## **Executive Committee of the High Commissioner's Programme**

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# Private sector fundraising and partnerships

Summary

This paper provides an update on progress in the area of UNHCR's private sector fundraising activities and partnerships since the last update provided in September 2018 (EC/69/SC/CRP.22). It presents UNHCR's efforts to advance on its objectives of mobilizing support from 25 million individuals, broadening private sector partnerships and raising \$1 billion annually from the private sector by 2025.

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#### I. Introduction

1. In the last 10 years, UNHCR has successfully diversified its income streams and in 2020 raised over half a billion dollars from the private sector. UNHCR considers the private sector as a reliable donor as well as a strong partner in supporting relief efforts and implementing innovative and sustainable solutions for the benefit of refugees and host communities. Private donors, which include millions of individuals, support the organization by providing funds for the refugee cause and promoting solidarity worldwide.

2. UNHCR's private sector fundraising consists of 24 country operations supported by five regional Offices in Nairobi, Dubai, Bangkok, Brussels and Washington. Their work is coordinated by the Private Sector Partnerships Service located in Copenhagen, Denmark. In addition, UNHCR funds nine independent national partners through the national growth fund.

3. While private sector fundraising has been part of UNHCR's resource mobilization strategy since the late 1990s, the organization prioritized significant investments in this area over the last decade. In 2011, UNHCR raised \$111 million in private sector income. In 2014, the Office set the strategic objective of raising \$500 million annually from the private sector by 2018, with a long-term vision of increasing this amount to up to \$1 billion annually by 2025.

4. Nevertheless, the Office has, over the years, faced some challenges in maintaining steady growth in private sector income due in large part to shifts in public opinion and interest regarding the refugee cause. To address this, UNHCR has identified eight priority income growth drivers that have the greatest potential to boost private sector funding over the next three years and that play a critical role in creating long-term, sustainable income streams for the organization. These include donor development, Islamic philanthropy, multi-country campaigns, foundations, emergencies and campaigns, gifts in wills and private philanthropy. In addition, new initiatives have been established in Argentina, China, Indonesia, Kenya, Malaysia, Nigeria and South Africa, and feasibility studies are underway in other countries to assess further opportunities for growth.

#### II. Private sector income growth 2018 – 2020

5. UNHCR increased its private sector income from \$423 million in 2018 to \$538 million in 2020, of which \$225 million was fully unearmarked funding. The private sector is the second largest source of unearmarked funds for UNHCR, providing 36 per cent of its total unearmarked funding in 2020.

6. Overall, 2019 proved a challenging year for private sector fundraising, with individual giving growing only 4 per cent and income from private partnerships and philanthropy declining by 10 per cent in part due to the negative impact of fluctuations in exchange rates. UNHCR raised \$422 million in private sector funds, 57 per cent (\$242 million) of which was unearmarked.

7. The Global Refugee Forum (GRF), which took place in Geneva in December 2019, helped achieve a private sector fundraising milestone. It brought together over 200 delegates from 100 companies and foundations, with many representing private sector coalitions and networks, including the <u>TENT Partnership for Refugees</u>, the International Chamber of Commerce and Smart Communities Coalition. Corporations, foundations and philanthropists made a range of pledges, including financial commitments worth over \$250 million, as well as pledges to create jobs, support entrepreneurs and provide pro bono legal assistance, among others. For example, the TENT Patronships for Refugees mobilized 44 businesses and business associations to pledge to: employ more than 12,500 refugees; support over 2,800 refugee-owned businesses; and provide improved access to services, including banking services for more than 111,000 refugees. The "whole-of-society" approach demonstrated the expanding role of the private sector in mobilizing resources to support refugee responses as envisioned in the Global Compact on Refugees.

8. In 2020, despite challenges due to the new coronavirus disease (COVID-19), UNHCR's private sector income continued to grow in all regions, with the exception of face-to-face fundraising. In the context of the pandemic, the organization shifted focus to digital communication and engagement which resulted in strong support from the private sector. While COVID-19 severely impacted face-to-face fundraising in most countries, the Office successfully reallocated resources to other fundraising programmes such as emergency appeals on television, direct mail and digital marketing. This resulted in the number of individual donors increasing from 2.4 million in 2019 to 2.8 million in 2020.

