

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

Distr.: Restricted
13 September 2016
English
Original: English and French

**Standing Committee
67th meeting**

Private sector fundraising and partnerships

Summary

This paper provides an update on UNHCR's progress in the area of private sector fundraising, since it began significantly investing in the development of the programme in 2006. In addition to reporting on results over the past 10 years, this paper presents UNHCR's strategic directions for private sector engagement.

Contents

<i>Chapter</i>	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1-3	3
II. Background	4-6	3
III. Growth from 2006 to 2016	7-11	4
IV. Fundraising operations	12-19	5
A. Individual giving	14-16	5
B. Leadership giving.....	17-19	6
V. Global structure.	20-22	6
VI. Strategic directions	23-29	7

I. Introduction

1. With new emergencies and ongoing conflicts generating large-scale displacement and protracted situations failing to be resolved, the number of persons of concern to UNHCR and the corresponding resource requirements necessary to meet their needs have reached levels previously unseen. Despite the strong support UNHCR continues to receive from its traditional donors, the funding gap has continued to grow. Against this background, individual donors, corporations and foundations have come to play an increasingly important role in supporting the work of the Office.

2. Over the past decade, the financial support UNHCR has received from the private sector annually has increased more than tenfold, and is expected to reach over \$310 million by the end of 2016. Of this, two thirds comes from individual donors in support of UNHCR's global programmes and operations. The remainder is provided through partnerships with foundations, corporations and philanthropists.

3. Through private sector engagement, UNHCR works towards the long-term goals of: (1) maximizing sustainable and flexible contributions from the private sector and individual donors to raise \$1 billion annually; (2) strengthening engagement with the public to increase the number of donors to 5 million and the number of supporters to 25 million; and (3) broadening partnerships with foundations and corporations beyond financial support to leverage the resources and influence of the private sector to the benefit of refugees and other persons of concern to the Office.

II. Background

4. The Executive Committee has long encouraged UNHCR to broaden its donor base and diversify its funding sources. In 1999, a small private sector fundraising team was established at Headquarters, with the support of national fundraising partners¹, with a view to raising the equivalent of 10 to 20 per cent of the Office's financial requirements.

5. UNHCR created this team in order to increase UNHCR's income and generate greater awareness of the refugee cause among the public. The national fundraising partners supporting UNHCR had already demonstrated that local private sector fundraising efforts were an effective means of making the Office's work known to the public and of building national constituencies that would support UNHCR.

6. The programme struggled for the first few years due to a lack of strategic investment, resulting in the closure of private sector fundraising activities in several countries. In 2006, plans were made for long-term investment in private sector fundraising and partnerships. External private sector fundraising experts were then hired, including in the Americas, Asia and Europe, to strengthen the small team at Headquarters. Before this, the majority of private sector income had been raised in Europe, with 10 per cent from the Americas and 15 per cent from Asia.

¹ National fundraising partners are independent, nationally-registered, non-profit organizations that develop a community of supporters and partners for the refugee cause in their markets and raise over half of the private sector funds supporting UNHCR's operations worldwide. As of 2016, the six national partners are located in Australia, Germany, Japan, Sweden, Spain and the United States of America.

III. Growth from 2006 to 2016

UNHCR private sector income and expenditure 2006-2016, in millions of US\$

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Total income	22	34	48	51	73	111	130	191	208	284	310
Total expenditure	4	9	14	21	30	52	54	79	94	96	114
Net income	18	25	34	30	43	59	76	112	114	187	196

* 2016 forecast

7. In late 2006, the Office decided to establish a dedicated investment budget for private sector fundraising activities, with the objective of raising \$100 million annually within five years. In the first year, as shown in the chart above, as investments increased from \$4 million in 2006 to \$9 million in 2007, income rose from \$22 million to \$34 million. In the following years, investments in private sector fundraising generally continued to grow, and the amount of gross and net income increased annually. By 2011, the five-year objective was surpassed, with \$111 million raised.

8. Even during times of economic crisis, when income from corporations declined, the growth in the income from individual donors was not impacted. For example, income growth from the Spanish public increased from \$3.7 million in 2007 to \$9 million in 2009. Today, support from individual donors in Spain is unmatched, with over 500,000 donors expected to contribute more than \$60 million in 2016.

9. While emphasis was initially placed on investment and income growth in key markets – Australia, Germany, Italy, Japan, Spain and the United States of America – many new markets have been developed over the past decade, including Hong Kong SAR, China (2007), Thailand (2008), the Republic of Korea (2009), Sweden (2012), the Middle East and North Africa region (2012), the Philippines (2013), Brazil (2014) and Mexico (2014). These new markets are expected to deliver over \$70 million in income in 2016. New private sector partnership programmes in Africa are also being explored.

