

# UNHCR's 2018-2019 Financial Requirements

UNHCR's biennial programme budget presents the consolidated budgetary requirements based on a global needs assessment of people of concern. This Global Appeal presents the proposed budgets for the 2018-2019 biennium—**\$7.508 billion and \$7.352 billion for 2018 and 2019 respectively**—based on needs assessed in the first quarter of 2017, as well as a summary of the current budget for 2017 (\$7.963 billion, as at September). The budget for 2019 is based on estimations and will be updated in the first quarter of 2018. A revised budget for 2019 will be presented to the Executive Committee for approval at its 69<sup>th</sup> session in October 2018.

This chapter provides an update of the overview of the planning process used to identify needs UNHCR foresees for refugees, stateless persons, IDPs and returnees. It also offers an update on the financial resources UNHCR will require in 2018 to provide them with protection, assistance and solutions. More detailed information on UNHCR's 2018 programmes and priorities at the regional level are available in the regional and thematic chapters in this publication, and at the subregional and country levels on the Global Focus website, UNHCR's main operational reporting platform for donors (<http://reporting.unhcr.org>).

UNHCR expects 2018 to be as demanding as 2017. Indeed, when considering the challenges stemming from the roll-out of new initiatives such as the Comprehensive Refugee Response Framework, and multi-year, multi-partner planning (see *Glossary*), it risks being an even more demanding year. Demanding not only operationally, but also conceptually, with risks associated with high expectations that

increasing humanitarian – development linkages will start to impact UNHCR's budget by, for example, shifting costs to development programmes or decreasing costs due to the potential elimination of parallel programmes such as health posts or schools. Benefits that will accrue from the greater coordination between humanitarian and development actors will take time, particularly with development

planning and implementation cycles much longer, and more time needed for UNHCR to plan, budget and implement effectively in relation to them. UNHCR's decision to move towards multi-year and multi-partner planning derives in large part from this need for longer-term and coordinated strategy development in order to improve outcomes for all populations as well as local communities.

The multiplication of large-scale emergencies and the complex needs they generate, needs which are captured under UNHCR's comprehensive needs assessment, are the main factors behind the rise in UNHCR's budget, which has more than doubled since 2010, when the budget was \$3.288 billion. The crises to which UNHCR responded in 2017 will all continue in 2018.

These include some of the most violent and protracted crises in the world, among them the ongoing crises in the Middle East in Iraq, the Syrian Arab Republic (Syria), and Yemen; in Africa in Burundi, the Central African Republic, Nigeria, Somalia, and South Sudan; to the mixed movement crisis from North Africa into southern Europe of refugees and migrants, and to internal displacement in Ukraine; in the Americas to the complex situation across the North of Central America; and to the emergency in Bangladesh and Myanmar, and to the deteriorating situation in Afghanistan.

UNHCR's five largest operations in 2018—in order Iraq, Lebanon, Turkey, Syria and Uganda—will alone take up nearly 40 per cent of the budget for programmed activities.

TABLE 1 | PROJECTED NUMBERS OF PEOPLE OF CONCERN  
2016-2019

PEOPLE OF CONCERN	(in thousands)			
	2016	2017	2018	2019
	Actual	Projection	Projection	Projection
Refugees <sup>1</sup>	17,187	18,684	18,904	19,078
Asylum-seekers (pending cases)	2,827	3,015	3,435	3,588
Returnees (arrival during the year)	552	1,102	854	1,741
Persons under UNHCR statelessness mandate	3,242	3,328	3,420	3,321
Internally displaced people (IDPs) <sup>2</sup>	36,627	36,300	33,167	30,525
Returned IDPs (during the year)	6,511	5,409	5,476	6,226
Others of concern	803	1,112	1,723	1,872
<b>TOTAL</b>	<b>67,750</b>	<b>68,951</b>	<b>66,979</b>	<b>66,352</b>

<sup>1</sup> Includes people in refugee-like situations.

<sup>2</sup> Includes people in IDP-like situations.

The requirements in the 2018 budget are to respond to the needs of a projected 66.9 million people of concern (see Table 1), a number which has doubled since 2010's recorded total of 34 million people. According to current estimates, the total population of concern is expected to increase by some 1.2 million people, or 2 per cent, by the end of 2017, in comparison to the final population data for 2016 of 67.7 million people. The main increases are expected in relation to refugees, the majority in the East Africa and the Horn of Africa subregion.

A moderate decrease of slightly less than 2 million people, or 3 per cent, is projected in 2018. This is mainly due to an expected decrease in the number of IDPs in the Africa and Middle East and North Africa regions. In 2019, the total number of people of concern is expected to remain stable when compared to 2018. However, the number of IDPs is expected to continue to decline in the same regions as in 2018. Providing a reliable level of support to the millions of people of concern to UNHCR and to the partners with which it works will subject it to more strain—operational and financial—if there is no increase in the levels of financial support forthcoming.

