



UNHCR
The UN Refugee Agency



REPORT ON USE OF FLEXIBLE FUNDING IN 2018

JUNE 2019





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Left: At 250 square kilometres, and with a population of well over quarter of a million people, Bidibidi is the world's largest refugee settlement. All of its residents are from South Sudan and two-thirds are children below the age of 18. Uganda, which hosts one of the world's largest refugee populations, has over a million registered South Sudanese. Uganda's progressive refugee policy is unique – it allows refugees to live a normal life just like Ugandan citizens, including freedom of movement, the right to work, access to education and healthcare and the allocation of land to build homes and farm crops.

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Cover Image: Malak, eight years old, and her brother Muntasir, three years old, fled with their father from Hudaydah to Dhamar Governorate, in Yemen. UNHCR is responding to the humanitarian crisis in Yemen, providing emergency assistance to those forcibly displaced by the conflict. © UNHCR/ARWA AL SABRI



A Rohingya girl carries a bag of rice to her family's shelter in Kutupalong camp, south-east Bangladesh.

INTRODUCTION

In the course of 2018, conflict, persecution and civil strife uprooted millions of people, in harrowing circumstances. In many parts of the world, the politics around refugee and migration issues became more acrimonious and polarized, with direct consequences for the lives of many refugees who were denied refuge, separated from family members, or pushed back to situations of danger.

Yet at the same time, a groundswell of solidarity was evident. Long-standing host countries stood firm in their commitment to protection principles and humanitarian values, and people across all walks of life came together to welcome and support refugees, including in countries where official policies became more restrictive.

Stretching around the world, the operational environment facing UNHCR and its partners was complex. It impacted all people of concern to UNHCR—refugees and asylum-seekers, returnees, stateless persons, and internally displaced people. It went from sudden-onset emergencies to protracted crises, some of them entering their fourth decade, in which UNHCR safeguarded fundamental rights, responded with lifesaving support, and worked to build better futures for people of concern.

UNHCR's budget in 2018 grew to \$8.220 billion, and the funds available to it came to \$4.710 billion. That included \$4.141 in voluntary contributions from donors, of which \$1.372 billion, or 33%, was flexible—\$617.4 million in unearmarked funding, and another \$754.6 million as softly earmarked.

These funds were critical throughout the year—particularly at the beginning of the year—to UNHCR operations, and to its global programmes. They supported the bedrock of UNHCR's humanitarian and solutions work worldwide.

This report acknowledges the generosity of those donors which provided UNHCR with flexible funding. It goes into detail and adds depth on how UNHCR used this valuable funding to kick-start emergency responses, to bolster underfunded operations, and to enable operations to implement their programmes as fully as possible.

To all donors—governmental and private—of unearmarked and softly earmarked funding, **UNHCR extends its most sincere thanks.**



Two Venezuelan children play near the San Miguel International Bridge on the Ecuador-Colombia border.

