

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

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Private sector fundraising

Summary

This paper provides an update on progress made in the area of fundraising activities of the Office of the United Nations High Commissioner for Refugees (UNHCR) with private sector partners since the last report (EC/72/SC/CRP.26) to the Standing Committee at its eighty-second meeting in September 2021. It presents the strategic thinking behind the organization's new private sector engagement strategy and its ambitious approach to fundraising.

I. Introduction

1. In recent years, the private sector has played an increasingly central role in funding the response of UNHCR to the global refugee situation. As the number of emergencies continues to grow and protracted displacement situations remain unresolved, UNHCR has had to mobilize resources quickly to meet immediate needs, often relying on the financial, human and material support of its private sector partners.

2. Of particular note in the last decade has been the exceptional growth in private sector fundraising at UNHCR. Between 2011 and 2021, funds raised annually more than quintupled, from \$111 million to \$625 million. The year 2022 saw a remarkable increase, with private sector income amounting to \$1.2 billion, and \$724 million was raised in 2023. Over the course of this period, UNHCR has leveraged private sector partnerships to help obtain solutions for the displaced, including through job creation and advocacy for policy changes.

3. UNHCR leads private sector fundraising and engagement activities in more than 30 countries around the world. It relies on the support of 11 national partners, each established as independent, non-governmental organizations in the country where they operate. National partners are entrusted by UNHCR with the role of mobilizing resources and raising awareness about the refugee cause. Collectively, they gather over half of the annual private sector income for UNHCR from corporations, foundations, philanthropists and some 1.7 million individual donors globally.

4. In 2024, UNHCR will continue to invest in countries with the greatest potential for income generation, while building the capabilities of developing markets to sustain future areas of growth beyond 2024. The Office's private sector fundraising activities are particularly significant in Germany, Japan, the Republic of Korea, Spain and the United States of America. Potential for long-term income growth is also foreseen in Argentina, Brazil, China, France, Germany, Indonesia, Malaysia, Mexico, Switzerland and the United Kingdom of Great Britain and Northern Ireland.

5. In addition to direct financial support from the private sector, UNHCR will continue to develop non-financial forms of engagement designed to create shared value. This means that in addition to funding, the support provided by the private sector aims to create greater social impact for the forcibly displaced and their host communities, such as self-reliance opportunities. UNHCR will prioritize strengthening such engagement with private sector partners to achieve sustainable growth, while seeking to enhance innovative financing mechanisms.

II. Private sector income 2022-2023

6. In 2022, UNHCR raised an unprecedented \$1.2 billion in private sector income, almost double the \$625 million raised in 2021. Voluntary contributions from the private sector represented 21 per cent of the overall income for UNHCR.

7. The same year, the private sector was a major source of unearmarked funding, contributing 41 per cent of the total amount of unearmarked funding received. It was also a record year for in-kind donations, with over 250 contributions worth \$128 million received from over 80 partners. This remarkable growth in income and in-kind gifts came as private sector partners and individual donors generously provided \$626 million for the response to the Ukraine emergency. Over 500 companies, high-net-worth individuals, foundations and 1 million new individual donors pledged support. In 2022 alone, UNHCR achieved the goal that it had set in 2018 of raising over \$1 billion in private sector income annually by 2025, and this achievement served to validate its strategy of diversifying its income streams.

8. In 2023, voluntary contributions to UNHCR from individuals and the private sector reached \$724 million. This amount represented 15 per cent of the Office's overall funding. Like many other organizations, UNHCR saw a decrease in funds provided by the private sector when compared to 2022. However, it was able to mitigate the negative effects through concerted efforts to maintain loyalty with the existing donor base, reach new audiences and

expand channels for fundraising. In 2023, the total income transferred to UNHCR from 3.1 million individual donors amounted to \$404 million.

9. During the course of 2023, UNHCR collaborated with over 380 private sector entities. These partnerships contributed a total of \$320 million, including \$98 million in in-kind gifts. The private sector continued to represent a pivotal source of unearmarked funding, helping UNHCR respond where the needs were the greatest. Private sector income represented 39 per cent of the total unearmarked income in 2023.

10. In preparation for the Global Refugee Forum in December 2023, UNHCR participated in the Africa Forum on Displacement that took place in Accra, Ghana. The aim was to build regional momentum and ensure more diverse participation at the Global Refugee Forum.

