



**1** person forced to flee  
**is too many.**



## Update on programme budgets and funding for 2011 and 2012

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Director, Division of External Relations

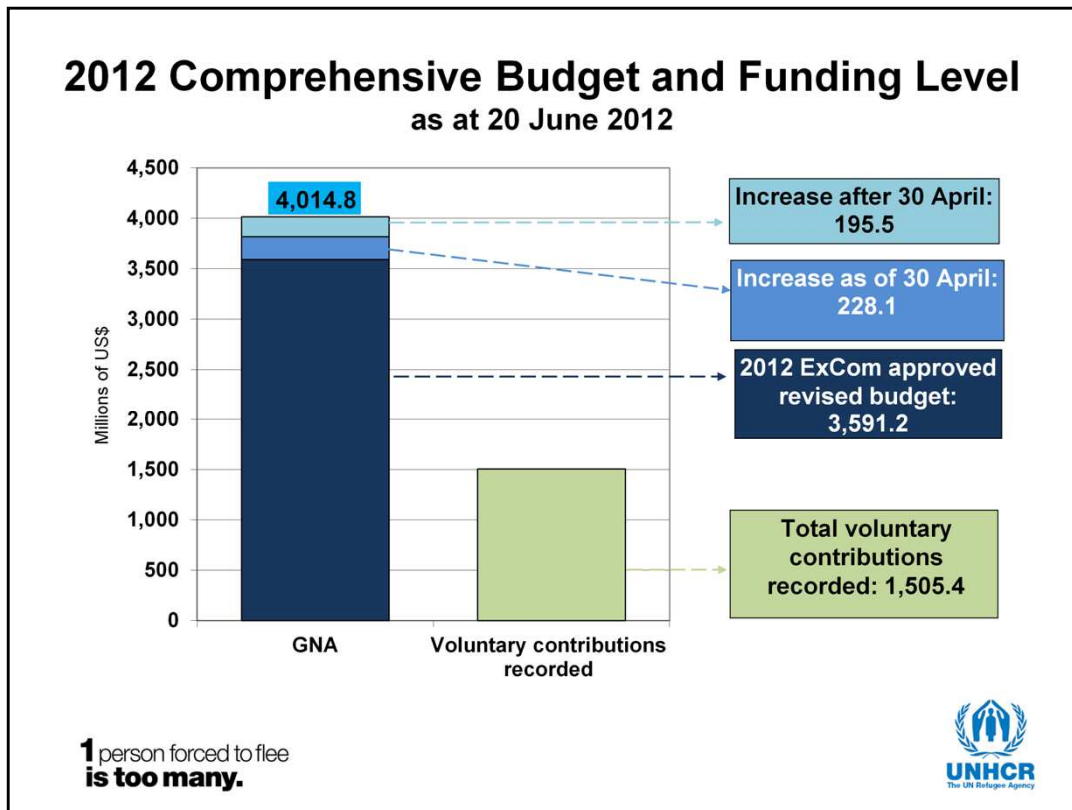
54th Standing Committee  
26-28 June 2012

**Slide 1:        Introductory remarks**

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,

This **presentation complements the Controller's presentation** on the 2011 and 2012 financial situation with a brief update on the current funding situation as at 20 June 2012.

Please note that while the Conference Room Paper on this agenda item (EC/SC/63/CRP.15) presents the funding and budget situation as at April 30<sup>th</sup>, this oral update takes developments after April 30<sup>th</sup> into consideration. Some figures may therefore vary.



**Slide 2: 2012 Comprehensive Budget and Funding Level**

I would like to start by showing you the level of voluntary contributions received to date compared to the Office’s current Revised Annual Budget.

As the Controller has just outlined, the **2012 Annual Budget has increased from 3.6 billion US-dollars**, as approved by the Executive Committee in October last year, **to just over 4 billion US-dollars as of June 20th**. In the bar chart on this slide, you can see the development of the Annual Budget for 2012 in the blue column on the left.

Against these overall requirements of 4 billion US-dollars, we have so far **received a total of 1.5 billion US-dollars in voluntary contributions**, represented through the green column on the right hand side. This constitutes 37 % of the Office’s revised overall requirements.

A comprehensive list of voluntary contributions recorded by 22 June 2012 will be shared with you after this presentation.