TABLE 2 | UNHCR's FINANCIAL REQUIREMENTS 2018-2019 | USD

REGION AND SUBREGIONS	2017 Current budget (as of 30 June 2017)	PILLAR 1				PILLAR 2		PILLAR 3		PILLAR 4		2019 Proposed budget
		Refugee programmes	Stateless programmes	Reintegration projects	IDP projects	TOTAL	TOTAL	TOTAL	TOTAL			
<b>AFRICA</b>												
West Africa	309,229,576	137,495,466	15,388,267	36,106,808	59,741,961	<b>248,732,501</b>	230,873,129					
East and Horn of Africa	1,817,313,724	1,497,154,032	7,223,170	71,541,862	114,475,785	<b>1,690,394,851</b>	1,677,941,101					
Central Africa and the Great Lakes	685,550,693	461,195,655	1,816,313	42,022,950	79,862,767	<b>584,897,684</b>	540,269,379					
Southern Africa	113,368,306	74,595,596	1,896,865	-	-	<b>76,492,461</b>	71,099,453					
<b>SUBTOTAL AFRICA</b>	<b>2,925,462,299</b>	<b>2,170,440,748</b>	<b>26,324,615</b>	<b>149,671,620</b>	<b>254,080,513</b>	<b>2,600,517,498</b>	<b>2,520,183,062</b>					
<b>MIDDLE EAST AND NORTH AFRICA</b>												
Middle East	1,883,538,482	1,117,707,053	1,313,445	-	862,768,826	<b>1,981,789,324</b>	2,039,542,151					
North Africa	231,002,088	183,245,616	-	-	3,067,735	<b>186,313,351</b>	165,959,733					
<b>SUBTOTAL MIDDLE EAST AND NORTH AFRICA</b>	<b>2,114,540,570</b>	<b>1,300,952,668</b>	<b>1,313,445</b>	<b>-</b>	<b>865,836,561</b>	<b>2,168,102,674</b>	<b>2,205,501,884</b>					
<b>ASIA AND THE PACIFIC</b>												
South-West Asia	362,053,344	203,547,738	595,000	100,215,758	19,667,392	<b>324,025,889</b>	317,587,326					
Central Asia	8,953,206	6,547,844	2,077,155	-	-	<b>8,624,999</b>	8,543,999					
South Asia	29,344,006	26,840,319	826,049	-	-	<b>27,666,367</b>	24,512,782					
South-East Asia	132,310,762	78,134,153	27,962,606	-	11,534,674	<b>117,631,432</b>	118,161,862					
East Asia and the Pacific	12,246,852	14,009,258	312,925	-	-	<b>14,322,183</b>	11,573,705					
<b>SUBTOTAL ASIA AND THE PACIFIC</b>	<b>544,908,169</b>	<b>329,079,312</b>	<b>31,773,735</b>	<b>100,215,758</b>	<b>31,202,066</b>	<b>492,270,871</b>	<b>480,379,674</b>					
<b>EUROPE</b>												
Eastern Europe	429,615,487	460,603,141	2,339,011	-	29,213,817	<b>492,155,969</b>	489,654,873					
South-Eastern Europe	61,208,117	39,793,906	5,372,896	-	-	<b>45,166,802</b>	39,690,737					
Northern, Western, Central and Southern Europe	337,577,567	335,759,559	3,045,449	162,653	-	<b>338,967,661</b>	264,960,110					
<b>SUBTOTAL EUROPE</b>	<b>828,401,171</b>	<b>836,156,606</b>	<b>10,757,356</b>	<b>162,653</b>	<b>29,213,817</b>	<b>876,290,432</b>	<b>794,305,720</b>					
<b>THE AMERICAS</b>												
North America and the Caribbean	29,884,311	19,128,989	8,267,618	-	-	<b>27,396,607</b>	24,645,279					
Latin America	120,254,919	102,525,806	1,073,855	-	21,556,495	<b>125,156,157</b>	131,922,887					
<b>SUBTOTAL THE AMERICAS</b>	<b>150,139,230</b>	<b>121,654,796</b>	<b>9,341,473</b>	<b>-</b>	<b>21,556,495</b>	<b>152,552,764</b>	<b>156,568,166</b>					
<b>SUBTOTAL FIELD</b>	<b>6,563,451,440</b>	<b>4,758,284,130</b>	<b>79,510,623</b>	<b>250,050,032</b>	<b>1,201,889,453</b>	<b>6,289,734,238</b>	<b>6,156,938,506</b>					
Global programmes	433,575,700	421,726,193	-	-	-	<b>421,726,193</b>	408,706,438					
Headquarters <sup>1</sup>	235,305,641	217,274,178	-	-	-	<b>217,274,178</b>	218,949,456					
Operational Reserve	498,924,474	547,679,512	-	-	-	<b>547,679,512</b>	535,728,413					
"New or additional activities - mandate-related" Reserve	20,000,000	20,000,000	-	-	-	<b>20,000,000</b>	20,000,000					
Junior Professional Officers	12,000,000	12,000,000	-	-	-	<b>12,000,000</b>	12,000,000					
<b>TOTAL</b>	<b>7,763,257,253</b>	<b>5,976,964,013</b>	<b>79,510,623</b>	<b>250,050,032</b>	<b>1,201,889,453</b>	<b>7,508,414,121</b>	<b>7,352,322,814</b>					

<sup>1</sup> The Annual Programme Budget includes allocations from the UN Regular Budget as follows: \$42.2 million for 2017, \$42.3 million for 2018 and 2019 respectively. All values are provisional, subject to approval of final United Nations Programme Budget and subsequent recosting.

## UNHCR's budget structure and methodology

UNHCR's programme budget for the 2018-2019 biennium is driven by extensive planning and formulated on the basis of comprehensive needs identified through a global needs assessment (GNA). Requirements are assessed through a participatory approach with people of concern and in consultation with various stakeholders in the field. Budgets are then prepared to respond to the full range of needs identified. In line with the multi-year, multi-partner planning approach (see chapter on *Exploring new approaches and expanding partnerships* and *Glossary*), UNHCR is also making efforts to align its programming with other development actors where appropriate. For instance, in the IDA18 countries, data from World Bank studies is shaping the Office's programming, and is an example of how UNHCR is enhancing and expanding its data collection. A thorough global review process ensures that UNHCR's comprehensive plans adopt a realistic and coherent approach, and that they are in alignment with the Global Strategic Priorities (GSPs) and UNHCR's 2017-2021 Strategic Directions.