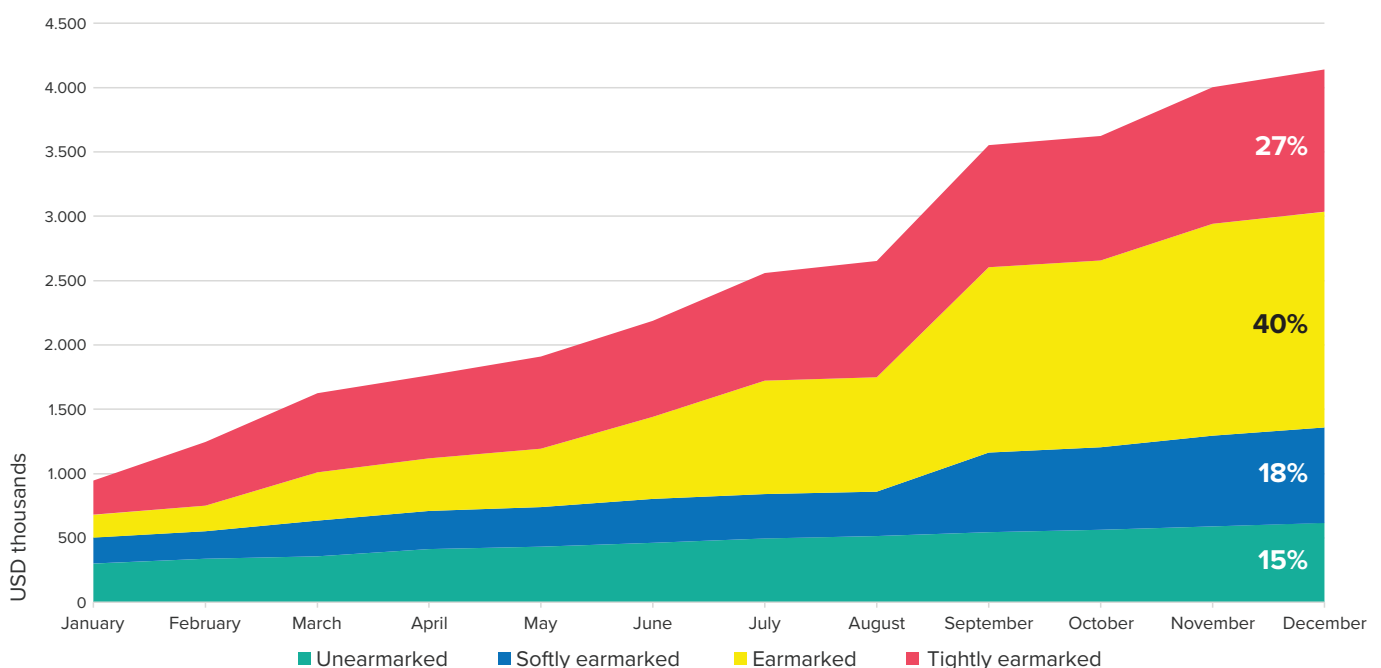
UNHCR'S FLEXIBLE FUNDING

UNHCR defines two main types of funding as flexible: softly earmarked funding, and unearmarked funding.

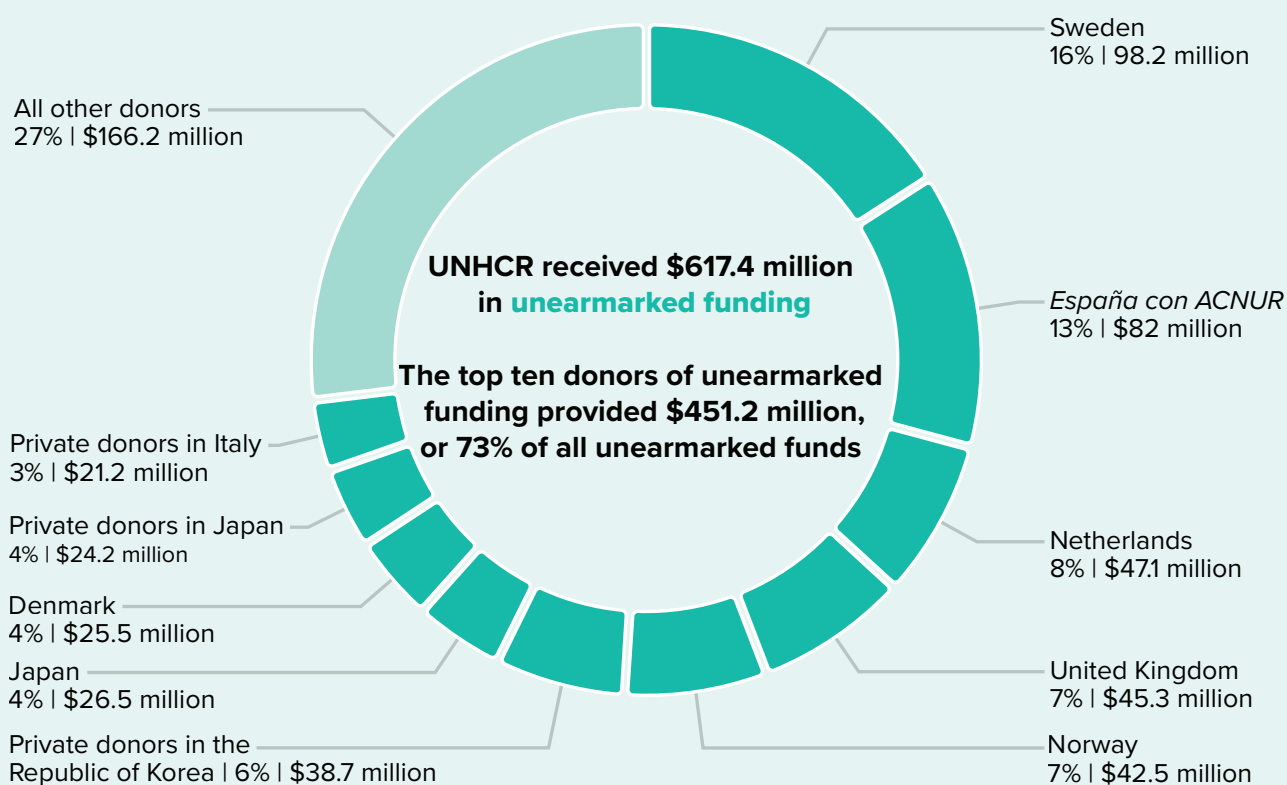
Softly earmarked funding allows UNHCR to use it across the range of countries, activities or themes in a given region or situation in accordance with identified priorities. UNHCR received \$754.6 million in softly earmarked funding, a slight decline of 3% from the \$768 million received in 2017.