9. Partnerships and collaboration with the private sector also proved critical in advancing innovative and sustainable solutions to address the impact of COVID-19 on displaced communities. For example, the Instant Network Schools programme, which was established by UNHCR and the Vodafone Foundation in 2013, helped provide quality digital education for refugee students through ensuring access to a digital classroom, connectivity and content, as well as teacher training and technical support in the Democratic Republic of the Congo, Kenya, Tanzania and South Sudan. The programme was recognized at the 2020 Transformational Business Conference Awards and received an award in the "Transformational solutions in education, knowledge and skills" category.

10. Together with national partners, UNHCR increased its private sector income in 2020 by 27 per cent compared to 2019, raising \$538 million, including \$256 million in unearmarked funding. The cost-to-income ratio decreased from 34 per cent to 26 per cent. UNHCR is now among international humanitarian organizations that have been most successful in achieving income growth from the private sector.

11. The Office has strong strategic relations with its national partners. Between 2019 and 2020, UNHCR expanded this network by establishing three new partnerships in Argentina, Switzerland and the United Kingdom of Great Britain and Northern Ireland, bringing the total number of national partners to nine. The partnerships are key for engagement with civil society and help generate over 50 per cent of UNHCR's private sector income. In 2019, for the first time, national partners participated in UNHCR's annual pledging conference and made a collective pledge of \$250 million for 2020.

12. The table below provides detailed information on UNHCR's private sector income between 2012 and 2020 and the estimated amount for 2021.

|  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Partnership<br>and private<br>philanthropy | \$53  | \$80  | \$71  | \$90  | \$129 | \$124 | \$129 | \$117 | \$198 | \$210 |
| Individual<br>Giving                       | \$77  | \$111 | \$137 | \$194 | \$223 | \$276 | \$293 | \$305 | \$340 | \$350 |
| TOTAL                                      | \$130 | \$191 | \$208 | \$284 | \$352 | \$400 | \$423 | \$422 | \$538 | \$560 |

### **III.** Looking forward

13. As its private sector fundraising strategy 2018-2025 enters the second half of its implementation period, UNHCR will gauge the progress made to date and make necessary adjustments with a view to optimizing existing and new income growth opportunities.

14. UNHCR will continue to expand private sector fundraising efforts worldwide including through investing in priority countries, markets that deliver the best returns on investment and have the highest growth potential as well as in partnerships and fundraising programmes with the greatest long-term returns. Key new markets for accelerating income growth with long-term prospects are Argentina, Brazil, China, France, Greece, Indonesia, Malaysia, Mexico, Switzerland and the United Kingdom of Great Britain and Northern Ireland. Investments are focused on strengthening marketing and emergency fundraising, creating innovative local and regional advocacy campaigns, and using technology to improve fundraising results.

15. With regard to the target of \$1 billion in annual private sector income, UNHCR expects 50 per cent of the income to come from Germany, Japan, the Middle East and North Africa region, Republic of Korea, Spain and the United States of America, and 50 per cent from 25 countries, including those with long-term growth prospects such as Brazil, China, Kenya, Malaysia, Mexico and South Africa.

16. The organization will further decentralize fundraising efforts including through investing in local private sector fundraising and partnerships capacity building and strengthening collaboration among regional bureaux and country offices. In parallel, UNHCR will develop joint strategies with investors, partners, philanthropists, governments and foundations to boost delivery against thematic goals, such as climate change, education, gender equality, preventing and responding to sexual and gender-based violence and emergencies.

17. Considering that emergencies often draw media attention, emergency response appeals and campaigns have a significant impact on public awareness of the refugee cause and, therefore, on funding from governments, pooled funds and private sector donors. Raising funds for emergency situations represents 30 to 40 per cent of UNHCR's annual private sector income. For example, in 2020 alone, a record \$197 million was raised largely due to UNHCR's swift response to emergencies, including the Tigray situation in Ethiopia, the Moria camp fire in Greece, the 4 August explosion in Beirut, Lebanon, the crisis in northwest of the Syrian Arab Republic and the COVID-19 pandemic. Emergency campaigns will remain a priority for UNHCR in implementing its private sector fundraising strategy.

18. Global campaigns also help expedite private sector income growth, allowing UNHCR to create more opportunities and advance solutions for displaced people. For example, the "Nobody Left Outside" campaign for shelters was UNHCR's first global campaign aimed at raising funds from private donors for assistance in a thematic area. It ran from 2016 to 2019 and exceeded its funding target of \$25 million, helping provide shelter solutions for hundreds of thousands of displaced people around the world. UNHCR's latest campaign "Aiming Higher", which was launched in December 2020 on the occasion of UNHCR's 70th anniversary, calls on private donors to help fund scholarships for 1,800 refugees by 2023. As of end-July 2021, the campaign has raised over \$5.6 million. Over the next three years, it will engage corporates, foundations and individuals to reach the target.