## 2012 Available and Projected Funding

- as at 20 June -

<b>Annual Budget</b>	<b>US\$ 4,014.8 m</b>
<b>Income &amp; Fund Available</b>	
Voluntary contributions received	US\$ 1,505.4 m
UN Regular Budget	US\$ 47 m
<b>Total contributions</b>	<b>US\$ 1,552.4 m</b>
Carry-over from 2011	US\$ 232 m
<b>Funds available today</b>	<b>US\$ 1,784.4 m</b>
<b>Projections</b>	
<i>Total projected funds available (by year-end)</i>	<i>US\$ 2,231.4 m</i>
<b>Projected shortfall</b>	<b>US\$ (1,783.4 m)</b>

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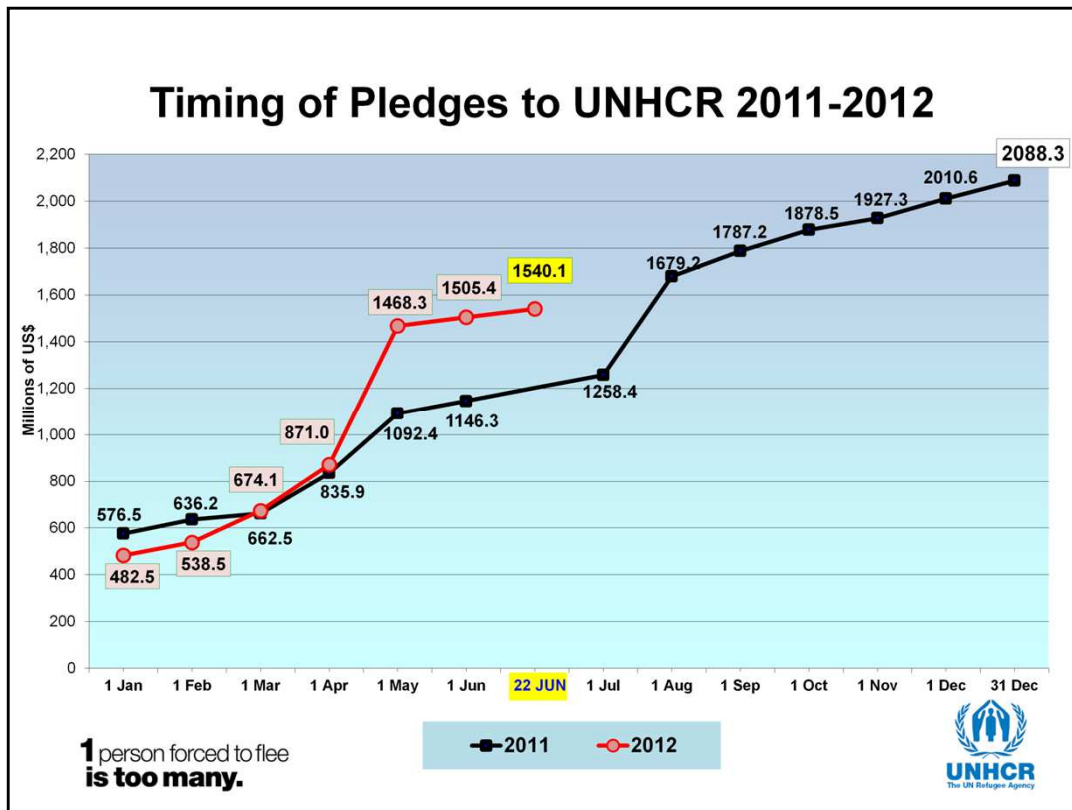
### Slide 3: 2012 Available and Projected Funding

On this slide, you can see the contributions that UNHCR anticipates to receive until the end of the year, and the funding shortfall the Office foresees.

The funds that are currently available to UNHCR amount to almost 1.8 billion US-dollars. This includes the 1.5 billion US-dollars in voluntary contributions that you have seen on the previous slide, 47 million US-dollars from the UN Regular Budget and a carry-over from 2011 of 232 million US-dollars, constituted mostly of earmarked contributions.

Based on currently available information, we **project** that the **funds available by the end of the year** will total some **2.2 billion US-dollars**.

