

REPORT ON UNHCR'S RESOURCE MOBILIZATION STRATEGY,
INCLUDING PRIVATE SECTOR FUND RAISING

I. OVERVIEW

1. UNHCR's resource mobilization strategy aims to increase governmental, public and private sector support for its work worldwide. Efficient and successful programmes that meet needs, demonstrate results and lead to solutions, are the Office's most effective fund raising tools. At the same time, UNHCR needs to do more than design and implement good programmes to maintain strong donor support and ensure reliable income. It needs to build strategically upon existing income sources and develop new ones.

2. Over the past 10 years, funding support for UNHCR has increased considerably from all sources. In 1999, UNHCR received a total of US\$ 911.6 million from governmental, institutional and private donors as well as from United Nations trust funds; while in 2008, contributions increased to US\$ 1.6 billion, the highest amount ever received. Despite this very positive trend, UNHCR's dependency on its 10 largest donors remains high: it has evolved from a share of 86 per cent of total contributions in 1999 to 76 per cent in 2008. In addition, over 97 per cent of total income comes from the voluntary contributions of governments and intergovernmental organizations. In view of this, new and innovative ways must be pursued to broaden UNHCR's donor base.

3. UNHCR divides its resource mobilization strategy into two distinct areas: government fund raising and private sector fund raising (PSFR). Both sectors work together in order to maximize resource mobilization, but require very different strategies for developing their respective donor base.

4. The challenges for UNHCR to fully meet the needs of populations of concern around the world and to sustain reliable funding levels have increased substantially due to the highly complex and competitive humanitarian funding environment as well as the impact of the current global recession on the availability of resources. This paper describes some of the Office's fund raising challenges and outlines its plans for addressing them.

II. GOVERNMENT FUND RAISING

5. Thus far in 2009, UNHCR is on course to raise a similar amount of funds as in 2008 from governmental sources for the current annual budget and supplementary programmes. However, in 2010, with the introduction of the Global Needs Assessment, the Office will need to raise funds for a significantly increased budget. To meet this challenge UNHCR will be required to focus on the four key areas outlined below.

A. Effectively manage relations with traditional donors to ensure maximum funding

6. Traditional governmental and intergovernmental donors are well represented in Geneva and in the Field, where UNHCR works with embassies, delegations, and bilateral assistance programmes. The Office strives to keep donors well informed on its operations at all levels, through regular meetings, briefings and updates. UNHCR is confident that the more it can do to demonstrate the impact of its activities in meeting the needs and transforming the lives of refugees and internally displaced persons (IDPs), the more successful it will be in raising funds. In this regard, Representatives in the Field provide regular updates and briefings as well as organizing field visits for donors. Only through sustained and systematic efforts in donor relations at all levels can UNHCR strengthen donor confidence and increase support for the activities of the Office.

B. Increase efforts to broaden donor base

7. While progress has been made in this regard, more needs to be done as the organization remains very dependent on too few donors. UNHCR will intensify its efforts to increase the donor base through targeted interventions to identify and solicit support from new and emerging governmental donors.

C. Obtain more resources from humanitarian pooled funds in the Field

8. In each operation with a pooled funding mechanism, the Humanitarian Coordinator takes the lead in allocating funds based on a shared analysis of priorities. To tap the Central Emergency Response Fund (CERF) and the pooled funds currently available in the Central African Republic, the Democratic Republic of the Congo and Sudan, UNHCR offices in the Field will continue to engage proactively with the Humanitarian/Resident Coordinator and the UN country team in the planning and allocation processes.

9. Submissions for pooled funds are coordinated with the Regional Bureaux and with the Donor Relations and Resource Mobilization Service (DRRM) at Headquarters. DRRM provides technical support and assistance in this process through the review of submissions, training workshops and the sharing of best practices. For their part, field offices assign staff within their programme and external relations units to ensure the quality of project submissions and reporting, and receive support from the Regional Bureaux.

D. Increase funding from development and transition sources

10. The Office will increase its efforts to access transitional and development funds both at the global and country level. In order to do so, UNHCR has prepared an inventory of transition and development funding sources, including bilateral development agencies, multi-donor trust funds, international financial institutions and foundations, which provides key information, procedures and guidelines on submissions and reporting. Given the nature of the funding sources, Representatives must be actively involved in this process. Currently, UNHCR is pursuing development funding sources for a number of operations, including Afghanistan, Burundi, the Democratic Republic of the Congo, Liberia, Serbia, and southern and eastern Sudan.

11. In addition, UNHCR will work to provide guidance, training and technical support to the Field in order to access these funds and assist in the design of fund raising strategies for key operations. This should include lobbying governments and partners to ensure that, *inter alia*, returnee populations are included in longer term development programmes.

III. PRIVATE SECTOR FUND RAISING

12. Compared to government fund raising, private sector fund raising in UNHCR is relatively new. As a result, private sector income is much lower than income from government sources. In order to increase private sector income, the Office made a five year commitment, beginning in 2007, to systematically invest in and develop private sector fund raising. Income from this source is often unearmarked and can therefore be used more flexibly to plan and deliver UNHCR operations. Mass marketing aimed at the private sector also increases global public awareness and support for the needs of refugees and persons of concern to UNHCR.

13. Private sector income returns are on track to achieve the planned target of US\$ 100 million in gross income by 2012. However, achieving the gross income target of 5 to 10 per cent of the total budget in the context of the Global Needs Assessment, will significantly increase the income goal in the future. Fortunately, the evidence so far shows that with proportionate investment UNHCR can achieve increased returns. The strategy for maximizing the growth of sustainable, net private sector income for UNHCR is focused on four main goals.