Unearmarked funding is contributed without restrictions on its use. It allows UNHCR critical flexibility in how best to reach refugees and other populations of concern who are in the greatest need and at the greatest risk. Unearmarked funding came to \$617.4 million. Overall, this was an increase of nearly 5% on the \$588.7 million received in 2017. Some 56% of UNHCR's unearmarked funding was received in the first quarter of the year, a vital indication of timeliness and providing the Office with valuable flexibility.

Timeliness of funding | 2018

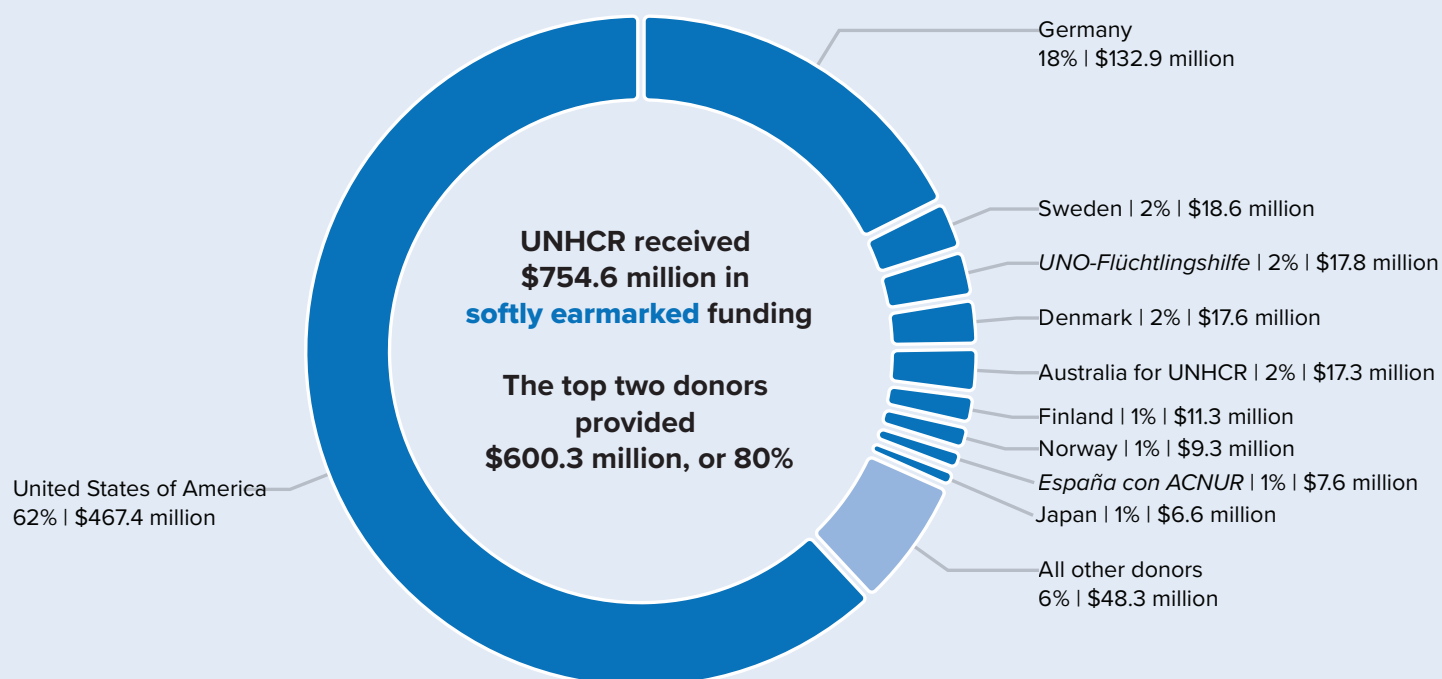


Sources of flexible funding



Unearmarked funding

- Government donors | \$392.2 million | 64%
- Private sector | \$225.1 million | 36%
- Of the private sector unearmarked funding, \$138.4 million came from five of UNHCR's National Partners. This was the equivalent of 62% of all unearmarked contributions from the private sector, and 22% of all unearmarked funding received in 2018