19. The global Ramadan campaign, which was launched in 2019, continues to grow, raising over \$10.3 million globally in 2021. It has been implemented in 27 countries worldwide.

20. UNHCR has further established itself in Islamic philanthropy including through obtaining fatwas of endorsement from distinguished Islamic scholars and institutions that confirm its eligibility to receive and distribute Zakat funds. This has provided the organization with a significant competitive advantage to strengthen engagement and partnerships with the Muslim community. UNHCR piloted Zakat fundraising in the Middle East and North Africa region in 2017 and 2018, and in 2019 launched the 'Refugee Zakat Fund' ahead of Ramadan. It helped raise \$43 million in Zakat funds in 2019, a 263 per cent increase from 2018, and \$48.6 million in 2020, an increase of 12.5 per cent. The Islamic philanthropy programme generated \$59 million in 2020, and its income is expected to grow in the coming years.

21. UNHCR will invest in acquiring new individual donors, who are central to increasing unearmarked funding, and anticipates that this type of income from private donors will exceed \$300 million annually by 2023. The organization is developing an initiative to broaden the concept of regular giving and will further diversify private sector income including through targeting new audiences. This will be a key pillar of the fundraising strategy moving forwards.

22. In 2020, UNHCR started to pursue innovative financing initiatives which are expected to yield results in 2021. This entails eight priority projects that are under development, including: the Green Financing Facility which will enable UNHCR to transition to clean energy for its office infrastructure and is currently being piloted in East Africa; and Project Flow (formerly known as Flow Fund) which invests in clean energy to power community infrastructure, particularly water boreholes for refugees and host communities. The Office

presented its work on innovative financing to several member States in May 2021 and plans to hold a more comprehensive briefing on this subject for member States and other relevant stakeholders in the future.

23. In the context of COVID-19, new opportunities emerged for engaging donors to increase solidarity with displaced people and explore new partnerships with UNHCR. For example, the Office is working with PILnet, a global network of public interest and private sector lawyers, to provide free legal aid for forcibly displaced and stateless people. The more than 30 law firms and corporations that had committed at the GRF to providing over 127,000 hours of pro bono legal aid in support of refugees, exceeded their target by 30 percent (165,000 hours) in 2020, assisting thousands of people through legal advice and representation amidst the pandemic. Corporates, foundations and private philanthropists also stepped up in larger numbers than in previous years, with income from in-kind donations growing from \$12.7 million in 2019 to \$64 million in 2020. The largest in-kind donations received were from private sector supporters such as GAP (\$22.7 million), Unilever (\$19.6 million) and Inditex (\$7.6 million).

24. The pandemic and global movements such as Black Lives Matter and Me Too have driven individuals, foundations and corporations to demonstrate more interest in and make meaningful contributions to the greater social good. UNHCR will continue to evolve and adjust its engagement with the private sector beyond funding and explore new and innovative forms of campaigns, partnership and collaboration.