The Strategic Directions set out five core directions on which UNHCR will focus for the next five years: i) ensuring protection; ii) effectively responding to emergencies; iii) promoting inclusion and self-reliance, including through the engagement of development actors; iv) empowering people of concern to UNHCR; and v) pursuing solutions. With respect to the GSPs, these represent a common set of key priorities for planning in UNHCR's operations worldwide, and are designed as part of the

Office's commitment to results-based management (RBM, see *Glossary*) and to help it report on aggregated global results. (For more information on these, see the chapter on the *Global Strategic Priorities 2018-2019*.)

The operational plans that constitute the GNA present a portfolio of responses intended to allow people of concern not just survive, but thrive. It is calculated on the projection of 66.9 million people of concern to UNHCR in 2018, giving due consideration to the Office's estimated capacity to implement the planned programmes with available resources. Other factors also influence the GNA, for example the specific security context limiting access to populations of concern, which is beyond UNHCR's control, or the extent to which capital investments in infrastructure have already taken place in prior years.

Programmed activities are defined as field, global programmes and Headquarters activities only, excluding reserves and the Junior Professional Officer (JPO) programme.

- Field operations - operational activities budgeted by region and carried out in operations around the world.
- Global programmes - technical activities undertaken by substantive divisions at UNHCR Headquarters but that are of direct benefit to field operations globally.
- Headquarters - work carried out by divisions and bureaux located in Geneva, Brussels, Budapest, Copenhagen, and New York, which provide leadership and management, policy guidance, administrative support, and managerial and programmatic assistance to field operations.

The programme budget is presented under the Pillar structure.

- Pillar 1: Global refugee programme.
- Pillar 2: Global stateless programme.
- Pillar 3: Global reintegration projects.
- Pillar 4: Global IDP projects.

As the budget can only be implemented to the extent that resources are made available

during the implementation period, UNHCR maintains a phased approach and continuously reprioritizes and adjusts its programmes accordingly. Dynamic spending ceilings regulate the level of expenditure, authorized based on funding availability. UNHCR is heavily bound by the way the funds are allocated to it. In order to address evolving operational requirements, UNHCR regularly reviews its financial situation, projected income and underfunded situations for real time allocation of resources, while respecting donors' earmarking (see *Glossary*).

TABLE 3 | SUMMARY OF REQUIREMENTS 2018-2019 | USD thousands

	2018		2019		Variance	
	Budget		Proposed budget			
	Amount	%	Amount	%	Amount	%
<b>Africa</b>	2,600,517	35%	2,520,183	34%	(80,334)	-3%
<b>Middle East and North Africa</b>	2,168,103	29%	2,205,502	30%	37,399	2%
<b>Asia and the Pacific</b>	492,271	7%	480,380	7%	(11,891)	-2%
<b>Europe</b>	876,290	12%	794,306	11%	(81,985)	-9%
<b>The Americas</b>	152,553	2%	156,568	2%	4,015	3%
<b>Subtotal field</b>	<b>6,289,734</b>	<b>84%</b>	<b>6,156,939</b>	<b>84%</b>	<b>(132,796)</b>	<b>-2%</b>
<b>Global programmes</b>	421,726	6%	408,706	6%	(13,020)	-3%
<b>Headquarters</b>	217,274	3%	218,949	3%	1,675	1%
<b>Subtotal programmed activities</b>	<b>6,928,735</b>	<b>92%</b>	<b>6,784,594</b>	<b>92%</b>	<b>(144,140)</b>	<b>-2%</b>
<b>Operational reserve (OR)</b>	547,680	7%	535,728	7%	(11,951)	-2%
<b>Subtotal programmed activities and OR</b>	<b>7,476,414</b>	<b>100%</b>	<b>7,320,323</b>	<b>100%</b>	<b>(156,091)</b>	<b>-2%</b>
<b>"New or additional activities – mandate-related" reserve</b>	20,000	0%	20,000	0%	-	0%
<b>Junior Professional Officers</b>	12,000	0%	12,000	0%	-	0%
<b>TOTAL</b>	<b>7,508,414</b>	<b>100%</b>	<b>7,352,323</b>	<b>100%</b>	<b>(156,091)</b>	<b>-2%</b>

## OVERVIEW ON 2017 BUDGET AND FUNDING

As at the 70<sup>th</sup> session of the UNHCR Standing Committee in September 2017, UNHCR reported estimated total funds available for the year (including voluntary contributions recorded and projected, carry over, the United Nations Regular Budget contribution, and other estimated income and adjustments) of \$4.188 billion.

Eight supplementary budgets for \$832.1 million were established by the High Commissioner to address unforeseen needs in the Burundi, central Mediterranean, Congolese (the Democratic Republic of the Congo), Nigeria, Somalia, South Sudan and Syria situations, as well as for the Myanmar refugee emergency response in Bangladesh. These supplementary budgets were established for emergencies that occurred or deteriorated in the course of 2017 and, in some cases, after the needs for the 2018 proposed budget were assessed in early 2017. Thus, their financial implications are not entirely reflected in the proposed budget tables. A budget reduction of \$178.9 million was also implemented, mainly due to a realignment of the inter-agency Regional Refugee and Resilience Plan in response to the Syria crisis (3RP).

These adjustments led to a revised 2017 budget of \$7.963 billion, giving a year-end funding gap estimated at \$3.775 billion, or 47 per cent of the budget as the end of October.

Regarding the quality of funding, 2017 has seen the continued trend of an overall decline of unearmarked or broadly earmarked funding. Of the voluntary contributions received, 15 per cent was unearmarked, meaning funding available to spend however and wherever the Office saw fit. Broadly earmarked funding—meaning funding that could be spent at the regional or situational level—accounted for 19 per cent of income. The remainder of UNHCR’s voluntary contributions were earmarked to the country, thematic or sectoral levels (see *Glossary*).