A. Increased income

14. When the strategic goal was set for PSFR to deliver between 5 and 10 per cent of UNHCR's annual budget, its annual budget was under US\$ 1 billion a year; thus, the goal set at that point was to reach US\$ 100 million in private sector income by 2012. The criteria set for this level of income growth were that it should meet the benchmark of a 4:1 return on investment; be sustainable with a level of acceptable risk; and be unearmarked to the extent possible, with a minimum of 60 per cent of the income for the annual budget.

B. Growth in audiences and products

15. While UNHCR aims to maximize opportunities from all private sector fund raising sources, it has prioritized individual monthly giving, which thus far has proved to be very successful. In 2008, some 82,000 monthly donors contributed US\$ 12.6 million to the Office.

Positive responses to on-the-street fund raising ventures undertaken by UNHCR offices in some countries directly demonstrate broad public support for refugees and the work of UNHCR. In addition, UNHCR is actively developing other fund raising tools, using new media and technology sources such as the internet, online communities, e-mail, text-messaging, and digital TV, alongside appeals and campaigns, to increase revenue from individuals and corporations.

16. Individual cash donations for new emergency situations are not yet included in the PSFR Strategic Framework. However, raising funds for emergencies will be a critical new element of the strategy as this can help deliver significant extra funds at times of crisis, while also engaging new donors with a view to them becoming long-term UNHCR supporters.

17. In addition to individual giving, PSFR will pursue the development of strategic partnerships with corporations and foundations. These partnerships help deliver additional funding streams, and in-kind donations, and provide expertise to the organization.

C. Increased innovation and investment

18. PSFR is based on a methodology of testing and innovation in existing and new markets, ensuring that maximum growth is achieved rapidly within acceptable risk parameters. In order to manage risk effectively, UNHCR engages in public sector fund raising in a growing number of markets and is developing a diverse portfolio of products and approaches. These efforts are intended to ensure a robust programme that will be able to withstand economic turbulence. This approach has served UNHCR well during the current economic crisis, as overall private sector income growth has continued as planned, and none of the PSFR markets have fallen back in terms of giving levels.

E. Improved business systems

19. UNHCR is working to create PSFR systems and structures, at national, regional and international levels, which will achieve rapid and sustainable growth. This strategy recognizes that global fund raising directed from Geneva is not always optimal for income growth, as local knowledge and ownership are also crucial. Therefore, UNHCR assigns a considerable portion of the implementation of PSFR activities to the national and regional levels, which is also in line with the policy of decentralization in the context of UNHCR reform. The global direction and priorities are set by the Head of PSFR in Geneva, supported by a small core team, and consistent with the PSFR Strategic Framework.

20. As private sector income achieves further growth, UNHCR will need to adapt its systems and processes to enhance its international marketing operation. Particular attention will be given to investment tracking, data monitoring, performance benchmarking and donor care and development.

III. CONCLUSION

21. UNHCR's resource mobilization strategy is based on several mutually reinforcing elements. As outlined in previous paragraphs, it aims to maintain and, wherever possible, increase the support of traditional donors; identify new donors and broaden the donor base;

obtain more resources from humanitarian pooled funds; increase funding from development and transition sources; and increase income and support for UNHCR through multiple PSFR sources.

22. At Headquarters, staff responsible for governmental, institutional, public and private sector fund raising coordinate and collaborate closely in order to ensure that together, they maximize the resources mobilized for UNHCR in support of the overall budget and global strategic objectives. To this end, they work together on targeted fund raising campaigns, prepare training materials, and undertake joint field trips. They also coordinate closely with UNHCR's communications and public information staff, as well as with the Regional Bureaux, to ensure that UNHCR's resource requirements are understood and clearly communicated internally and externally.

23. While the efforts made at Headquarters are essential for success in resource mobilization, they are not sufficient. The key role of Representatives and staff in the Field in generating and maintaining donor support has grown in recent years. This trend coincides with UNHCR's structural and management change process. The Resource Allocation Framework provides for greater delegation of budget-related decisions to the Field, and with this enhanced authority comes greater responsibility. The Global Accountability Framework, now being finalized, describes the shared responsibility for external relations, advocacy and fund raising. Moreover, humanitarian reforms (the strengthened role of the Humanitarian Coordinator, the revamped CERF, the establishment of other pooled funds, and the IDP cluster approach) require greater fund raising efforts at the country level. In addition, the Good Humanitarian Donorship and the Delivering as One initiatives, as well as the growth of recovery and development-oriented, multi-donor trust funds, all have an impact on how UNHCR and other agencies interact with one another and how donors coordinate and channel their financial support at the country level, to which UNHCR must respond. Thus, active cooperation between UNHCR Representatives and donors at the field level is encouraged and will be further strengthened.

24. As in the past, UNHCR will also continue to organize regular briefings at the Geneva and field levels. Missions to key operations will continue to take place to enable donors, both government and private sector, to familiarize themselves with and increase their knowledge of field operations and activities.

25. Since UNHCR is dependent upon voluntary contributions, the best way for it to maintain the support and confidence of its donors is by effectively providing protection, assistance and solutions to persons of concern. This is even more critical at a time when resources are more scarce and there are so many competing and growing needs across the world. UNHCR is hopeful that both its fund raising strategies and performance will make it an organization that donors will want to support and that the 10-year trend of increased resources being given to the Office will continue in 2010 and beyond.
