



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

UNHCR
The UN Refugee Agency

Update on programme budgets and funding for 2012

Ms. Daisy Dell
Director, Division of External Relations

55th Standing Committee
18-19 September 2012

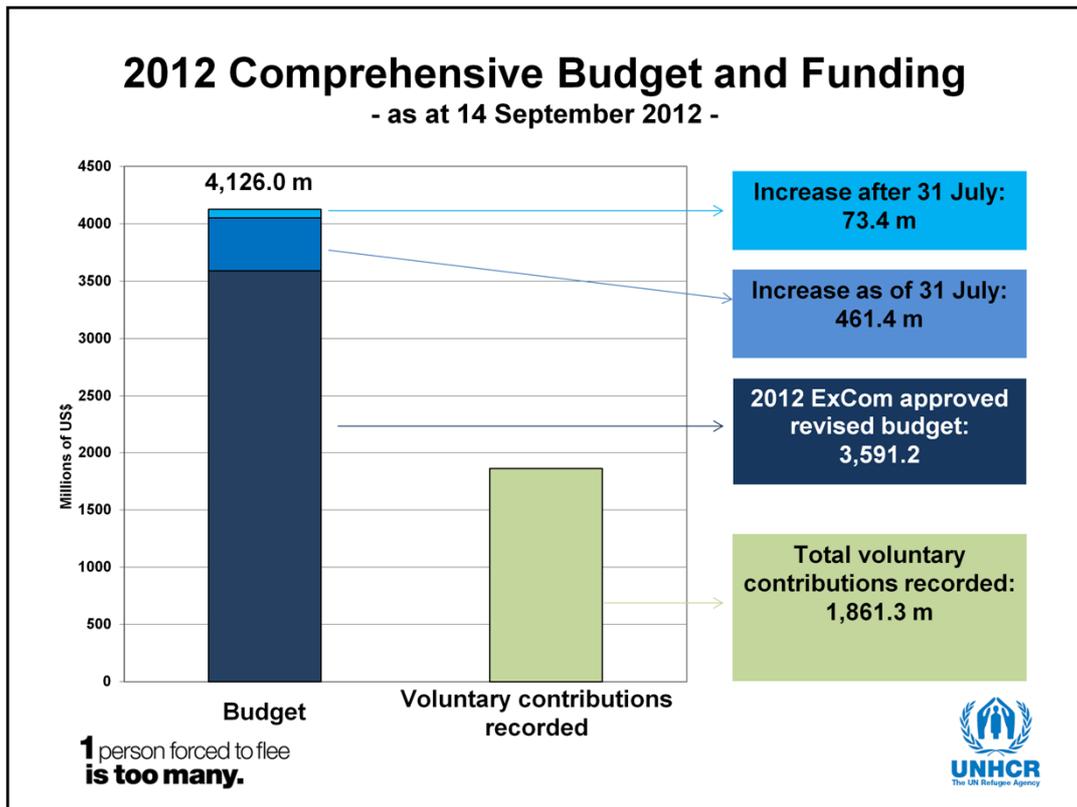
Slide 1: Introductory remarks

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,

I am pleased to have the opportunity to address the Standing Committee today.

My **presentation complements the Controller's presentation** on the 2012 financial situation with a brief update on the current funding situation as at 14 September 2012.

Please note that while the Conference Room Paper on this agenda item (EC/SC/63/CRP.20) presents the funding and budget situation as at 31 July, this oral update takes developments from 31 July up to now into consideration. Some figures may therefore vary.



Slide 2: 2012 Comprehensive Budget and Funding

I would like to start by showing you the level of voluntary contributions received as of 14 September compared with the Office’s current 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 4.126 billion US-dollars as of 14 September. In the chart on this slide, the evolution of the Annual Budget this year is represented by the blue column on the left.

Against these overall requirements of over 4.1 billion US-dollars, **we have received a total of over 1.861 billion US-dollars in voluntary contributions**, shown by the green column on the right.