UNHCR also recorded over \$344 million in multi-year funding—defined as contributions for which the implementation period is over 12 months and thus valuable indicators of predictability and flexibility—of which 26 per cent is unearmarked. With UNHCR intending to pilot its multi-year, multi-partner approach in more operations in 2018, the value of predictable funding of this type for UNHCR, and by extension for its partners, becomes ever more important.

## 2018-2019 budget breakdown and operational focus

The overall picture is one of budgetary stability across all five of UNHCR’s regions showing small change in the face of wide-scale needs. The majority of UNHCR’s budget—84 per cent—will be spent in the field where the largest requirements will still be in Africa, accounting for 35 per cent of the total proposed budget for 2018 and 34 per cent of the total proposed budget for 2019. Africa’s requirements are closely followed by those for the Middle East and North Africa, which amount to 29 per cent and 30 per cent of the total budgets for 2018 and 2019 respectively.

Global programmes and Headquarters remain in line with 2017, at approximately 6 per cent and 3 per cent of the total requirements for 2018 and 2019 respectively. The preliminary requirements for 2019 show a \$156.1 million, or 2 per cent, decrease in comparison with 2018 with the regional distribution remaining in line with that of 2018.

UNHCR’s programme budget is presented in more details below along three main lines of analysis: by region; by Pillar; and by rights group.

**Figure 1** provides a visual presentation of the percentage breakdown of the proportion of the budget allocated to each of the five geographical regions, as well as to global programmes, HQ, JPOs and the reserves.

FIGURE 1 | 2018 BUDGET BY REGION | Percentage

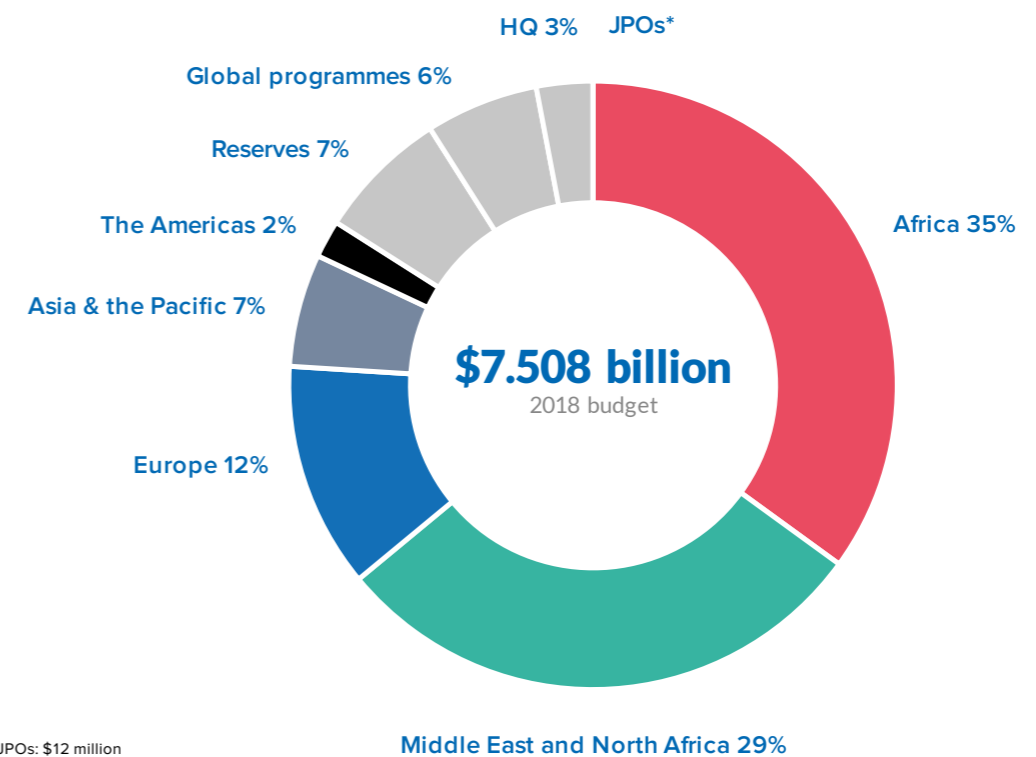
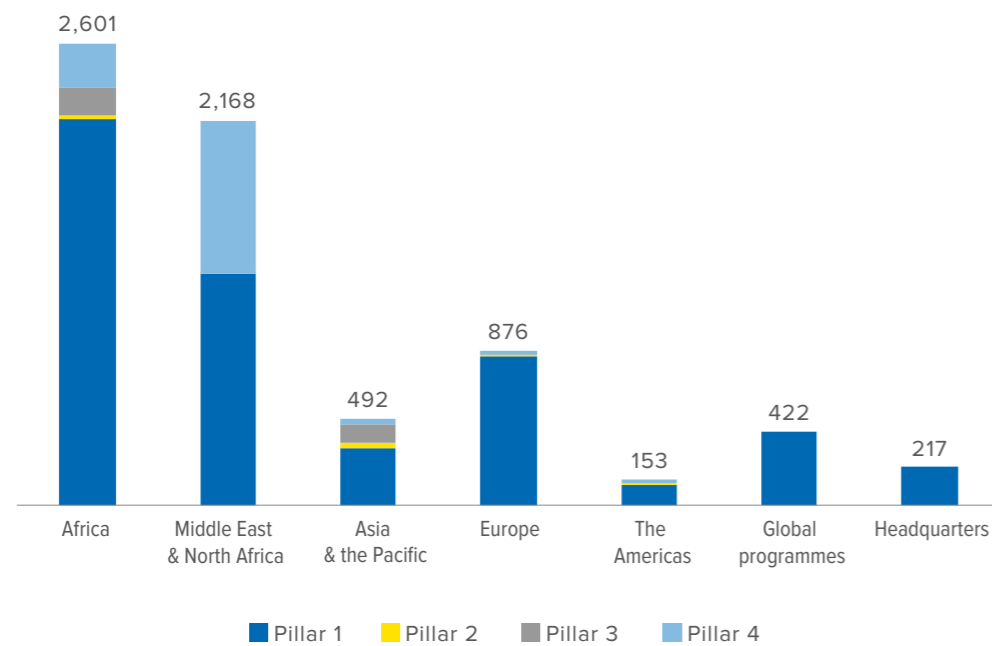