Softly earmarked funding

- Government donors | \$682.5 million | 90%
- Private sector | \$72.2 million | 10%
- Of the private sector softly earmarked funding, \$51.8 million came from five of UNHCR's National Partners. This was the equivalent of 72% of all softly earmarked contributions from the private sector, and 7% of all softly earmarked funding received in 2018



Burundian schoolchildren in their outside classroom at Jugudi Primary School in Nyarugusu Refugee Camp, Kigoma Province, western Tanzania. There are over 1,100 primary schoolchildren and 200 pre-school children at Jugudi school for Burundian refugees.

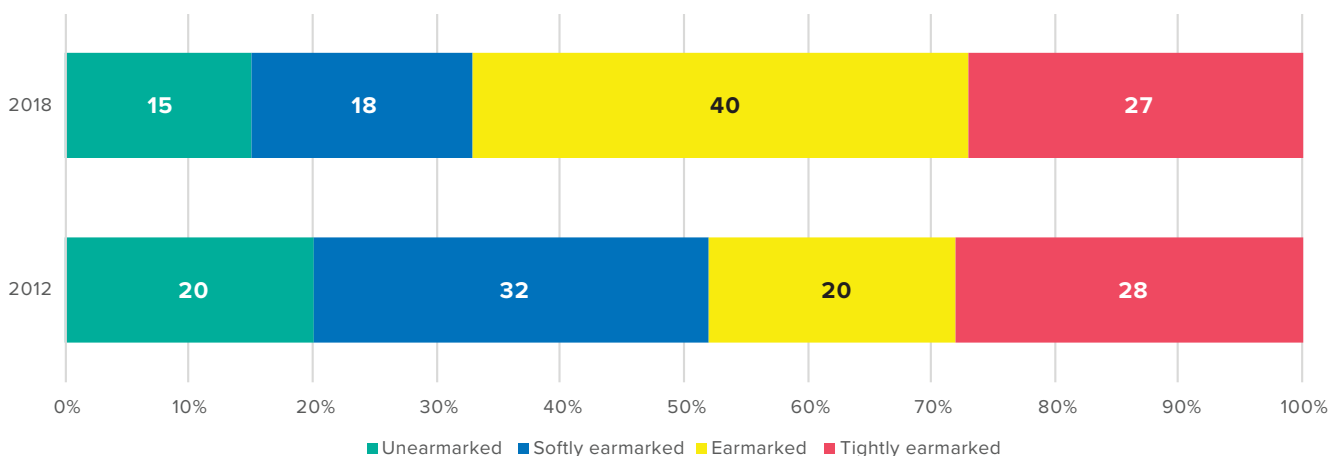
THE IMPORTANCE OF FLEXIBLE FUNDING

Crises are pushing people of concern to UNHCR into multiple locations, over greater and greater distances.