This constitutes 45 % of the Office’s revised overall financial requirements and represents an increase of 8% since I last updated you at the June Standing Committee.

Today’s funding level in relation to the Office’s overall financial requirements is almost at the same level as this time last year.

You can find a comprehensive list of voluntary contributions recorded by 14 September 2012 on our website.

2012 Available and Projected Funding

- as at 14 September -

Annual Budget	US\$ 4,126.0 m
Income & Funds Available	
Voluntary contributions received	US\$ 1,861.3 m
UN Regular Budget	US\$ 47.0 m
Total contributions	US\$ 1,908.3 m
Carry-over from 2011	US\$ 232.0 m
Secondary income <i>(as at 31 July)</i>	US\$ 18.1 m
Funds available today	US\$ 2,158.4 m
Projections	
<i>Total projected funds available (by year-end)</i>	<i>US\$ 2,382.4 m</i>
Projected shortfall <i>(against overall requirements)</i>	US\$ (1,743.6 m)

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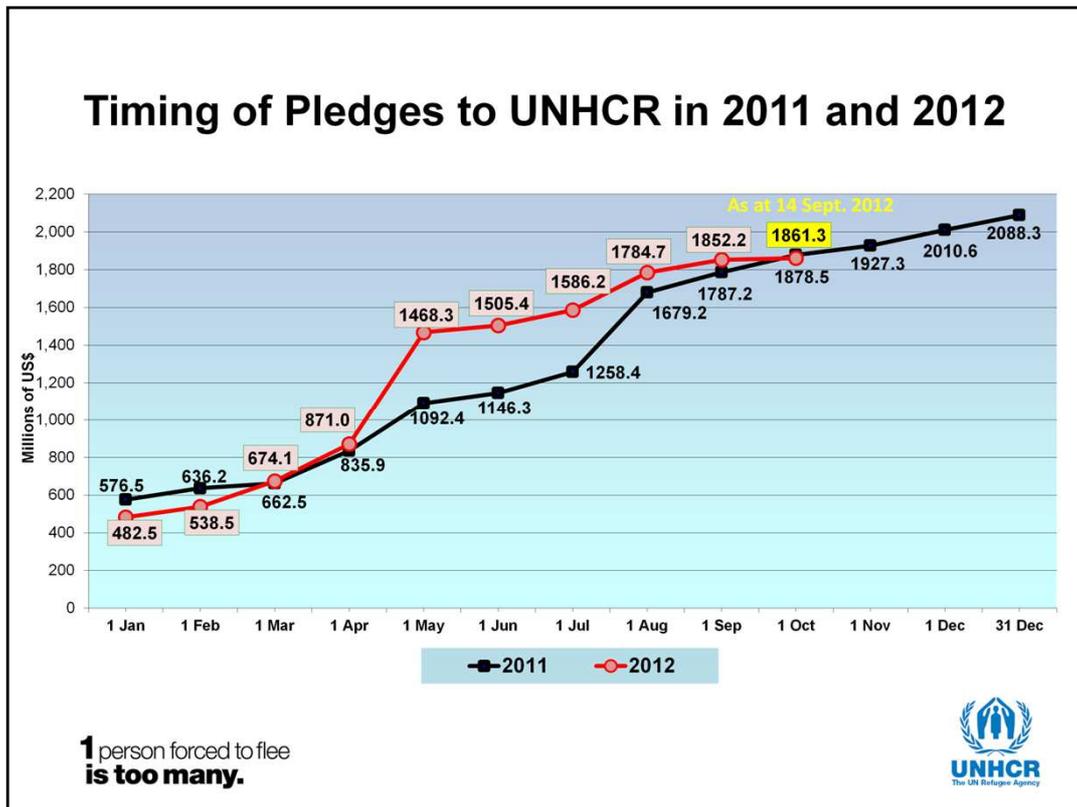
Slide 3: 2012 Available and Projected Funding

Despite this overall high level of contributions, a considerable gap remains towards the full funding of the Office's revised needs. On this slide, you can see that **UNHCR anticipates having a total of 2.38 billion US-dollars by the end of 2012.**

The overall funds that are currently available to UNHCR amount to over 2.15 billion US-dollars. This includes the 1.86 billion US-dollars in voluntary contributions, 47 million US-dollars from the UN Regular Budget, a carry-over from 2011 of 232 million US-dollars, constituted mostly of earmarked contributions, as well as secondary income of 18 million US-dollars.