11. At the Global Refugee Forum in 2023, over 110 pledges from companies, foundations and philanthropists committed to providing UNHCR and partner organizations with essential funding, as well as to supporting government initiatives. The Forum also saw private sector organizations pledge more than \$500 million, a significant increase from the \$280 million that was committed at the Global Refugee Forum in 2019.

12. In addition to increased funding, the Global Refugee Forum in 2023 saw pledges of 1 million pro bono hours from over 40 law firms and bar associations. In addition, pledges were made to support over 100,000 refugees to find jobs and over 400,000 refugees to obtain training opportunities. There were also commitments made to support over 6,000 educational scholarships, along with pledges focused on enhancing advocacy, amplifying refugee stories, and combatting misinformation, disinformation and hate speech.

13. UNHCR national partners have been instrumental in mobilizing critical resources and forging partnerships at the country level, as well as engaging key countries and audiences with significant potential for private sector engagement and facilitating remarkable income growth. In the last two years, *España con ACNUR* and Australia for UNHCR further bolstered fundraising efforts by supporting the establishment of national partners in Portugal (*Portugal com ACNUR*) and New Zealand (Aotearoa New Zealand for UNHCR).

14. In 2022, the Office's national partners raised \$824.5 million, constituting 66 per cent of all income from the private sector. This amount included \$197.7 million in unearmarked funding that accounted for 63 per cent of all unearmarked funding from the private sector. In 2023, national partners contributed \$425.8 million, representing 59 per cent of all income from the private sector. Notably, 5 of the top 20 donors in 2023 were national partners.

15. National partners play a pivotal role in generating flexible income for the organization, supporting underfunded situations and country programmes. In 2023, national partners represented 3 of the top 10 donors of flexible income globally and 8 out of the Office's top 10 private sector donors.

16. Emergencies present opportunities for strengthening the supporter base of UNHCR and for mobilizing additional resources, such as with respect to the Ukraine emergency. This was demonstrated following the devastating earthquakes in the Syrian Arab Republic and Türkiye in February 2023, when UNHCR successfully rallied support from 100,000 individual donors in 10 days. This achievement would not have been possible before 2022.

Table I.1

Private sector income 2012-2023

(In millions of United States dollars)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
| Private partnerships and philanthropy | \$53 | \$80 | \$71 | \$90 | \$129 | \$124 | \$129 | \$117 | \$198 | \$248 | \$525 | \$320 |
| Individual giving | \$77 | \$111 | \$137 | \$194 | \$223 | \$276 | \$293 | \$305 | \$340 | \$377 | \$721 | \$404 |
| TOTAL | \$130 | \$191 | \$208 | \$284 | \$352 | \$400 | \$423 | \$422 | \$538 | \$625 | \$1,246 | \$724 |

III. Looking forward

17. Despite the continued upward trend in private sector income, evolving humanitarian challenges in displacement contexts, coupled with a growing gap in traditional funding sources, present a significant challenge that will necessitate a strategic shift in private sector engagement. A comprehensive and innovative framework towards private sector engagement is crucial for UNHCR to bridge financial shortfalls, tap into external expertise and unlock new avenues for sustainable solutions to displacement.

18. Reflecting this need, UNHCR launched a new strategy in 2024 which establishes an innovative, long-term vision that encompasses both financial and non-financial interactions with the private sector to secure increased, stable and varied funding. The private sector engagement strategy aims to raise \$2 billion annually by 2030.

19. Following the success of the Global Refugee Forum in 2023, the private sector engagement strategy will focus on developing stronger holistic partnerships that harness the full expertise of partners. In addition to increasing financial contributions, these partnerships will provide more opportunities for refugees in the areas of education, employment and the development of vocational skills.

20. Fundraising campaigns will continue to be a major focus, as UNHCR concentrates efforts on areas of growth with the most potential. The Aiming Higher campaign to increase refugee enrolment in tertiary education has already reached a quarter of its \$100 million target after only three years of the 10-year initiative. The campaign, which has seen refugee enrolment in higher education rise from 3 to 7 per cent, is an excellent example of how campaigns can deliver direct, life-changing impact for refugees and increase funding. The Aiming Higher campaign will continue until 2030 and ties into the goal of UNHCR to provide 15 per cent of refugees with access to higher education by 2030.

