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**Consideration and adoption of the
biennial programme budget 2014-2015 (revised)**

Biennial programme budget 2014-2015 (revised) of the Office of the United Nations High Commissioner for Refugees

Addendum

Report by the Advisory Committee on Administrative and Budgetary Question

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I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report “Biennial Programme budget 2014-2015 (Revised) of the Office of the United Nations High Commissioner for Refugees” (UNHCR) (A/AC.96/1136). During its consideration of the report, the Committee met by videoconference with the Deputy High Commissioner and other representatives of the High Commissioner, who provided additional information and clarification concluding with written responses received on 12 September 2014.

2. The Advisory Committee also met with representatives of the Board of Auditors regarding their audit report on UNHCR (A/69/5/Add.6). The Committee’s views and recommendations on the audit findings contained in the report of the Board will be presented in a separate report (A/69/386) to the General Assembly at its sixty-ninth session, covering all audited entities. Section IV below contains some of the issues specific to UNHCR raised in the report of the Board and the comments and recommendations of the Advisory Committee.

II. Budget methodology and presentation

3. The Advisory Committee recalls that UNHCR introduced in 2009 a new budget structure with four pillars¹ for the biennial programme budget 2010-2011, which is based on an assessment of needs rather than on the expected availability of funds (A/AC.96/1068/Add.1, paras. 6 and 8). A summary of the evolution of UNHCR’s budget cycle, structure and methodology in recent years is provided in a prior report of the Advisory Committee (A/AC.96/1112/Add.1).

4. Since the consideration and introduction of the needs-based budget methodology, the Advisory Committee has made various comments and recommendations, in particular concerning the gap between the budgets, funds and expenditures, and the relationship between the needs of the projected number of persons of concern and the proposed budget estimates. The Committee has noted that the large discrepancy between projected needs and actual funds presents challenges to making an accurate and informative assessment of the impact of the funding shortfall (A/AC.96/1125/Add.1, para.11).

5. The Advisory Committee further recalls that, during its review of the UNHCR programme budget for 2014-2015, the Committee encouraged UNHCR to consult with its Executive Committee on the feasibility of the introduction of a resource plan, along with a needs-based budget, in its next biennial programme budget (A/AC.96/1125/Add.1, para.12). **While noting the information provided by UNHCR in annex II to the proposed budget revision for 2014-2015, the Committee reiterates its view that the presentation of the UNHCR budget could benefit from the preparation of such a resource plan that would integrate resource planning into UNHCR’s planning and reporting process and would make the budget more transparent.**

6. With respect to the inclusion, in the UNHCR budget, of information on actual expenditure and projected requirements with detail by item of expenditure as requested by the Advisory Committee (ibid., para. 5), the Committee notes that table 14 in annex I to the revised budget presents 2013 expenditure, 2014 current budget and 2015 proposed budget

¹ The four pillars are Global Refugee Programme, Global Stateless Programme, Global Reintegration Projects and Global Internally Displaced Persons Projects.

by chapter of expenditure for programmed activities only (see para. 7 below). **While the Advisory Committee welcomes the inclusion of the information, it looks forward to a more comprehensive presentation which would include all activities of the Office.**

III. Revised biennial programme budget 2014-2015

7. The programme budget for the biennium 2014-2015 approved by the Executive Committee in October 2013 is referred to as the 'initial budget'; the updated needs for 2014 are presented as the 'current budget'; and the revised estimates for 2015 are submitted for approval as the 'proposed budget' (A/AC.96/1136, para. 5).

Current budget for 2014

8. As at 30 June 2014, the current budget for 2014 amounted to \$6,236.2 million, representing an increase of \$928.4 million, or 17.5 per cent, against the original 2014 budget approved in October 2013 of \$5,307.8 million. According to UNHCR, this increase is mainly due to the establishment of five supplementary budgets by the High Commissioner under the authority of UNHCR's financial rules. The five supplementary budgets are as follows: South Sudan (\$415.9 million), the Syria situation (\$289.3 million), the Central African Republic situation (\$150.8 million), the Iraq situation (\$59.9 million) and the mainstreaming of the emergency/non-food item project in the Sudan (\$12.5 million) (ibid., paras. 5 and 15).