Figure 2 displays the budgets by Pillar, showing the portion that has been allocated regionally. Pillar 1's requirements of \$5.976 billion for global refugee programmes—and which also includes requirements for the global programmes, Headquarters, Reserves and JPOs—constitute 80 per cent of the total requirements of the four Pillars. Geographically, 58 per cent of UNHCR's Pillar 1 budget will be assigned to Africa and MENA, but, at 95 per cent, the region with the highest percentage of Pillar 1 planned expenditure as a proportion of the overall

regional budget will be Europe. Pillar 4's requirements of \$1.201 billion for global IDP programmes constitute 16 per cent of total pillar requirements, with the highest regional percentage in the Middle East and North Africa, at 72 per cent. Pillar 2's requirements for statelessness programmes at one per cent, and Pillar 3's for reintegration at three per cent complete the budgets. The highest percentage of those budgets will be spent for Pillar 2 in Asia and the Pacific, and in Africa for Pillar 3.

FIGURE 2 | 2018 BUDGETS BY REGION AND PILLAR | USD millions

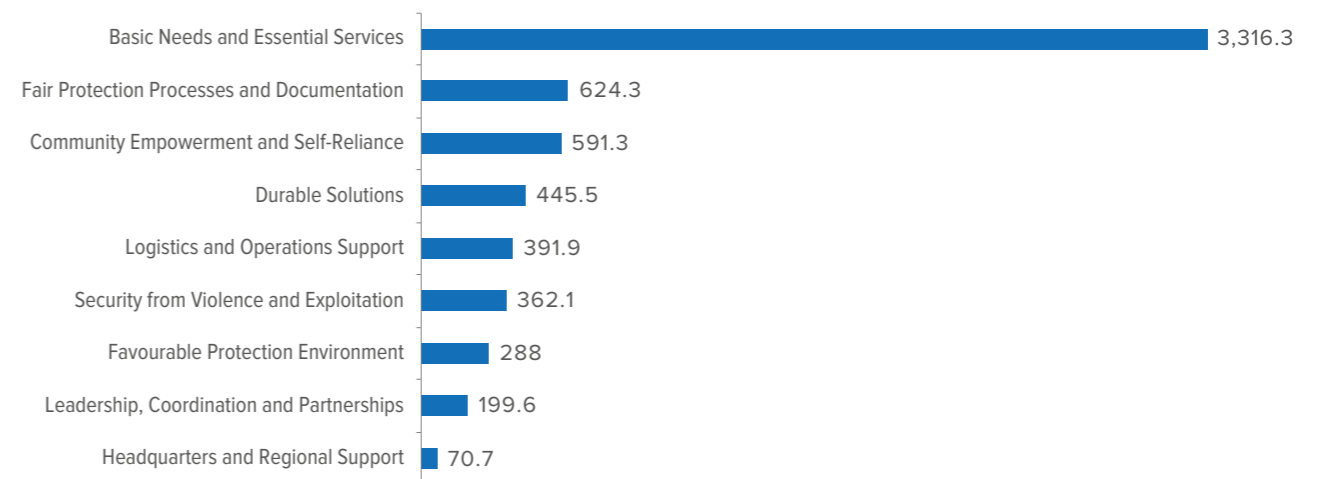


Note: The chart does not include budgets for Operational Reserve, "New or additional activities - mandate-related" Reserve, and Junior Professional Officers.

Figure 3 presents the consolidated field budgets by rights group, which are thematic groupings of objectives with a similar theme used for planning and budgeting, the total requirements for which come to \$6.289 billion. Of that total, \$3.316 billion—53 per cent—is for providing basic needs and essential services for which UNHCR depends on predictable and flexible funding in order to assure timely delivery. This will include efforts to provide people of concern with shelter, health, water and sanitation, and food. It also will include the priority of assisting people of concern

through cash-based interventions where this is the most appropriate modality, in line with UNHCR's Grand Bargain (see *Glossary*), commitments. The requirements for basic needs and services are slightly up on what was requested in 2017 and, given the focus on narrowing the humanitarian – development divide, expectations should be managed regarding decreases in what is required to provide people of concern with the basics for their survival and dignity.

FIGURE 3 | 2018 FIELD BUDGETS BY RIGHTS GROUP | USD millions





# Resource mobilization in 2018

As an organization almost entirely dependent on voluntary contributions, UNHCR always seeks to maintain budgetary efficiency, and to prioritize as rigorously as it can and make the best use of its human and financial resources. With a view to diversifying its donor base and reducing funding gaps, it is also always looking for new ways to increase its funding and find new sources of financing. While needs have climbed sharply since 2009, donor contributions have also risen, almost doubling during the same period (see [Figure 4](#)). UNHCR remains very grateful for the continuing commitment of its donors who

continue to provide remarkable support for the work of the organization in many different ways.

While the resources available from donors to assist people in need are increasing globally, the increases in funding are not keeping up with the growing demands. While many donors have continued to increase their contributions, and despite the successful growth of private sector giving (on which, see more below), UNHCR needs significantly more funding to adequately address the most basic needs of the people it is mandated to care for around the world.

FIGURE 4 | UNHCR'S ANNUAL REQUIREMENTS vs VOLUNTARY CONTRIBUTIONS 2010-2017 | USD millions



Up to date details of the contributions of UNHCR's donors can always be found on the Global Focus website (<http://reporting.unhcr.org>).