10. In 2015, the strong correlation between the coverage of refugee issues in the media and the success of private sector fundraising initiatives was reaffirmed. As media coverage increased, private individuals, corporations and foundations reached out to UNHCR, seeking ways to support its humanitarian work. Private sector income grew by 36 per cent to \$284 million, when compared to \$208 million in 2014. Some \$132 million was fully unearmarked and an additional \$105 million was broadly earmarked to UNHCR's field operations.

11. By the end of 2016, UNHCR expects that more than 9 per cent of its revenue, or over \$310 million, will come from the private sector. More than \$110 million will have been raised through private sector partnerships, and more than US\$ 200 million will have been raised directly from some 1.7 million donors worldwide, including nearly 1 million monthly donors. UNHCR's global fundraising network in some 30 countries, including the six national partners, continues to strategically target select markets and relationships. More information on UNHCR's private sector income by region and on new and long-standing private sector partnerships is available annually in UNHCR's Global Report.²

² Available from <http://www.unhcr.org/globalreport>.

IV. Fundraising operations

12. UNHCR's private sector partnerships team analyses opportunities and invests resources accordingly in order to expand long-term support for UNHCR's work. Largely unearmarked or broadly earmarked private donations help UNHCR manage its operations without interruption from year to year, and ensure less visible crises receive the support they require. Meanwhile, targeted resources can be quickly mobilized for unforeseen needs and emergencies. With a longer-term perspective, multi-year partnerships with private sector partners make a significant difference in thematic areas of UNHCR's work, such as shelter, cash-based assistance, energy and education.

13. Funds are raised through individual giving programmes (small donations from individual donors who are reached through face-to-face fundraising, digital outreach, direct television programming, etc.) and leadership giving programmes (large donations from partnerships with corporations, foundations and philanthropists). Diversifying UNHCR's fundraising operations through these two sources, helps ensure that they are cost-effective, flexible and have maximum impact. The chart below shows the growth within these two sources of income from 2006-2016.

UNHCR private sector income 2006-2016, in millions of US\$

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Individual giving	16	21	23	32	46	65	77	111	137	194	200
Leadership giving	6	13	25	19	27	46	53	80	71	90	110
Total income	22	34	48	51	73	111	130	191	208	284	310

* 2016 forecast

A. Individual giving

14. Before becoming a donor, individuals may come to know UNHCR in multiple ways, including through media stories, websites, television, e-mail, cause-related marketing campaigns, print advertisement, employee giving and face-to-face encounters. While acquiring new donors on a large scale requires substantial targeted investments in outreach and engagement activities, the returns are predictable and sustainable. These funds are largely unearmarked and account for approximately 70 per cent of the planned income annually.

15. Investments focus on building upon successful individual giving programmes and launching new and innovative fundraising programmes, including in new markets and other areas where there is high growth potential. Besides aiming to acquire new donors, the Office also invests in programmes to promote donor loyalty and to increase the number of monthly donors. Monthly giving is an unearmarked donation which the donor provides through an automatic transfer from their bank or credit card. The monthly average of \$20 per individual donor may seem small, but the collective impact of this flexible and predictable funding is critical to UNHCR.

16. UNHCR also engages with new and ongoing supporters when emergencies arise, in response to supplementary appeals. The one-off donations that some people make in the context of an emergency give UNHCR the opportunity to start building a longer-term relationship with each donor. In 2015, for example, there was a 50 per cent increase in the number of individual donors as well as a 26 per cent increase in the number of people signed up to make monthly contributions. The chart below shows the growth in both monthly giving and one-off donors since 2006.

UNHCR private sector donors 2006-2016, in thousands of individuals

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Monthly giving donors	35	54	76	142	187	261	368	476	610	804	1,000
One-off donors	130	123	138	179	194	227	260	221	352	636	700
Total donors	165	177	214	321	381	488	628	697	962	1,440	1,700

* 2016 forecast

B. Leadership giving

17. Leadership giving involves larger contributions from foundations, corporations and philanthropists. As a funding source, leadership giving has greater income growth potential, but is less predictable and sustainable, and is often more tightly earmarked to the thematic or geographic priorities of partner making the contribution. About 30 per cent of UNHCR's planned income comes from leadership giving.

18. Foundations, corporations and philanthropists have unique assets and expertise that they are able to bring to UNHCR's operations. Beyond their significant financial support, they often make in-kind contributions of goods, services and expertise and sponsor innovative projects. Furthermore, they contribute to building awareness of and sympathy for the refugee plight, generating opportunities to reach new audiences on a large-scale, including through employee and customer engagement.