#### Annex I

#### Income by Operation | 2019 Results and 2020 Results (\*)

| Region                | Operation  | YE Income 2019 | YE Income 2020 | YE Growth<br>2019 vs. 2020 |
|-----------------------|--|----------------|----------------|----------------------------|
| AFRICA                | Africa Regional                                      | 249,052        | 147,325        | -41%                       |
|                       | Kenya  | 42,195         | 131,772        | 212%                       |
|                       | Nigeria  | -              | 19,962         | -                          |
|                       | South Africa   | 99,647         | 232,538        | 133%                       |
| AFRICA Total          |  | 390,894        | 531,597        | 36%                        |
| AMERICAS              | Americas Regional                                    | 1,510,865      | 1,263,888      | -16%                       |
|                       | Brazil   | 1,872,832      | 5,286,654      | 182%                       |
|                       | Canada   | 8,370,524      | 11,198,838     | 34%                        |
|                       | Comité Argentino - Fund. ACNUR                       | 34,440         | 265,000        | 669%                       |
|                       | Mexico   | 991,203        | 1,199,210      | 21%                        |
|                       | USA for UNHCR  | 33,898,591     | 50,510,496     | 49%                        |
| <b>AMERICAS</b> Total |  | 46,678,457     | 69,724,086     | 49%                        |
| ASIA                  | Asia Regional  | 990,041        | 2,196,109      | 122%                       |
|                       | Australia for UNHCR                                  | 16,218,000     | 16,337,030     | 1%                         |
|                       | China  | 11,668,092     | 12,706,075     | 9%                         |
|                       | Japan for UNHCR                                      | 29,780,084     | 44,892,648     | 51%                        |
|                       | Republic of Korea                                    | 47,369,647     | 46,998,798     | -1%                        |
|                       | Malaysia   | 1,714,327      | 3,041,449      | 77%                        |
|                       | Philippines (the)                                    | 1,659,071      | 2,160,199      | 30%                        |
|                       | Thailand   | 6,434,157      | 6,878,206      | 7%                         |
| ASIA Total            |  | 115,833,419    | 135,210,515    | 17%                        |
| EUROPE                | Belgium  | 17,570         | 515,139        | 2832%                      |
|                       | Denmark  | 728,735        | 1,110,030      | 52%                        |
|                       | España con ACNUR                                     | 92,406,228     | 102,589,817    | 11%                        |
|                       | Europe Regional                                      | 2,824,364      | 3,355,642      | 19%                        |
|                       | France   | 1,605,930      | 3,950,562      | 146%                       |
|                       | Greece   | -              | 1,303,547      | -                          |
|                       | Italy  | 22,613,005     | 23,629,047     | 4%                         |
|                       | Netherlands  | 5,474,672      | 6,797,352      | 24%                        |
|                       | Sweden for UNHCR                                     | 22,687,329     | 21,629,723     | -5%                        |
|                       | Switzerland  | 1,426,046      | 1,607,304      | 13%                        |
|                       | Switzerland for UNHCR                                | -              | 539,004        | -                          |
|                       | UK for UNHCR   | -              | 5,543,949      | -                          |
|                       | United Kingdom of Great Britain and Northern Ireland | 5,500,786      | 9,917,703      | 80%                        |
|                       | UNO-Flüchtlingshilfe                                 | 27,601,051     | 34,330,337     | 24%                        |
| EUROPE Total          | C  | 182,885,716    | 216,819,156    | 19%                        |
|                       | HQ Global Accounts                                   | 15,711,821     | 43,784,903     | 179%                       |
| HQ Total              |  | 15,711,821     | 43,784,903     | 179%                       |
| MENA                  | Kuwait   | 1,580,808      | 2,985,753      | 89%                        |
|                       | MENA Regional  | 7,642,858      | 12,883,626     | 69%                        |
|                       | Qatar  | 47,602,507     | 49,450,390     | 4%                         |
|                       | Saudi Arabia   | 938,601        | 1,360,757      | 45%                        |
|                       | United Arab Emirates (the)                           | 1,981,531      | 4,781,324      | 141%                       |
| MENA Total            | ented i nuo Ennitico (inc)                           | 59,746,306     | 71,461,849     | 20%                        |
| Total                 |  | 421,246,611    | 537,532,106    | 28%                        |

(\*) HQ Global Accounts reflect partnerships managed directly by UNHCR headquarters.

### Annex II

| Income by Operation   Year-to-Date (YTD), January to July   2020 Results and 2021 |
|---|
| Results (*) (**)  |