The Comprehensive Refugee Response Framework (CRRF, see *Glossary*) offers further challenges and opportunities to UNHCR. The requirements necessary to fund the CRRF in the roll-out countries and situations are only partially those of UNHCR; they also include those of other agencies which have refugee-related activities in those countries, as well as the requirements of government departments and plans involved in supporting the presence of refugees. When considering how to fundraise for UNHCR's requirements within the CRRF, as well as how to advocate for the roles and needs of partners, the Office takes the approach that existing tools should be fully utilized, namely the Global Appeal as the appropriate document to identify funding opportunities within the operations included in the roll-out.

To address the growing funding gaps in major humanitarian emergencies, UNHCR's fundraising strategy is outlined overleaf, as well as details on how it commits to working with its donors and partners to find new ways to increase funding towards its activities.

Fundraising for the CRRF will form part of UNHCR's overall fundraising efforts, but the Office is conscious that raising funds will depend considerably not only on the quality of the plans and strategies presented, but also on the wider financial environment. Where relevant, and reinforcing partnerships and coordination, UNHCR will also use the various refugee, humanitarian or development plans—the RRP and HRP together with the associated pooled funding mechanisms, or the UNDAFs—as a means of quantifying and qualifying the needs in a given context. These frameworks will also be useful for conducting advocacy for resource mobilization for UNHCR's own needs and the wider requirements.

## UNHCR's resource mobilization strategy

UNHCR takes as basic principles in its fundraising that funds be raised first and foremost for prioritized activities; that the funds be raised as early as possible in the year; and that the funds raised are as flexible as possible given the range of locations, contexts and themes within which the Office works. Put simply, the preferences for income in 2018 would be as follows.

- **Unearmarked funding is the priority for resource mobilization.** Contributed without restrictions on its use, unearmarked funding allows UNHCR critical flexibility in how best to reach refugees and other populations of concern in the greatest need and at the greatest risk.
- Secondly, funding which is **broadly earmarked at the situational or regional level:** meaning, funding that can be used across the range of countries and activities in a given region or situation in accordance with the priorities and activities identified by UNHCR.
- Thirdly, funding which is **earmarked at the country level.** Funding of this type allows UNHCR to allocate funding to its planned activities within a country in a context-specific manner.
- Fourthly, funding which is **earmarked to the sectoral or thematic level within a country.** This is the most restrictive level of funding.
- Ideally, **all funds raised should be flexible in their implementation period;** meaning, UNHCR should be able to carry funds over into the following year. This will enable the smooth continuation of activities, make operations more predictable, and avoid situations of UNHCR receiving funds it may not be able to spend within the calendar year.
- For all types of funding, **multi-year funding is most desirable,** without unduly burdensome reporting requirements.

### Key indicators for funding

- **Quantity:** the amount of funding received.
- **Quality:** whether the funding is earmarked or unearmarked, which determines in large part the flexibility of the funding.
- **Timeliness:** how soon during the year funding is received.
- **Predictability:** how reliable or firm are the indications that funding will be received.
- **Diversification:** how wide is the range of donors from which funding is sought and secured.

With these principles in mind, UNHCR's fundraising strategy has six key priorities.

- **Maintain and strengthen the engagement and support of traditional bilateral donors from which UNHCR receives the majority of its income,** ensuring full coordination between HQ and field-based efforts so as to avoid duplication, excessive or burdensome earmarking and reporting, and compliance with UNHCR's regulations.
- **Broaden the governmental donor base,** matching UNHCR's needs with the interests and ambitions of new and emerging donors.
- **Increase inclusion of people of concern and host communities in transitional and development funded programmes** through close collaboration with development actors including donors, and international financial institutions. Possibilities to explore different financing options for such programmes will also feature within this priority.

- **Strengthen inter-agency cooperation in fundraising** through increasing multilateral planning and information sharing, including with donors, and drafting of coordinated refugee response plans.
- **Continue fundraising efforts towards UN-administered funds** such as the CERF and country-based pooled funds, particularly in emergency situations.
- **Raise funds from the private sector,** including corporations, foundations, high net worth individuals and individual donors, and to make the necessary investments that will allow UNHCR to build a broad base of support for displacement issues among the general public and with partnerships, generating a stable stream of largely unrestricted income.

### The importance of flexible funding for UNHCR's "situations"

Crises are pushing people of concern to UNHCR into multiple locations, over greater and greater distances. For cases when an emergency has repercussions that go beyond the borders of the country in which it originated, UNHCR uses the term "situation" for its advocacy, planning, budgeting and fundraising. Situations are interlinked, one crisis generating impacts in another, or with the impacts felt far away. Crossing borders and sometimes continents, situations reflect the operational complexity of today's displacement crises, and the concomitant difficulties UNHCR and its partners have in planning and responding.

For example, the South Sudan situation involves seven countries—South Sudan itself, as well as the CAR, the DRC, Ethiopia, Kenya, Sudan and Uganda—to which refugees from South Sudan have fled. Situations also overlap, again reflecting the complexity of displacement when refugees can flee from one country, whilst at the same time refugees from a second country find refuge in the very same country. For instance,

the CAR, once again in the grip of renewed violence and one of the countries in the South Sudan situation to which South Sudanese refugees have fled, is itself a situation involving five countries—CAR, as well as Cameroon, Chad, the Republic of the Congo, and the DRC.

Given this complexity, UNHCR's response must in turn be responsive and reflective. For it to be effective, funding to these situations needs to be as broadly earmarked as possible as situational management reflects the complexity of today's environment of sustained and mass displacement. Financial support needs to be flexible, allowing UNHCR to place it anywhere within a given situation, in line with the Office's priorities, from where people in need are forced to flee, to where they find refuge. It needs to come as early as possible in order for UNHCR to plan in the most efficient manner possible, allocating to priorities first.