Proposed budget for 2015

9. The proposed budget for 2015 is projected at \$6,234.5 million, an increase of \$1,055 million, or 20.4 per cent, compared with the initial budget of \$5,179.5 million for the year. UNHCR indicates that the revision takes into account the results of the global needs assessment conducted in 2014 (ibid., para. 16). The projected trends of UNHCR operations and the allocation of resources, by region, are provided in paragraphs 51-83 and table II.2 of the revised budget document for 2014-2015.

10. The revised requirements for 2014 and 2015 are presented under the pillar structure for the purpose of managing the biennial programme budget in accordance with UNHCR's financial rules (ibid., para. 17 and table I.3). Information with respect to the budgetary allocations from 2012 to 2015, by the four pillars, is provided in table II.1, which shows funds available and expenditure in 2012 and 2013, the 2014 current budget and the 2015 proposed budget. The High Commissioner also indicates the following (ibid., paras. 46-49):

(a) Pillar I (refugee programme): the estimated requirements represent 75.8 per cent of the total current requirements for 2014 and 78.1 per cent of the total revised requirements for 2015. The increase in 2015 is mainly related to the large-scale emergencies, especially in Africa and the Middle East and North Africa;

(b) Pillar II (stateless programme): the estimated requirements account for 1.2 and 1.3 per cent of the total requirements in 2014 and 2015 respectively, with no major changes expected;

(c) Pillar III (reintegration projects): the requirements are estimated to remain stable at 4.6 per cent and 4.3 per cent of the total requirements for 2014 and 2015, respectively;

(d) Pillar IV (internally displaced persons projects): the requirements represent 18.4 per cent of the total current 2014 budget and 16.3 per cent of the proposed 2015 budget. This net decrease is related to a number of factors, including expected decreases in

population numbers in some operations (such as the Central African Republic, Mali and South Sudan), and anticipated population increases in yet other operations (such as the Syrian Arab Republic).

11. The revised biennial programme budget for 2014-2015 contains two reserves: the Operational Reserve and the “New or additional activities – mandate-related” (NAM) Reserve. The Operational Reserve is calculated at 10 per cent of the total original budget under pillars I and II, which amounts to \$339.5 million for 2014 and \$460.4 million for 2015. UNHCR proposes to maintain the current annual appropriation level of \$20 million for the NAM Reserve (*ibid.*, para. 18).

Post requirements

12. Information with respect to UNHCR workforce is explained in paragraphs 32 to 40 of the revised biennial budget for 2014-2015. An overview of posts by grade, category and location is provided in tables 10 to 12 of annex I to the budget document.

13. UNHCR indicates that the number of posts for the revised 2015 budget is 10,314, representing a net increase of 260 posts, or 2.6 per cent when compared with the staffing level of 10,054 as at June 2014 (*ibid.*, para. 34). The allocation of the net increase of the 260 posts by function and region is shown as follows (*ibid.*, paras. 36 and 37):

(a) Programme (106), programme support (119) and management and administration (35)²;

(b) Increases in posts for the Middle East and North Africa region (227) and for Europe (86), both primarily related to the Syria situation response, and for Headquarters (56) to strengthen support divisions; to be offset by decreases for Africa (74 posts) and for the Asia and Pacific region (35 posts).

14. Furthermore, UNHCR indicates that during 2014, the Office continued to implement a capacity-building initiative, aimed at recruiting mid-career professionals with expertise and work experience in functional areas where UNHCR lacks internal functional capacity or where it does not have enough staff members available to meet the operational needs. Under this initiative, UNHCR’s regional bureaux and divisions requested posts in their proposals for 2015 (*ibid.*, para.35). A breakdown of the total number of 106 posts proposed under the initiative is shown in figure I.B of the budget document.