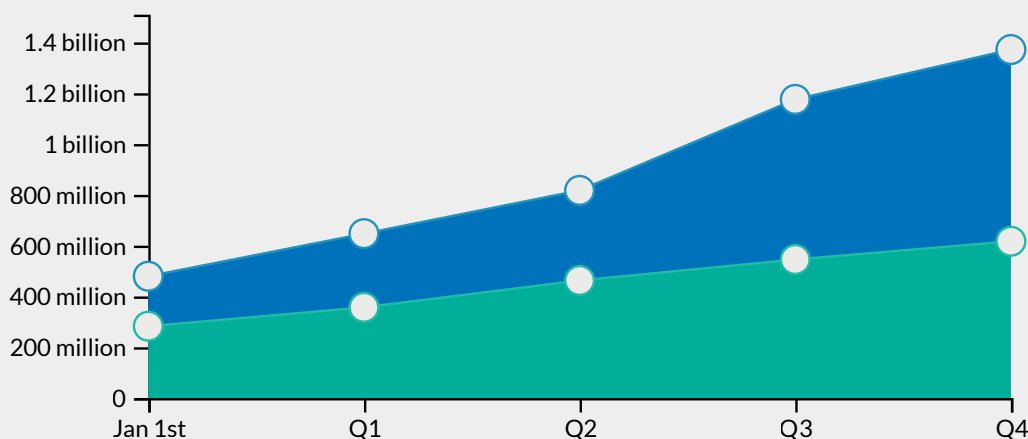
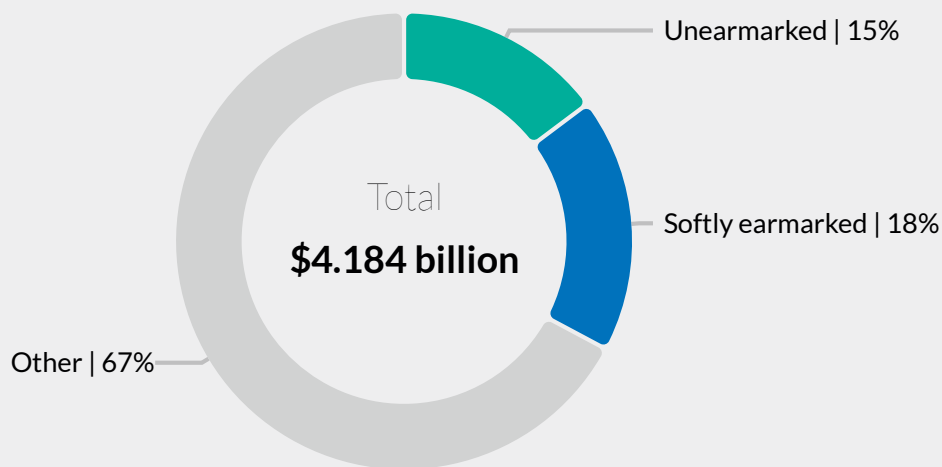
For cases when an emergency has repercussions that go beyond the borders of the country in which it originated, UNHCR uses the term “situation” for its advocacy, planning, budgeting and fundraising. Situations are interlinked, one crisis generating impacts in another, or with the impacts felt far away. 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.

In 2018, UNHCR had 16 situations, in all five of its regions, with the majority of them occurring in Africa. All together, these situations involved 71 operations, and accounted for over \$6 billion of UNHCR’s budget and over \$3 billion of its expenditure. A central challenge to UNHCR in responding to such situations is the continued trend of increasing earmarking. Country-based earmarking has increased almost four-fold in absolute terms since 2012, from \$397 million to \$1.662 billion in 2018. While this kind of earmarking provides some flexibility, it does not provide the flexibility of unearmarked or softly earmarked funding, and is a step away from commitments made by donors under the Grand Bargain. Although in dollar terms the amount of flexible funding increased in 2018, the year saw the continued decline in flexible funding as a percentage of overall funding.