In 2018, UNHCR will begin the year with 14 situations, in all five of its regions, with the majority of them occurring in Africa. All together, these situations will involve 59 operations, and account for some \$5 billion of UNHCR's budget.

# Raising funds from the private sector

Private sector partnerships are an increasingly important element in the UN's strategic thinking and operational delivery, appearing in a number of key documents, including the New York Declaration (see *Glossary*), the 2030 Sustainable Development Agenda, and UNHCR's 2017-2021 Strategic Directions. The private sector no longer sees itself merely as a source of financial resources. It aspires to drive innovation, operational efficiency, strong advocacy with governments and the public, and increasingly seeks to move from corporate responsibility to corporate shared value, engaging entire companies.

UNHCR's stated ambition is to raise \$1 billion in financial contributions from the private sector annually by 2025, engaging 25 million people in the process. The priority areas for private sector engagement include livelihoods, employment, technology, education and energy. The private sector is looking for partners who can deliver, but which also provide them with adequate recognition and visibility. From a wide range of organizations, UNHCR aims to position itself to be the one that people think of first and foremost when individuals, companies and foundations are ready to engage in support of refugees. This leadership role is essential to attract unrestricted income from the general public as well as to be the partner of choice for companies or partners looking to make a meaningful and visible contribution to the refugee cause.

## Vision in 2018-2019

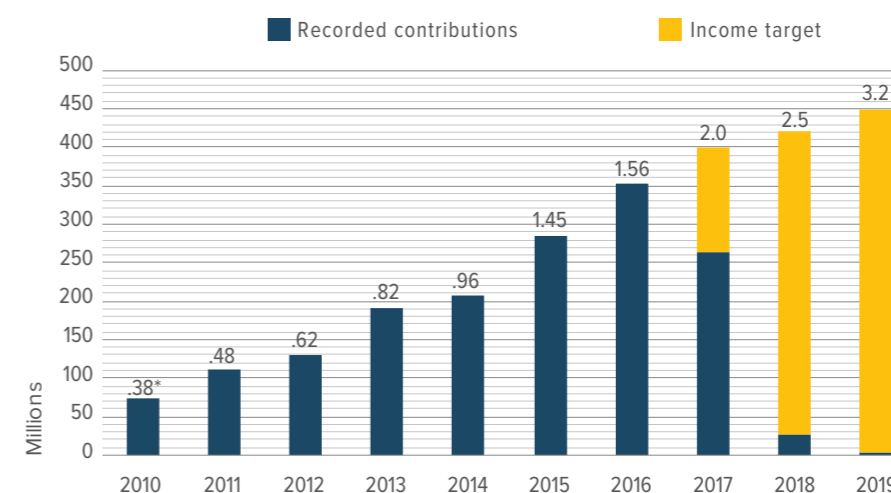
In 2018, UNHCR plans to raise over \$400 million from the private sector (see [Figure 5](#)). Most of this would be unrestricted, making it the largest source of unrestricted income available to UNHCR. This will be achieved through:

- **Close collaboration with the six National Partners** which, collectively, raise more than half of UNHCR's income from the private sector: Australia for UNHCR, *España con ACNUR* (Spain), Japan for UNHCR, *Sverige för UNHCR* (Sweden), *UNO-Flüchtlingshilfe* (Germany) and USA for UNHCR.
- **Through dedicated offices** in a further twenty national fundraising operations across the world.
- **In partnership with global companies, foundations and philanthropists** such as IKEA Foundation, Educate A Child, the Bill and Melinda Gates Foundation, and UNIQLO.
- **Through global digital outreach** through English, Arabic and Spanish language hubs.

Its focus will be:

- **Growing support** - UNHCR has over 1.6 million individual donors with over 60 per cent giving a regular monthly donation which provides the agency with a sustainable and predictable source of unrestricted funds. In 2018-2019, UNHCR will focus on building their understanding of UNHCR's role in providing solutions to refugees and on inspiring deeper engagement and financial support.

Figure 5 | CONTRIBUTIONS FROM THE PRIVATE SECTOR | USD millions



\* Numbers of Individual donors in millions. Figures for 2017-2019 are estimates based on current trends and data.

- **Engaging the public** - UNHCR's visibility and its ability to engage with the general public is central to fundraising from the private sector and the Office will redouble its efforts to integrate its communications activities and leverage the UNHCR brand to engage the public. This will be done by developing advocacy campaigns such as #WithRefugees, and global fundraising campaigns such as "Nobody Left Outside" (see *Responding with lifesaving support* chapter) which seeks to shelter two million refugees by 2018, and which aim to heighten positive sentiments towards refugees and stimulate support from the public.
- **Building local and global partnerships** - UNHCR has a strong track record in building partnerships with leading foundations, companies and individual philanthropists which has resulted in longstanding relationships that leverage the best of the partner and the agency to deliver outcomes for refugees. UNHCR will seek to build further partnerships at national and global levels and is developing its approach to proactively foster strategic partnerships with the objective to create a substantial, flexible, sustainable source of income to fund operations. In 2018, UNHCR will devote energy to addressing the organizational changes required to do this successfully.



## Management efficiency and effectiveness

UNHCR has sound organizational strategies backed by effective and efficient management that is intensively focused on realizing rights for people of concern through the achievement of concrete results. Several of UNHCR's Grand Bargain commitments deal with increasing efficiencies and providing better value for money (see below). These include several commitments of its own, including its joint leadership with the Government of Japan on reducing duplication and management costs, and those which it is participating in such as reducing reporting requirements.