Against the current revised Annual Budget of over 4.1 billion US-dollars, the projected **shortfall of 1.74 billion US-dollars** equals 42% of the Office's current overall financial requirements.

I would like to emphasize that this shortfall means that 42% of the identified needs of the persons of our concern will not be met. I therefore urge Member States to continue to respond generously towards the needs of displaced people around the world.



Slide 4: Timing of Pledges to UNHCR 2011-2012

Turning to the timing of pledges, I have reported on the positive trend that we see this year already at the Standing Committee meeting in June. As you can see on the red line of this graph, the level of contributions increased sharply during the month of April and since then followed a similar pattern as in the previous year.

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 key programme elements 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**. As we confront multiple emergencies from the Sahel across Africa to Syria, flexibility and early pledges are key factors for achieving effective results in an operational environment that is subject to frequent changes.

Private Sector Fund-Raising

- Strategic approach to private sector fund-raising
- Increased investment based on results
- Diversified fund-raising portfolio
- Strong links to advocacy and communication
- Ongoing emergency campaigns

1 refugee without hope
is too many.



Slide 5: Private Sector Fundraising:

I would like to take this opportunity to emphasize some key elements underpinning UNHCR's private sector fund-raising strategy before turning to the income figures.

[1. Strategic approach]

In an attempt to broaden and diversify the Office's donor base, UNHCR has decided in 2009 to pursue fund-raising opportunities from the private sector in a more aggressive, strategic and systematic manner. Since then, the focus has been to build robust and sustainable private sector fund-raising programmes, both in country operations such as in Italy, and in cooperation with our National Associations in Spain, Australia, Germany, the US and Japan.

[2. Increased investment]

The rapid growth of income is a result of the Office's approach to strategically increase investment in fund-raising programmes and to reach an increasing number of people who sign up to give regular donations to UNHCR. All investments are carefully monitored in terms of their sustainability with regard to the returns in contributions that they enable in the long-term.

[3. Diversified portfolio]

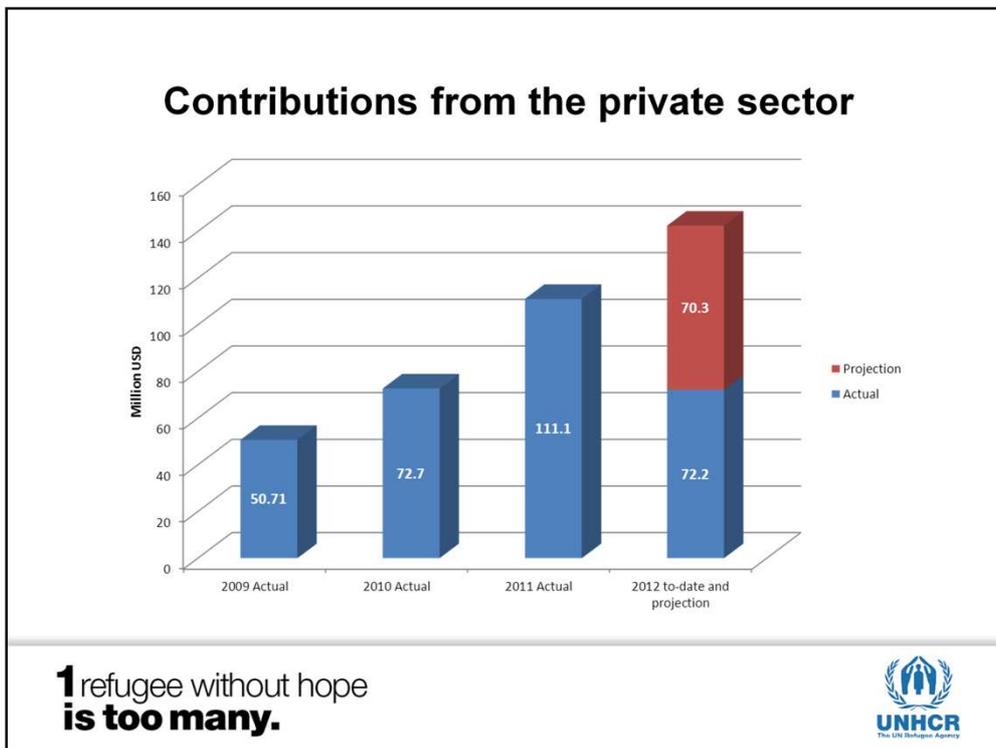
With regard to bullet point three, we believe that sound risk management is a prerequisite for a sustainable private sector fund-raising programme. Therefore, efforts are made to diversify risk by targeting individuals, corporations, and foundations in a range of different markets around the world.

