities	Annual Programme Budget	Supplementary Programme Budget	TOTAL
Central Africa and the Great Lakes	71,324,858	58,009,683	129,334,541
East and Horn of Africa	94,670,735	56,725,331	151,396,066
West Africa	121,627,315	0	121,627,315
Southern Africa	53,732,015	0	53,732,015
North Africa	6,399,602	0	6,399,602
The Middle East	18,903,786	0	18,903,786
South-West Asia	107,057,536	0	107,057,536
Central Asia	6,220,448	0	6,220,448
South Asia	22,370,385	0	22,370,385
East Asia and the Pacific	28,139,433	0	28,139,433
Eastern Europe	25,247,084	0	25,247,084
South-Eastern Europe	46,375,971	0	46,375,971
Central Europe and the Baltic States	14,468,189	0	14,468,189
Western Europe	16,942,736	0	16,942,736
North America and the Caribbean	7,154,033	0	7,154,033
Central America	4,320,269	0	4,320,269
Northern South America	13,774,723	0	13,774,723
Southern South America	2,928,453	0	2,928,453
Global programmes	76,024,943	0	76,024,943
Headquarters ¹	124,460,383	528,668	124,989,051
Total programmed activities	862,142,896	115,263,682	977,406,578
Operational Reserve Category I	62,504,104	0	62,504,104
Operational Reserve Category II	50,000,000	0	50,000,000
Junior Professional Officers	7,000,000	0	7,000,000
GRAND TOTAL	981,647,000	115,263,682	1,096,910,682
Requirements for Assistance to Sudanese Refugees in Eastern Chad ²	0	55,957,566	55,957,566

¹Includes an allocation of USD 28,754,549 from the UN Regular Budget.

²These requirements are currently under review for final approval by the Operations Review Board at Headquarters.

Note: The Supplementary Programme Budget does not include a 7 per cent support cost that is recovered from each contribution received to meet indirect costs in UNHCR (Field and Headquarters).

2005 Consolidated Appeals (as at 21 October 2004)



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Consolidated Appeals in which UNHCR participates	UNHCR's requirements in Consolidated Appeal	Other appealing organizations	Total consolidated appeal 2005	UNHCR's requirements as a percentage of Consolidated Appeal requirements
Burundi	65,001,360 ⁽¹⁾	67,570,505	132,571,865	49%
Central African Republic	1,942,105	20,776,101	22,718,206	9%
Chechnya - Russian Federation	6,315,435	53,128,638	59,444,073	11%
Côte d'Ivoire	10,915,922	23,329,994	34,245,916	32%
Democratic Republic of the Congo	17,054,107	168,340,533	185,394,640	9%
Eritrea	12,783,757	144,367,422	157,151,179	8%
Guinea	23,002,652	20,740,352	43,743,004	53%
Republic of Chad	59,500,000 ⁽¹⁾	106,466,253	165,966,253	36%
Republic of the Congo	1,094,381	17,327,674	18,422,055	6%
Somalia	6,584,554	157,878,616	164,463,170	4%
Uganda	13,363,206	144,322,961	157,686,167	8%
Great Lakes	9,123,400 ⁽²⁾	93,855,961	102,979,361	9%
West Africa ²	-	152,280,099	152,280,099	-

¹ Includes 7 per cent support cost which is recovered from each contribution to meet indirect costs in UNHCR (field and headquarters).

² UNHCR's requirements for countries in the sub-region are reflected in respective country budgets and Consolidated Appeals, as applicable.