Levels of earmarking | 2012 - 2018



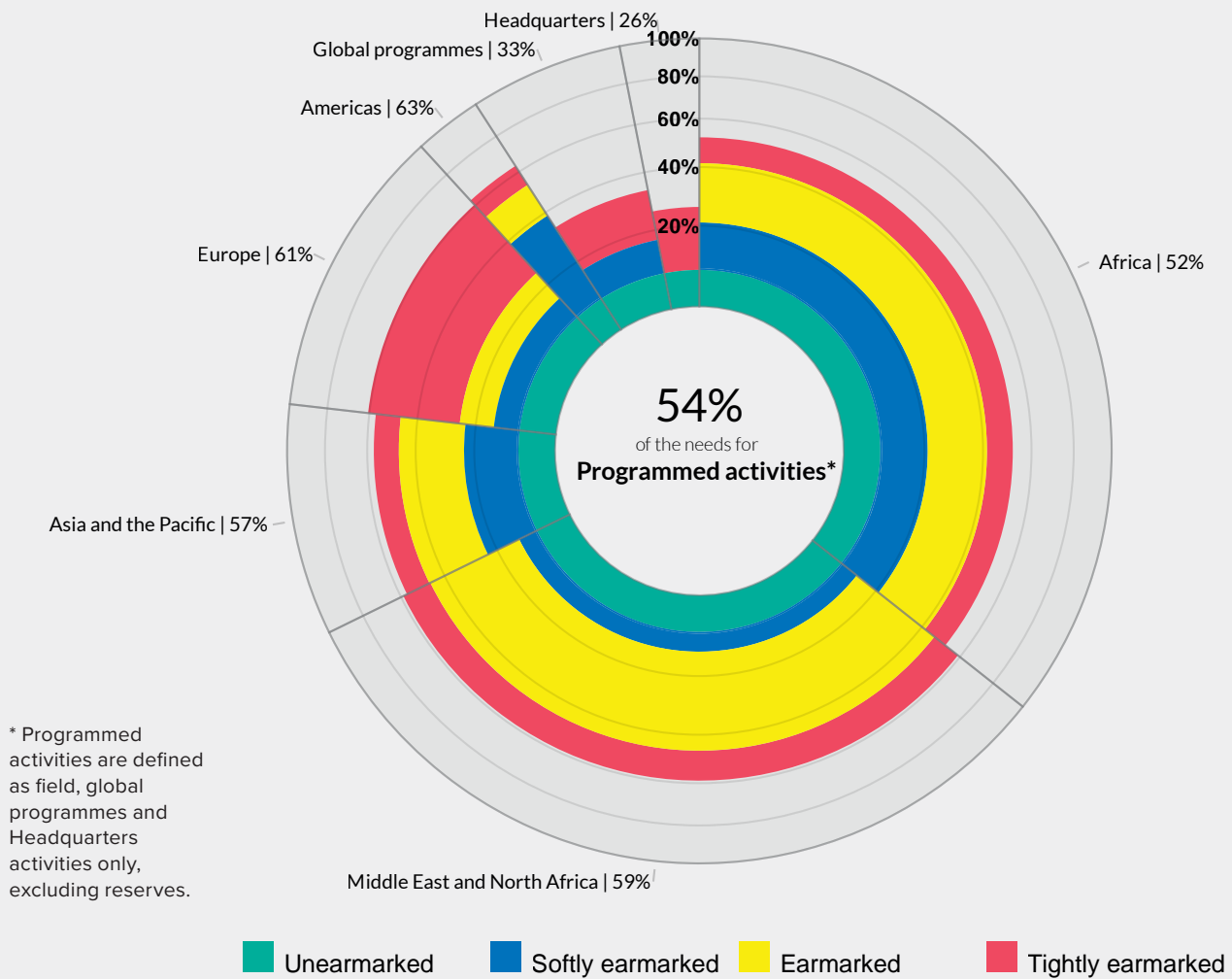
Flexible funding | 2018



Increasing earmarking has operational impact and is costly, often resulting in complex and additional reporting requirements that add expense and challenge to UNHCR’s financial and operational systems. Unlike flexible funding, earmarked funds restrict UNHCR’s ability to be a needs based actor. If the proportion of flexible—especially unearmarked—funding continues to decrease and donor preferences do not align with UNHCR’s own prioritization, the capacity to respond to identified needs also decreases. As partial funding necessitates stricter prioritization, this scenario creates extra challenges for UNHCR in pursuing a programme approach.

Flexible funding on the other hand, particularly unearmarked funding, greatly facilitates UNHCR being able to kick-start an emergency response, bolster forgotten or under-resourced crises, and enable the fullest possible implementation of programmes. They enable UNHCR to plan and manage its resources efficiently and effectively as flexible funding supports all programmatic areas—including innovation for the future of the Office’s response—and has a positive impact on the many achievements of the Organization, contributing to the collective success in every life that is transformed and saved.