[4. Advocacy and communication]

Private sector fund-raising activities and advocacy and public information efforts are mutually beneficial. To give you an example, as a result of our face to face fundraising efforts in the streets of cities around the world, millions of conversations with the public about refugee protection and humanitarian needs take place every year. Even if not every conversation results in a donation, every conversation raises awareness for the persons of our concern and their needs. The Office is determined to further explore and strengthen these synergies.

[5. Emergency campaigns]

Lastly, I would like to draw your attention to our efforts to raise funds from private donors for the ongoing emergencies UNHCR is currently involved in. For the remainder of 2012, the Division of External Relations will step up its efforts to raise funds from private donors for emergencies through targeted PI and fund-raising campaigns. These efforts will be complemented by reinforced awareness-raising efforts regarding the ongoing emergencies, not least through more in-depth emergency coverage on UNHCR's web site.



Slide 6: Private Sector Fundraising:

The private sector fundraising team has done well in 2012 and has **as of today recorded an income of 72.2 million US-dollars** from private donors. UNHCR is on track in terms of performance of the private sector fund-raising programme and **expects to receive donations of a total of 142.5 million US-dollars in 2012**. This would represent an increase of over 180% as compared to the funds raised from private donors in 2009.

As you know, **UNHCR is making significant investments to increase the funding from the private sector**. Currently, the annual **global return on investment rate (ROI)** is approximately 2.5 to 1 (2.5:1) meaning that for each US-dollar spent on private sector fund-raising in 2012, we receive 2.5 US-dollars in contributions in return in the same financial year. This year the overall investment into private sector fund-raising activities will amount to some 59 million US-dollars, and according to current projections, the Private Sector Fund-Raising Service will raise 142.5 million US-dollars in contributions in 2012.

The Office’s goal is to reach a minimum return on investment rate of 4 to 1 (4:1) at the global level within the next 5 years and then maintain such a rate in a sustainable manner. It should be noted that more established country fundraising operations will deliver higher returns than the overall benchmark, and newer operations will deliver lower returns in their start-up period. This return on investment rate of 4 to 1 (4:1) that we aim at achieving is the benchmarked accepted standard for all major private sector fundraising operations in the non-profit sector.

This year, the majority of the Office’s investment in private sector fund-raising is spent on the Investment Growth Fund – carefully managed core investments in donor recruitment activities. All investments in every country are based on an analysis of previous returns, planned activities, and consideration of other risk factors such as the overall economic climate.



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

Slide 7: Concluding remarks

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,

As we move towards the last quarter of the year, we need your continued strong support if we are to cover the most urgent needs of the people of concern to UNHCR.

While donors have responded generously to most of UNHCR's emergency appeals this year, 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.**

I would therefore 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 and especially all those Member States that are taking an active part in the Steering Committee that has been established, to review how contributions of host countries could be better acknowledged in UNHCR's activities. 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.