15. With respect to the issue of staff in-between assignments (SIBAs), as at 30 June 2014, there were 27 SIBAs between the P-2 and D-1 levels, with a reduction of 1 SIBA compared to the situation as at 30 June 2013 (*ibid.*, para. 38). Concerning the three SIBA’s at the P-2 level (*ibid.*, table I.10), the Committee was informed upon enquiry that two staff were promoted from the level of General Service to Professional in 1996 and 2007, respectively, and the third staff was recruited in 1998. One staff member with a profile in supply, who had served in D/E duty stations for the last 7 years, was likely to be placed soon; however, the appointment of the staff to a non-D/E duty station was slowing the pace of the process in this particular case. The Committee was also informed that the remaining two staff had restrictions on deployment to the field due to medical constraints, while the opportunities at headquarters duty stations were limited given their particular functional expertise. **While recognizing the progress made by UNHCR in reducing the number of staff in-between assignments, the Advisory Committee encourages the Office to continue its efforts in this regard.**

² UNHCR regular posts consist of three categories: programme (PG) posts (only in the field); programme support (PS) posts (at Headquarters and in field capitals only); and management and administration (MA) posts (at Headquarters only) (A/AC.96/1136, para. 33).

Regular budget

16. Financing of UNHCR under the regular budget of the United Nations is explained in paragraphs 24 and 25 of the revised budget document. A total of 220 management and administration posts, including those for the High Commissioner and the Deputy High Commissioner, will continue to be funded by the appropriation under the regular budget for 2014-2015 (*ibid.*, annex I, table 13). In addition, the regular budget provision covers a proportion of related non-post requirements and security costs at Geneva Headquarters. UNHCR indicates that, at this level, the regular budget funds 33 per cent of UNHCR's revised budget for management and administration costs for the biennium 2014-2015.

Fundraising

17. According to UNHCR, the Office has been consistently increasing its efforts in private sector fundraising over the past few years. Private individuals, corporations, foundations and national fundraising partners contributed \$191 million to UNHCR in 2013, compared with \$130.1 million in 2012 (*ibid.*, annex II, para. 12). Furthermore, UNHCR has put in place a new global multi-year strategy aimed at mobilizing \$500 million from 5 million donors by 2018, increasing the amount of unearmarked income from the private sector. In 2015, UNHCR will focus on attracting additional unearmarked funds from donors globally (*ibid.*, para. 113). Upon request, the Advisory Committee was provided with an updated table on the voluntary contributions to the Office from 2008 to 2013 (see the annex below).

18. **The Advisory Committee welcomes the initiatives launched by UNHCR on its fundraising activities and notes the additional resources obtained through such initiatives. While stressing the importance of maintaining continued support from traditional donors, the Advisory Committee supports UNHCR's ongoing efforts to broaden its donor base.**

IV. Report of the Board of Auditors

19. The Board of Auditors has audited UNHCR's financial statements for 2013 and issued an unqualified audit opinion (A/69/5/Add.6). The Board examined three core areas of UNHCR activities: (a) key aspects of the Syrian Arab Republic situation, with a focus on the refugee operation in Jordan; (b) the sectoral programme for the delivery of health services; and (c) the management of implementing partners (since UNHCR is heavily reliant upon third parties in refugee and health programmes) (*ibid.*, summary, para. 5).

20. On the third issue raised by the Board of Auditors, the Board observes that there are no mechanisms for sharing information on poor-quality or unacceptable partners with other actors such as United Nations agencies, donors or development banks (*ibid.*, summary, para. 27). The Advisory Committee notes from the report of the Board that UNHCR has commissioned the development of a web-based partner portal to allow its staff to share knowledge and experience with respect to working with partners in various countries, and that such a tool could be used to improve information-sharing with other United Nations agencies and the wider humanitarian and development community as appropriate (*ibid.*, paras. 104-106). The Board, in order to strengthen the implementing partner selection process, recommends that UNHCR, in consultation with other United Nations agencies and the wider humanitarian community, develop mechanisms to share information on implementing partners. **The Advisory Committee shares the view expressed by the Board of Auditors on the need to improve the selection process of UNHCR implementing partners and information-sharing on partner performance. The Committee encourages UNHCR to share its web-based partner portal, once developed**

and as appropriate, to improve information-sharing with other United Nations agencies and the wider humanitarian and development community. The Committee will discuss this matter further in its report on the Board of Auditors to the General Assembly (A/69/386).