Flexible funding as proportion of contributions | 2018



Flexible funding is important to UNHCR in being able to deliver on its core mandate, increasing its capacity to reach the most vulnerable people of concern. For example, flexible funding is vital to UNHCR’s normative work in developing and strengthening legal frameworks and setting international standards, in protection dialogue, advocacy, and in policy development.

Flexible funding facilitates swifter response to urgent needs and investment in fragile, potentially volatile situations, emergencies and disaster preparedness, as well as enabling response to needs in situations of protracted and neglected conflicts. In emergencies, flexible funding allows UNHCR to deliver assistance before an

emergency appeal is launched, increasing its field presence and enabling it to reach the most marginal and vulnerable, especially in overlooked, forgotten or protracted situations. Indeed, the use of flexible funding can even obviate the need for a separate emergency response.

Flexible funding also strengthens decision-making bodies which include key stakeholders such as affected and refugee-hosting states as well as donors. It supports management systems and the use of cost-efficient tools as well as reduces the amount of resources spent on grant-specific administration, notably procurement and reporting.



Approximately 2,300 new arrivals shelter at the UNHCR Transit Center near Kutupalong Refugee Camp. The camp was established on 18 October 2017 and has a capacity for 810 refugees or 162 families with a maximum emergency capacity of 1,620 persons

ALLOCATION AND EXPENDITURE OF FLEXIBLE FUNDING

In allocating flexible funding, UNHCR employs a cautious, meticulous balancing act that factors in earmarked contributions, funding gaps and the arrival of funding throughout the year against UNHCR's programme budget. Flexible allocations help ensure that UNHCR's activities align with the needs identified through the Global Needs Assessment, which forms the basis of UNHCR's programme.

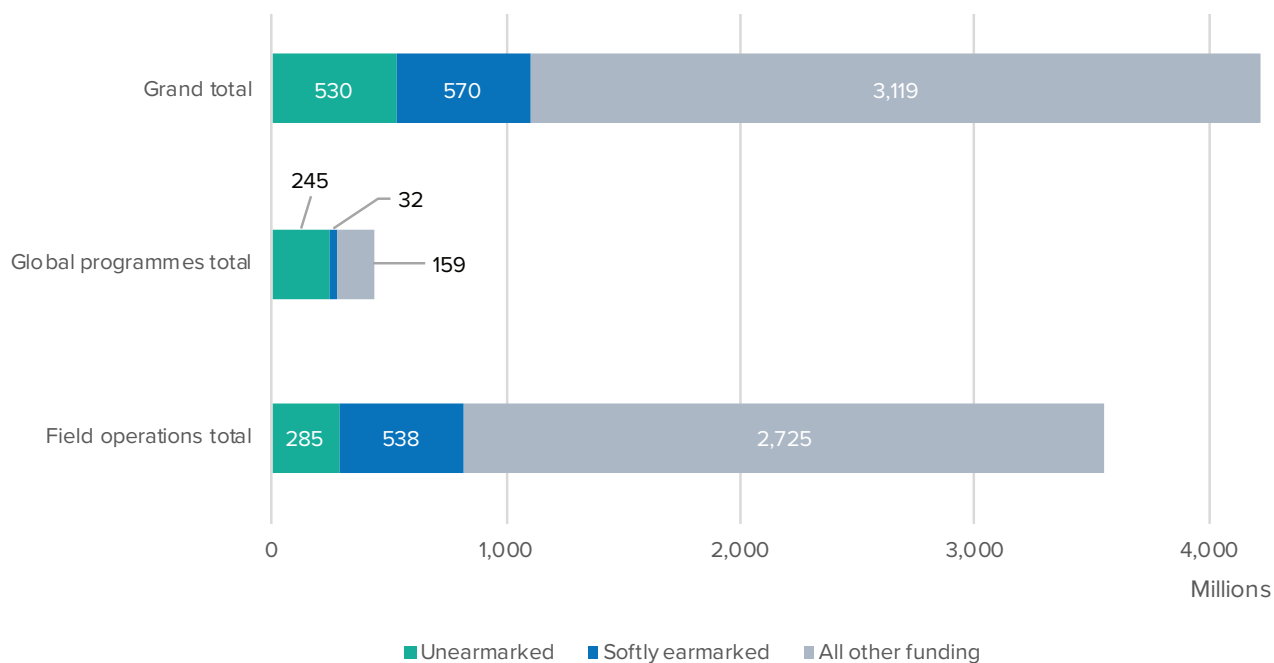
All told, UNHCR's flexible funding covered **26% of expenditure, amounting to \$1.099 billion** of which **75%, or \$822.6 million, was spent in the field**. The expenditure of \$1.099 billion included **\$529.8 million in unearmarked funding**, and a further **\$569.8 million of softly earmarked funding**. By the end of the year, **54% of UNHCR's unearmarked funding**, and **92% of the softly earmarked funding**, was allocated to the field.

