

# GUIDANCE NOTE 5

## Credible and Realistic Budgeting

At the same time that needs in response to the Syria crisis in the five main refugee hosting countries continue to grow, the amount of donor funding has not kept pace. Some 71 per cent of funding needs were received for the response in 2013, a figure which fell to 61 per cent in 2014. As at mid-August, only 37 per cent of funds required for 2015 had been received.

The guidance below is designed to ensure a credible and realistic overall appeal in 2016. Note that this guidance is for UN/NGOs developing 3RP chapters or interagency appeals in support of national plans. It is not intended as advice or instructions to governments on developing national plans or budgets.

### 1 Broad Principles for 3RP budgeting

- This is an update of a two-year plan so focus on revising budgets rather than creating new ones;
- The 3RP must be a defensible therefore realistic relative to its implementation and to its contributions to the overall situation;
- Some sector budgets may increase but prepare a strong justification if total budgets for 2016 are higher than those for 2015.

### 2 Guidance for appealing agencies

In the spirit of the above guiding principles, and in line with good practice in the development of funding appeals and plans, before submitting to the 3RP appealing agencies are assumed to have undertaken their own analysis of:

- how their agency plans relate to the sector objectives;
- their capacity to implement their appeal during 2016;
  - what they appealed for in 2015 and what was received;
  - the overall available funding considering the number of global crises; and
  - what they achieved against targets during 2015.

Appealing agencies, as part of the interagency coordination mechanisms in each country, at the sector level should be prepared to demonstrate the following:

- Their appeal is linked to achievable results);
- They have analyzed challenges to implementation and found viable solutions to them;
- They have reviewed and assessed that internal capacities can deliver the plan;
- They confirm the operational environment is conducive to their activities;
- They will contribute to inter-agency coordination;

- They can report implementation and achievements throughout the year; and
- They can report on funding received throughout the year.

### 3 Guidance for inter-sector and sector leadership

Inter-sector and sector leadership should ensure that sector plans individually and taken together reflect:

- Needs defined by evidence from available assessments and information sources;
- Targets defined against a gap analyses;
- Budgets linked to targets and remain within them (i.e. tightly linked to measurable results);
- Evidence-based objectives and outputs developed to meet needs of defined individuals, communities, institutions or systems;
- A realistic analysis of activities allowed in or suitable for the operational context (i.e. are there policy and modality constraints?);
- A confirmed capacity to ensure that all partners in the 3RP are able to have their contributions to the response reflected in the planning and reporting;
- Mechanisms to ensure that overlap (i.e. same interventions targeting same beneficiaries) is identified and streamlined during the planning phase;
- A sound justification of activities if budgets are higher than funds received by the sector last year for the same or similar interventions (evidence-based, links to existing capacity and what results can be achieved);
- Mechanisms to follow up on how agencies' activities contribute directly to existing objectives and outputs;
- Appealing organizations are registered with the government and operational in country, or planning to be operational within no more than six months of the appeal being launched;
- Mechanisms and plans to follow up on the agencies' capacity to deliver.

### 4 Country

- UNHCR and UNDP principals are expected to ensure a strategic review of sector plans and budgets, including to: identify and resolving duplication between sectors;
- Ensure that planning assumptions are applied coherently across sector work plans;
- Ensure that different populations are addressed in a harmonized manner by all sectors, and that targeting approaches are complementary;
- Ensure coherence between budgetary requirements developed by different sectors.

### 5 Regional

Similarly, feedback will be provided to agencies through their regional offices, and on country responses overall through the Regional Technical Committee, with an eye to regional coherence and consistency across the 3RP.