21. In addition, UNHCR also indicates that audits of UNHCR-funded projects implemented by partners are undertaken by third-party external audit service providers, and the associated audit certificates are assessed by the United Nations Board of Auditors as part of forming its audit opinion on UNHCR's financial statements. With the purpose of enhancing the efficiency and effectiveness of the project audit certification, UNHCR is reviewing the current policy, which is based on monetary thresholds. UNHCR has elaborated a strategy to shift to a risk-based audit approach effective in 2015, when the projects subject to audit will be evaluated on the basis of partner performance, internal controls, the operating environment and other high-risk elements, such as procurement and cash. (A/AC.96/1136, paras. 111 and 112). The Board of Auditors has been informed of the audit shift to risk-based approach by UNHCR. The Board indicates that it will examine the effectiveness of the new risk-based approach in future years (A/69/5/Add.6, summary, para. 28). **The Advisory Committee looks forward to receiving information in this regard from future reports of the Board of Auditors on the voluntary funds administered by UNHCR.**

Annex

[English only]

Contributions to UNHCR Programmes 2008-2013
(in United States dollars) *

DONOR	2008	2009	2010	2011	2012	2013
Governmental						
Afghanistan					1,000	1,000
Algeria	60,000	100,000	100,000	100,000	100,000	100,000
Andorra	28,384	85,131	75,052	51,591	31,852	23,453
Argentina	30,000		38,922	100,000	226,000	326,000
Armenia					98,712	98,172
Australia	28,229,902	32,873,505	45,104,443	56,537,400	48,644,473	57,522,352
Austria	2,844,137	2,247,678	3,271,699	3,196,776	2,593,834	5,032,660
Azerbaijan	20,000	20,000	20,000	20,000	55,478	36,749
Bahamas		2,000				
Bahrain	10,000		10,000			
Belgium	15,909,379	23,840,967	21,961,676	26,930,127	16,850,476	19,569,244
Bermuda	10,000					
Botswana					113,288	13,288
Brazil		50,000	3,500,000	3,750,034	3,635,936	714,204
Bulgaria	80,892	7,000		8,000	141,792	10,000
Burundi		778				
Canada	42,792,868	45,561,841	46,520,016	58,543,383	64,989,067	75,231,998
Chile	100,000	100,000	100,000	100,000	100,000	100,000
China	651,906	250,000	250,000	250,000	474,630	1,475,014
Colombia	25,000		25,000	10,000	1,000,000	172,162
Costa Rica	13,534	14,973	18,142	17,397	15,385	15,000
Côte d'Ivoire				10,000	102,178	
Croatia	62,000	31,000			137,056	70,032
Cyprus	143,098	75,678	82,109	34,409	13,011	13,226
Czech Republic	986,396	549,100	165,189	126,794	337,052	313,380
Denmark	55,779,338	52,132,909	56,768,147	46,850,547	58,139,553	86,486,360
Ecuador		85,000				
Egypt			25,000	25,000		
Estonia	274,896	268,352	155,099	275,644	191,304	525,101
Finland	27,601,063	26,880,561	27,546,837	28,074,419	24,328,164	27,163,702
France	23,578,962	23,209,996	20,055,286	25,981,207	23,259,939	24,320,668
Germany	48,884,187	54,529,973	49,739,460	55,678,221	69,262,446	116,617,788
Greece	2,442,039	1,751,435	550,843	2,130,540	1,436,911	115,445
Holy See	20,000	20,000		20,000	20,000	20,000
Hungary	2,078,075	2,042,668	1,837,023	1,703,995	2,172,522	1,958,644
Iceland	100,000		100,000	202,558	51,000	50,000
India	9,958	2,499,721				
Indonesia					50,000	50,000
Iraq	8,000,000					9,965,812
Ireland	27,261,269	11,849,886	7,738,301	11,196,310	12,090,556	13,030,631
Israel	50,000	50,000	60,000	60,000	100,000	100,000
Italy	44,117,001	15,449,784	11,477,673	7,841,708	12,827,585	10,531,936
Japan	110,871,125	110,553,715	143,494,234	226,106,644	185,379,986	252,939,102
Kazakhstan					169,236	184,999
Kuwait	2,000,000	1,000,000	1,052,265	1,000,000	3,606,762	112,356,762
Kyrgyzstan					67,014	67,014
Latvia	37,608				13,333	88,351
Liechtenstein	392,949	477,116	432,146	331,996	326,236	215,983
Lithuania				20,520	17,986	26,237
Luxembourg	10,079,587	11,077,231	11,135,189	9,964,242	10,515,008	9,740,260