Other examples of UNHCR's commitment to reducing costs while increasing efficiency of delivery are the reductions in Headquarters costs with a constant growth in the share of resources allocated to programme delivery in the field. One aspect of that focus has been the expansion in partnerships, which brought UNHCR greater operational flexibility and technical expertise in delivering life-saving protection and aid. More funding is being channelled through partners, with a commitment to channel at least 25 per cent to national partners by 2020.

The work underway on reforming the implementation of results-based management (RBM) in the organization demonstrates UNHCR's commitment to streamlining its planning process, bringing simplification, transparency, value for money, and aligning with partners and inter-agency processes such as UNDAF and the Sustainable Development Goals. Since its roll-out, UNHCR's RBM has provided a solid framework for field operations to make a conscious link between protection risks and humanitarian needs identified. Over the past seven years of implementation, UNHCR has gained valuable experience in applying the RBM approach to its operations management. However, with the system facing some challenges, in January 2017 UNHCR launched a project to revise it, with the overarching priority of improving UNHCR's effectiveness.

## UNHCR's Grand Bargain commitments

<p><b>Greater transparency</b></p>	<p>In late 2017, UNHCR engaged a consultancy firm to analyse the impact of publishing UNHCR's existing resource allocation and reporting systems and processes to IATI. In 2018, UNHCR will assess the consultancy's recommendations to determine how best to start publishing to IATI, including the resource implications and taking into account that UNHCR is revising its RBM implementation.</p>
<p><b>More support and funding tools for local and national responders</b></p>	<p>UNHCR is committed to transfer at least 25% of its programme expenditure to local and national responders by 2020. In 2016, UNHCR transferred 20%, or \$670 million to national partners, including to national/local NGOs. UNHCR will continue with the joint work with UNICEF and WFP to reduce administrative barriers for partner agencies, and will take into account an NGO survey planned in late 2017. The three organizations have mapped out respective partner due diligence processes for harmonization. By mid-2018, UNHCR's partner portal will be expanded to becoming the main United Nations joint portal.</p>
<p><b>Increase the use and coordination of cash-based programming</b></p>	<p>UNHCR has achieved its Grand Bargain commitment to doubling the use of cash assistance and will continue its systematic use, especially multi-purpose cash grants, to help displaced people meet essential needs such as access to water, shelter and education. Cash also helps prevent them from resorting to negative survival strategies. Using cash as a vehicle for expanding partnerships, UNHCR will make available cash tools for their use by the humanitarian community and will, through the common cash delivery approach, establish cash transfer services managed by the private sector but available to all partners.</p>
<p><b>Reduce duplication and management costs with periodic functional reviews</b></p>	<p>UNHCR is on track to meet the target of expanding the use of biometrics for refugee registration to 75 operations by 2020. Both UN and NGO communities are looking into how to harmonize cost structures. NRC has proposed a harmonization approach for the international NGO community. UNHCR will engage with a consultancy firm to review different cost classifications in use within the UN family and recommend further steps towards harmonization by March 2018. A UNHCR/UNICEF joint audit of common partners will be mainstreamed in 2018. On behalf of the UN Procurement Network, UNHCR has identified joint procurement opportunities focusing on the 10 most procured items, as well as joint vendor opportunities.</p>
<p><b>Improve joint and impartial needs assessment</b></p>	<p>The 2017 UNHCR Needs Assessment Handbook and the accompanying online Toolkit (<a href="http://needsassessment.unhcr.org/">http://needsassessment.unhcr.org/</a>) set joint needs assessment as a standard for all UNHCR operations and include practical instruction on how to conduct one. Field operations will be assisted with deployments by needs assessment specialists. A dedicated Needs Assessment Coordinator was deployed to the Bangladesh emergency, for example.</p>
<p><b>Participation revolution</b></p>	<p>UNHCR is committed by 2020 to ensuring equal (50%) and meaningful participation of women and adolescent girls in all decision-making processes and structures in forced displacement contexts.</p>
<p><b>Increase collaborative humanitarian multi-year planning and funding</b></p>	<p>By 2020, UNHCR field operations will have included multi-year perspectives in their planning to support inclusion and solutions for people of concern and engage a broader range of partners, including development actors. In 2018, UNHCR will reflect on the experience gained since the first pilots in 2016.</p>
<p><b>Reduce the earmarking of donor contributions</b></p>	<p>UNHCR is cognisant that in order for donors to provide flexible funding, donors require evidence of the impacts achieved with the use of flexible funding received. UNHCR's publication on "Use of unearmarked funding" will be published by mid-2018.</p>
<p><b>Harmonize and simplify reporting requirements</b></p>	<p>UNHCR is taking part in this workstream as an aid organization as well as a donor to partner agencies. In Iraq, Myanmar and Somalia, UNHCR will submit its 2017 narrative reporting for earmarked contributions using the common reporting template developed by the workstream. Equally in these countries, UNHCR partners will submit 2017 narrative reporting using the common template.</p>
<p><b>Enhance engagement between humanitarian and development actors</b></p>	<p>The results of joint missions in 2017 by UNHCR and the World Bank to a number of major refugee hosting countries will feed into the funding allocation for the Bank's IDA 2017-2020 sub-window for refugees and host communities. The allocation decisions based on these visits will be final in early 2018. Additional project identification will continue in 2018. Partners such as UNDP, UN-Habitat, OHCHR and the ILO are starting to include the priorities of refugees, stateless persons, IDPs and returnees in guidance and normative agreements, and a number of joint programmes are due to launch in 2018.</p>

# UNHCR's REQUIREMENTS IN 2018 | BY OPERATION

- USD millions
- 150 to 560 million
  - 40 to 150 million
  - 20 to 40 million
  - 5 to 20 million
  - Below 5 million

Note: excludes regional activities, global programmes, Headquarters, the Liaison Office in New York, and the Global service centers in Budapest and Copenhagen.

\*Including Kosovo (Security Council resolution 1244 (1999)).

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