19. However, as they move beyond philanthropic giving to more dynamic types support, these partners require more in-depth engagement to foster a broader understanding of UNHCR's operations. Staff expertise, tailored relationship management and due diligence processes help UNHCR cultivate private sector partnerships to maximize their potential impact.

V. Current global structure

20. With support from the Government of Denmark, UNHCR's private sector fundraising team moved to the new "UN City" complex in Copenhagen in 2014. Recently renamed the Private Sector Partnerships Service, this global team is now well established, providing strategic direction and setting investment priorities for specific programmes and country operations, including in the context of emergencies.

21. In Copenhagen, the strategy and marketing section covers strategy development, expert support for individual giving activities, market review, and thematic campaign development in areas such as shelter, cash assistance and education. The leadership giving unit manages global partnerships and supports UNHCR's global private sector fundraising network by developing leadership giving activities for national markets. The fundraising support unit ensures that the fundraisers and relationship managers have the support they need to work efficiently, including in areas such as capacity-building, procurement, legal guidance, finance, human resources, administration, management of earmarking and income recording.

22. UNHCR's private sector fundraising network includes nearly 25 country operations across all regions as well as the six national partners in Australia, Germany, Japan, Sweden, Spain and the United States of America. UNHCR also has five small regional private sector partnerships teams based in Bangkok, Brussels, Dubai, Nairobi and

Washington, D.C. Across the fundraising network, UNHCR prioritizes hiring staff with fundraising expertise in local markets. A typical private sector operation includes staff involved in face-to-face fundraising, donor services, donor communication, leadership giving, digital fundraising and administration.

VI. Strategic directions

23. UNHCR's long-term objective of mobilizing \$1 billion from the private sector annually is critical to meeting the financial needs of the organization. This requires a steadfast commitment to engaging with increasingly larger numbers of individuals and building strategic partnerships. Despite the challenges presented by growing forced displacement, the increased media coverage of the most recent emergencies has created opportunities for UNHCR to intensify its engagement in communication, advocacy and fundraising. It is imperative that UNHCR take advantage of this to leverage support for the work of the Office. In response to the current challenges and opportunities, UNHCR will prioritize the following areas in the period ahead:

Invest in priority markets to ensure growth

24. UNHCR will focus on investing in the top 20 national markets delivering more than 80 per cent of its private sector income. In Spain and Sweden, together with its national partners, UNHCR has demonstrated that it can reach income and organizational awareness levels on par with some of the most successful non-profit organizations. Having experts working in selected markets, paired with strategic investments in communications and fundraising activities, will be crucial to achieving the ambitious goal of raising \$1 billion in income per year.

Exploit digital opportunities

25. Digital media allows UNHCR, together with private sector partners, to connect with target audiences and supporters in a cost-effective way. It also creates opportunities for interactive experiences that help build a community of support for refugees. UNHCR aims to mobilize additional resources and strengthen its engagement with the public through digital media in order to reap the greatest benefits for refugees and other persons of concern.

Strengthen public engagement

26. Public engagement and building a global support base of 25 million people is a key component of UNHCR's long-term strategy. It is more important than ever to reach out to the general public to advocate in favour of those who have been forced to flee their homes. UNHCR will continue to invest in communication, marketing and public engagement campaigns to increase empathy for the refugee cause and visibility for UNHCR's work.

Diversify sources of income

27. Cash donations are vital to ensuring that less visible crises receive adequate funding and that life-saving activities are carried out urgently and without interruption. UNHCR will work to continue raising 70 per cent of all planned income from individual giving and the remaining 30 per cent from leadership giving, annually.

Mobilize resources for emergencies and priority areas

28. UNHCR will guide its fundraising partners in supporting interventions that help address the most urgent needs and have the greatest impact on the lives of refugees and other persons of concern to the Office. Raising funds for emergencies in a timely manner

and for critical interventions in thematic areas, such as shelter, cash assistance and education, will remain a priority.

Expand global partnerships

29. In the context of large-scale forced displacement, the importance of developing strong cross-sector partnerships is growing. From life-saving assistance to connectivity, energy, cash-based initiatives, employment opportunities, pathways for humanitarian admission, and consumer and employee engagement, partnerships can have an enormous impact on the lives of refugees. UNHCR aims to embrace new global partnerships with those that can contribute innovative solutions and bring about meaningful change through their expertise, influence and networks, communication capacity, and financial resources.