* Excluding the appropriation from the United Nations regular budget.
Including contributions towards the Common Humanitarian Pipeline Special Account.

DONOR	2008	2009	2010	2011	2012	2013
Malta		71 429	20 342	79 082	43 605	117 505
Mexico	101 905	100 000	75 000	50 000	25 000	25 000
Monaco	145 773	157 368	194 805	282 523	252 294	233 766
Montenegro	5 000		6 000			5 000
Morocco	500 000	500 000	1 000 000	1 000 000	1 278 534	1 028 589
Namibia					88 399	88 399
Netherlands	85 493 928	80 617 231	74 079 339	78 561 895	103 432 851	85 568 687
New Zealand	4 546 204	3 500 583	4 428 000	6 238 753	6 024 688	5 128 205
Nigeria					63 735	63 735
Norway	61 048 237	60 642 612	80 974 783	76 109 943	84 862 943	80 177 988
Oman	100 000	2 100 000	100 000	100 000		
Philippines	591	2 000			100 000	
Poland	857 269			809 610	694 879	1 272 774
Portugal	1 595 337	1 779 290	1 638 688	300 000	300 000	195 009
Qatar	50 000		50 000	100 000	100 000	
Republic of Korea	3 016 519	3 228 221	3 000 000	4 696 905	5 144 748	5 946 689
Romania	399 556	590 717		209 245	236 847	267 350
Russian Federation	2 000 000	4 000 000	2 000 000	2 000 000	2 542 110	12 000 000
Saudi Arabia	112 000	6 421 325	20 235 623	112 000	13 698 670	11 523 754
Serbia				63 683	100 000	5 000
Singapore	10 000	10 000	10 000	10 000	10 000	50 000
Slovak Republic	14 577	14 306	14 430	13 141	64 019	13 569
Slovenia	35 000	110 225	121 193	204 703	115 282	40 706
South Africa	145 985		178 909	610 288	275 005	337 385
Spain	36 059 344	39 539 195	39 169 995	30 893 391	14 916 910	7 596 836
Sweden	105 366 742	107 885 397	111 937 438	118 674 212	118 301 246	128 910 259
Switzerland	25 481 287	25 607 741	25 521 158	31 624 870	37 547 459	45 866 329
Thailand	20 000	20 000	20 000	20 000	20 000	20 000
Turkey	450 000	400 000	200 000	201 000	500 000	200 000
Turkmenistan					81 792	81 792
Ukraine					125 000	
United Arab Emirates	54 000	30 054 000	4 265 207	500 000	1 698 602	1 843 646
United Kingdom	57 422 861	41 997 362	57 002 306	120 693 340	99 585 966	161 152 531
United States of America	510 251 603	640 726 528	712 220 805	698 168 056	793 470 742	1 041 707 225
Uruguay		10 000	5 000			5 000
Venezuela (Bolivarian Rep. of)	5 000					
Viet Nam					180 000	180 000
Governmental Total	1 350 864 270	1 469 773 528	1 591 878 770	1 739 576 099	1 829 568 085	2 419 045 458
Intergovernmental						
African Development Bank (AfDB)				630 000		
African Union	600 000		650 000	1 015 000	400 000	400 000
Arab Gulf Prog. for UN Dev. Organizations (AGFUND)		165 000	50 000	50 000	357 833	
Council of Europe/Devel. Bank (CEB)	931 934	486 943	30 102	472 046	470 668	
Economic Community Of West African States (ECOWAS)			4 105 198	500 000	3 326 100	
Great Lakes Initiative on HIV/AIDS (GLIA)	840 945	2 816 311	483 088			
Intergovernmental Authority for Development (IGAD)		2 487 596	659 334	863 361		
International Criminal Court (ICC)		68 960				
International Organization for Migration (IOM)			194 341	260 645	132 185	154 461
OPEC Fund for Int'l Dvpmnt (OFID)		1 142 370	1 000 000	989 234	160 792	
The World Bank				10 511 355	18 695 340	
CIRGL - Conf. Int'l Région GL						82 000
Intergovernmental Total	2 372 878	7 167 179	7 172 063	15 291 641	23 542 919	636 461
European Union						
European Union	130 145 776	126 947 661	118 215 496	133 191 382	166 944 813	213 490 514
European Union Total	130 145 776	126 947 661	118 215 496	133 191 382	166 944 813	213 490 514