21. The UNHCR winter campaign proved successful in engaging new donors in the context of the Ukraine emergency. There was a clear connection between new donors that contributed at the beginning of the emergency and their increased support for the winter campaign, illustrating the importance of fundraising initiatives for developing long-term retention and commitment.

22. Of the \$626 million raised in private sector income for the response to the Ukraine emergency, businesses contributed \$380 million of this amount (\$350 million in cash and \$30 million in in-kind donations). Going forward, UNHCR will focus efforts on fostering donor loyalty, with particular attention given to strategic multi-year partnerships. Income from businesses is expected to remain the most significant contribution within the sector of private partnerships and philanthropy, representing half of the contributions within the sector.

23. Since 2022, major donors¹ have contributed over \$160 million to the organization. UNHCR will cultivate support from high-net-worth individuals, leveraging their innovation and expertise to support its programmes. Contributions from high-net-worth individuals represent immense potential, and customized support will be dedicated in the top 10 countries where opportunities are deemed most significant. By focusing on private philanthropy programmes, UNHCR aims to mobilize \$250 million per year by 2030 and to increase funding from this source from 10 per cent of the total private sector income to 40 per cent by 2030.

24. UNHCR plans to further diversify its funding base by tapping into the potential of foundations. It will work to increase multi-year partnerships with existing foundations, as well as to initiate new partnerships to reduce reliance on a small number of large foundations. By 2030, foundations are expected to contribute over \$100 million per year for the work of UNHCR. The organization also plans to draw upon the technical expertise and influence of foundations to maximize their impact in crucial areas, such as livelihoods, education and health, as well as water, sanitation and hygiene.

¹ Major donors is the group term for individuals who are defined as high-net-worth (those who give gifts of \$100,000 to \$1 million) or ultra-high-net-worth (those who give gifts of over \$1 million).

25. The private sector engagement strategy will harness technology to identify additional sources of funding and the appropriate channels for targeting fundraising efforts. Since 2020, UNHCR has been developing and implementing mechanisms that go beyond traditional donor-funded grants to provide more sustainable, efficient and effective resources for the benefit of the displaced.

26. As a reflection of this innovative approach, the Refugee Environmental Protection Fund is a long-term initiative supporting reforestation and clean cooking projects in climate-vulnerable displacement contexts. Over the next 10 years, its goal is to plant more than 120 million trees and enable more than 1 million refugees and host communities to access cleaner cooking solutions. Once fully funded, UNHCR estimates that the Refugee Environmental Protection Fund will mobilize more than \$100 million from carbon markets, with carbon reduction resulting from reforestation and clean cooking projects estimated at 2.5 million tonnes of CO² per year.

27. In addition, the UNHCR Climate Resilience Fund for Refugees will allow donors to contribute to climate interventions, which are included in the 2024 Global Appeal. With a target of \$100 million by 2025, the Climate Resilience Fund will act as a tool for thematic fundraising, specifically for climate-related initiatives.

28. A record \$46 million was also raised through Islamic philanthropy for nearly 2 million refugees and internally displaced persons in 23 countries during the course of 2023, an increase of nearly 20 per cent compared to 2022. UNHCR aims to raise \$100 million by 2030 and hopes to become one of the most trusted and credible international humanitarian partner for Islamic organizations and Muslims globally, particularly in the context of Zakat, Sadaqah, Waqf and other Islamic philanthropy contributions.

29. A first step in the private sector engagement strategy has been to invest in and improve the analysis and usage of data to inform decision-making. UNHCR endeavours to use data to support strategic private sector fundraising activities, building resilience and long-term, sustainable investment in fundraising activities identified as having the most potential. Through an intensive peer review, UNHCR has already identified potential key areas and markets for growth, and this is proving particularly crucial in the context of decreasing funding.

30. The private sector engagement strategy presents an ambitious vision of how UNHCR can transform its fundraising and develop strong relationships with donors. While taking into account the reality of the difficult global funding situation for humanitarian organizations, UNHCR remains optimistic that its strategy will succeed. With greater engagement and commitment, the private sector can become a more integral and reliable source of funding for UNHCR.