Against the current revised Annual Budget of 4 billion US-dollars, this would leave us with a **shortfall of almost 1.8 billion US-dollars**, which equals 44%. I would like to emphasize that this shortfall will also affect activities that have been prioritized for implementation since the beginning of the year. I therefore urge Member States to continue to respond generously towards the needs of displaced people around the world to allow us to continue implementation in accordance with prioritized plans.



**Slide 4: Timing of Pledges to UNHCR 2011-2012**

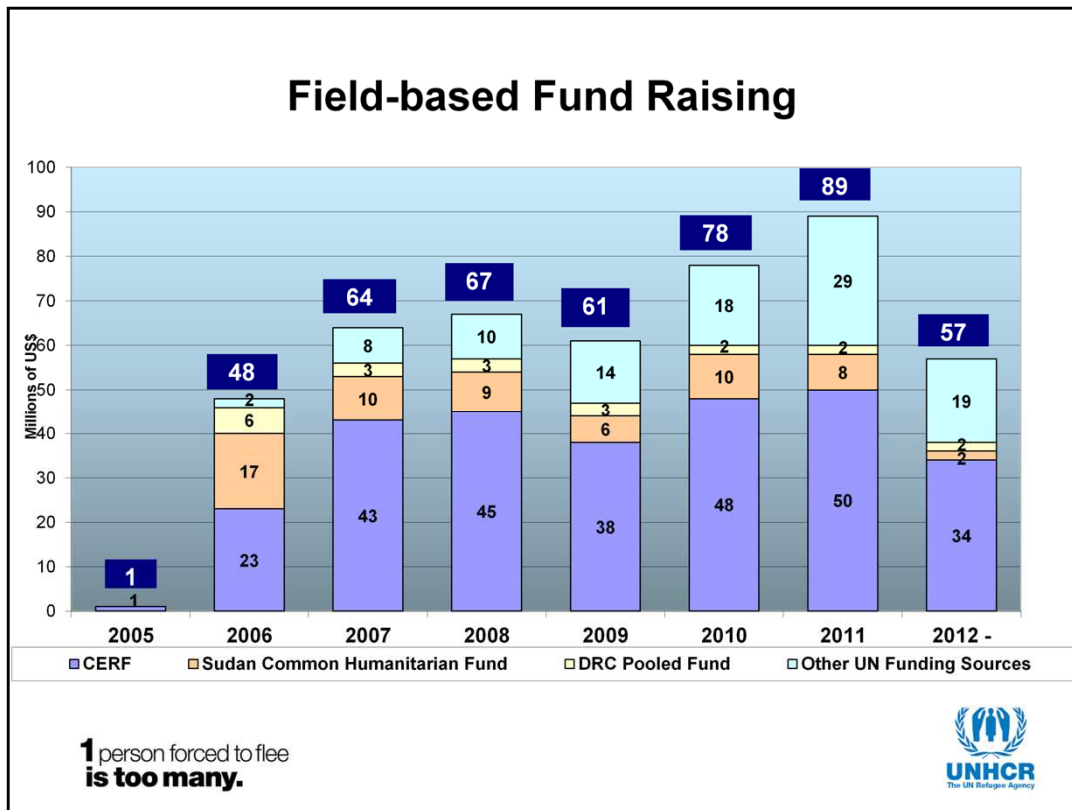
Turning to the timing of pledges, I am pleased to report that we are seeing a positive development this year. As you can see on this graph, the level of contributions increased sharply - and more significantly than in the previous year - during the month of April. This was due to a major contribution that we received earlier than usual, and for which we are very grateful.

It is, however, worth noting that as in 2011, major emergency response operations are happening during the first half of the year already (*Syria, Mali and Sudan situations*). Therefore, the additional support to these emergency appeals is included in the current level of 1.5 billion US-dollar in voluntary contributions.

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,

Allow me to express my **sincere appreciation for the early pledges** and payments which have allowed UNHCR to serve the persons of concern to the Office from the very beginning of 2012 without interruption and to support the implementation of programmes at a high level throughout the year.

We also would like to commend all donors who have responded positively to the call for more **broadly earmarked and flexible funding**. More than ever before, flexibility and early pledges are key factors for achieving effective results in an operational environment that is subject to frequent changes.



**Slide 5: Field-based fundraising**

With regard to field-based fund raising, I am pleased to report that we have received contributions from the various Pooled Funds over the past six months.

Due to the emergencies we faced in the first half of the year, we have secured, mainly through the CERF, a higher level of contributions than last year at this time. Therefore, we are confident that we will reach our target by the end of the year.