DONOR	2008	2009	2010	2011	2012	2013
UN - Pooled Funding Mechanism						
Central Fund for Influenza Action (CFIA)	2 970 000	2 970 000	1 235 045			
CERF (Central Emergency Response Fund)	45 679 720	38 382 998	48 103 626	50 154 676	70 023 500	70 436 138
Common Humanitarian Fund (CHF) CAR			250 000	283 000		
Common Humanitarian Fund (CHF) Somalia				2 697 469	3 205 801	410 000
Common Humanitarian Fund (CHF) South Sudan					10 430 326	2 492 998
Common Humanitarian Fund (CHF) Sudan	8 652 697	5 960 912	10 179 074	7 603 182	5 209 361	4 731 021
DRC Pooled Fund	2 496 690	2 661 964	1 828 804	1 798 901	2 114 424	925 471
Emergency Relief Fund		495 783			596 792	504 611
Food and Agriculture Organization (FAO)				15 000	100 000	
Humanitarian Response Fund Ethiopia					639 712	
Stabilization & Recov Fund in East DRC					1 215 000	
UN Children's Fund (UNICEF)	505 751	1 824 096		663 017		678 479
UN Delivering as One	854 865	430 237	2 169 520	1 363 118	6 775 725	5 037 065
UN Development Programme (UNDP)	230 370	137 283	1 968 610	6 535 279	2 115 240	926 305
UN Global Peace & Security (GPSF)	233 117					
UN High Commissioner for Human Rights (UNHCHR)			400 000	100 000		
UN Millennium Development Goal (UNMDG)	8 024	856 150	1 663 244	1 097 240		
UN Mission in Sudan (UNMIS)	4 637					
UN Peacebuilding Fund (UNPBF)	514 980	1 532 261	1 869 719	8 654 922	3 394 414	164 128
UN Population Fund (UNFPA)			221 305	486 375	681 331	436 200
UN Programme on HIV/AIDS (UNAIDS)	3 702 568	3 632 659	4 250 000	4 629 145	4 900 000	4 968 500
UN Stabilization & Recovery-DRC			760 024	270 000		
UN Trust Fund for Intl Coop Dev				71 964		
UN Trust Fund Human Security (UNTFHS)	1 060 273	1 986 284	1 951 625	1 980 186	678 321	837 296
UNDG Iraq Trust Fund			823 150	731 830		
World Health Organization (WHO)				5 000		
UN Act against Sex.Violence Conflict		58 514				151 940
UN Dptmt of Economic & Social						410 880
UNDP/UNHCR TSI Joint Programme						1 564 619
UNOPS						11 948
World Food Programme (WFP)		100 000	139 340		9 266 261	202 030
UN - Pooled Funding Mechanism Total	66 913 692	61 029 142	77 813 086	89 140 304	121 346 208	94 889 630
Private						
Total Private Donors	47 817 109	50 710 726	68 752 869	111 075 292	130 111 116	191 026 635
Private Total	47 817 109	50 710 726	68 752 869	111 075 292	130 111 116	191 026 635
Grand Total	1 598 113 726	1 715 628 236	1 863 832 284	2 088 274 719	2 271 513 142	2 919 088 698