| Region                | Operation                      | YTD Income 2020 | YTD Income 2021 | YTD Growth<br>2020 vs. 2021 |
|-----------------------|--------------------------------|-----------------|-----------------|-----------------------------|
| AFRICA                | Africa Regional                | 109,499         | 161,716         | 48%                         |
|                       | Kenya                          | 31,596          | 9,010           | -71%                        |
|                       | Nigeria                        | 11,242          | 45,523          | 305%                        |
|                       | South Africa                   | 168,449         | 27,990          | -83%                        |
| AFRICA Total          |                                | 320,786         | 244,240         | -24%                        |
| AMERICAS              | Americas Regional              | 1,263,638       | 2,016,315       | 60%                         |
|                       | Brazil                         | 1,360,538       | 1,588,173       | 17%                         |
|                       | Canada                         | 6,266,298       | 9,141,031       | 46%                         |
|                       | Comité Argentino - Fund. ACNUR | 128,606         | 184,253         | 43%                         |
|                       | Mexico                         | 655,969         | 656,956         | 0%                          |
|                       | USA for UNHCR                  | 13,631,879      | 26,132,101      | 92%                         |
| <b>AMERICAS</b> Total |                                | 23,306,928      | 39,718,829      | 70%                         |
| ASIA                  | Asia Regional                  | 1,773,257       | 999,852         | -44%                        |
|                       | Australia for UNHCR            | 9,416,727       | 8,210,334       | -13%                        |
|                       | China                          | 6,958,590       | 7,616,104       | 9%                          |
|                       | Indonesia                      | -               | 330,046         | -                           |
|                       | Japan for UNHCR                | 22,442,676      | 20,235,758      | -10%                        |
|                       | Republic of Korea              | 27,119,952      | 28,887,443      | 7%                          |
|                       | Malaysia                       | 1,620,432       | 2,398,157       | 48%                         |
|                       | Philippines (the)              | 1,160,862       | 1,566,660       | 35%                         |
|                       | Thailand                       | 4,031,896       | 3,995,904       | -1%                         |
| ASIA Total            |                                | 74,524,390      | 74,240,257      | 0%                          |
| EUROPE                | Belgium                        | 281,023         | 680,808         | 142%                        |
|                       | Denmark                        | 495,970         | 2,936,196       | 492%                        |
|                       | España con ACNUR               | 49,685,745      | 55,698,397      | 12%                         |
|                       | Europe Regional                | 1,735,047       | 2,653,981       | 53%                         |
|                       | France                         | 2,402,845       | 2,636,092       | 10%                         |
|                       | Greece                         | 669,684         | 1,211,103       | 81%                         |
|                       | Italy                          | 12,985,446      | 15,273,872      | 18%                         |
|                       | Netherlands                    | 4,986,431       | 7,862,705       | 58%                         |
|                       | Sweden for UNHCR               | 11,007,669      | 12,827,614      | 17%                         |
|                       | Switzerland for UNHCR          | 1,544,297       | 1,633,384       | 6%                          |
|                       | UK for UNHCR                   | 8,533,143       | 5,083,718       | -40%                        |
|                       | UNO-Flüchtlingshilfe           | 17,068,836      | 19,364,846      | 13%                         |
| EUROPE Total          |                                | 111,396,136     | 127,862,716     | 15%                         |
|                       | HQ Global Accounts             | 18,286,662      | 57,729,802      | 216%                        |
| HQ Total              |                                | 18,286,662      | 57,729,802      | 216%                        |
| MENA                  | Kuwait                         | 2,624,978       | 910,265         | -65%                        |
|                       | MENA Regional                  | 10,089,354      | 9,009,760       | -11%                        |
|                       | Qatar                          | 48,500,390      | 20,013,773      | -59%                        |
|                       | Saudi Arabia                   | 1,257,757       | 928,000         | -26%                        |
|                       | United Arab Emirates           | 3,367,085       | 2,757,491       | -18%                        |
| MENA Total            |                                | 65,839,564      | 33,619,290      | -49%                        |
| Total                 |                                | 293,674,465     | 333,415,134     | 14%                         |

#### Annex III

| Rank | Donor   | Income in USD |
|------|---|---------------|
| 1    | Sheikh Thani Bin Abdullah Bin Thani Al-Thani            | 43,600,390    |
| 2    | Unilever (UK)   | 23,557,721    |
| 3    | GAP Inc.  | 22,680,054    |
| 4    | United Nations Foundation                               | 10,322,220    |
| 5    | Industria de Diseño Textil. S.A.                        | 7,552,779     |
| 6    | Fast Retailing Co. Ltd. (UNIQLO)                        | 7,361,951     |
| 7    | Latter-day Saints Charities                             | 4,183,566     |
| 8    | Qatar Charity   | 3,500,000     |
| 9    | IKEA Foundation   | 3,308,826     |
| 10   | Norwegian Refugee Council                               | 3,198,521     |
| 11   | Sony Corporation  | 2,922,661     |
| 12   | Fundação Itaú para Educação e Cultura                   | 2,773,522     |
| 13   | Dutch Postcode Lottery (NPL)                            | 2,456,332     |
| 14   | Swedish Postcode Lottery                                | 2,178,423     |
| 15   | Sheikh Eid Bin Mohammad Al Thani Charitable Association | 2,000,000     |
| 16   | The Big Heart Foundation                                | 1,771,989     |
| 17   | LTA Research and Exploration LLC                        | 1,535,250     |
| 18   | United Parcel Service (UPS)                             | 1,399,460     |
| 19   | Kuwait Society for Relief                               | 1,333,329     |
| 20   | "La Caixa" Foundation                                   | 1,178,296     |

#### Top 20 Private Partnerships and Philanthropy donors in 2020