Efforts are being pursued, through institutional support from Headquarters, to reinforce the field staff's capacity to better coordinate their response with operational and implementing partners to produce high quality proposals and reports for these kinds of funding streams.

## Diversification of Funding Sources

### ❖ Private Sector Fund Raising (PSFR)

- Focus on regular monthly donations from individuals
- Project based fundraising from companies and foundations
- An increasing % contribution to UNHCR's overall budget

### ❖ Government Fund Raising

- Multi-year funding agreements
- Alternative funding sources

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### Slide 6: Diversification of Fundraising

In order to reduce our reliance on a relatively small number of donors, continued efforts are being made to diversify UNHCR's funding sources.

As for Private Sector Fund-Raising, we continue to grow PSFR's annual income at a rate of 40 to 50% per year thanks to expansion of activities in a number of countries – with Spain, Italy, USA, Germany, Japan and Australia being the highest contributors. We aim to raise 150 million US-dollars from the private sector in 2012. PSFR's strategy is focused on sustainable growth: seeking donations from individuals, companies, foundations and community organizations. We are also working to gradually increase the number of countries we fundraise in so as to mitigate dependencies on single markets and currencies.

With regard to government fund raising, and in line with the principles of the Good Humanitarian Donorship initiative, UNHCR is working with some of its traditional donors on multi-year funding agreements. We hope that such agreements will bring significantly more predictability of funding.

In addition, together with some of our government donors, we have been able to identify and access new funding windows, particularly for transitional and development funding.

## Main Challenges for the remainder of 2012

### ❖ New emergencies

- Additional needs to cover
- Re-prioritization of plans

### ❖ Projected funding shortfall higher than in 2011

### ❖ Continued unpredictability of global financial situation

### ❖ Earmarking, project-based contributions

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### Slide 7: Main Challenges for the remainder of 2012

This year, early pledges and payments have allowed the Office to allocate a relatively high level of spending authority to field operations early in the year. UNHCR has also been able to align activities more clearly with the Global Strategic Priorities this year. However, we are confronted with a number of challenges:

*[Point 1 on slide]* Facing **3 major emergencies** early in the year made significant adjustments necessary. Not only did they translate into **greater financial requirements**, but they also made it necessary to **re-prioritize plans and implementation**. Such re-prioritizations are **very complex in a Results-Based Management context as funds are allocated to achieve specific objectives**.



*[Points 2 & 3]* Given the ongoing **economic uncertainty** in many parts of the world, forecasting contributions has gotten more challenging. Even though we have started the year well, **our projections currently indicate that by year-end the level of funding will be lower than in 2011**. In relation to the greater financial requirements this year, this will translate into an even larger funding shortfall, including for activities prioritized for implementation in 2012.

*[Point 4]* With regard to the last point on this slide, we understand and appreciate the pressure that many donors are under to be accountable for the contributions provided and we are committed to meet these requirements. For UNHCR, an increase in project submissions and reporting requirements can result in **higher transaction costs, tighter earmarking, and more project-based contributions**.



There are over 10 million refugees who have lost everything.

**1** refugee without hope  
**is too many.**



World Refugee Day, June 20 - [www.unhcr.org](http://www.unhcr.org)

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**Slide 8: Concluding remarks**

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,

While UNHCR urges donors to provide for the increased needs under the Supplementary Budgets for new emergency situations, I would like to emphasize once again **the primary importance for UNHCR to find the right balance between raising additional funds for emergencies and meeting the funding targets for activities foreseen under the Annual Programme.**

As we move on towards the third quarter of the year, we need your strong and continued support if we are to cover the most urgent needs of the people of concern to UNHCR. I would like to reiterate my appeal for your support during the coming months, for additional and, in particular, flexible contributions in order to avoid a serious funding gap and avert a situation where basic needs of our beneficiaries cannot be met.

To conclude, I would like to express, once again, UNHCR's **deep appreciation to all members and observers of the Executive Committee for their continued commitment and financial support** to the work of UNHCR. I also wish to take this opportunity to sincerely thank all the host countries. It is thanks to the generosity of host countries, donors and partners that UNHCR has been and will be able to pursue its activities worldwide for the benefit of the women and girls, men and boys that we protect and assist.

Thank you.