These two types of flexible funding worked well together in filling gaps and ensuring complementarity. Unearmarked funding was critically important in allowing UNHCR to fund activities especially in situations where earmarking was not forthcoming and which were low on financial support, and for funding UNHCR's global programmes. Softly earmarked funding was vital at the situational and regional level to UNHCR's operational success.

In general, there are three main situations in which UNHCR uses flexible income. These are where UNHCR uses it to:

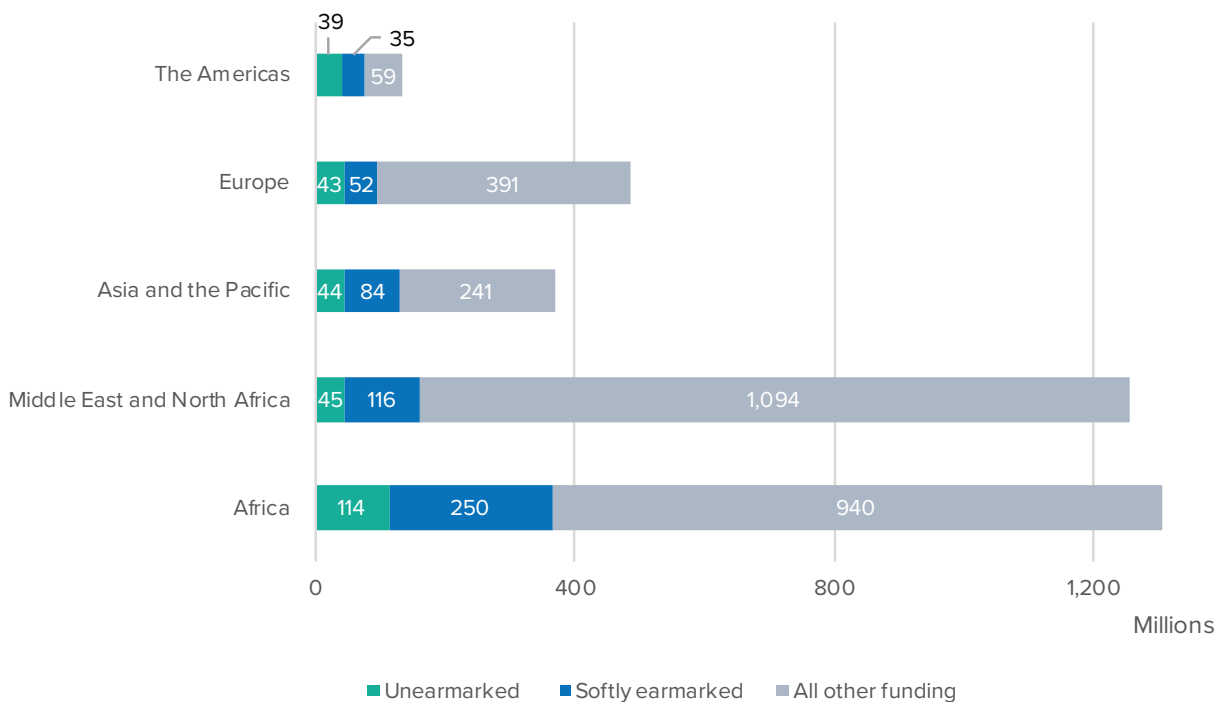
- **Kick-start** a response, often in an emergency setting, as unearmarked contributions allow UNHCR to initiate its response before receiving funding earmarked for a particular emergency situation.
- **Bolster** an otherwise forgotten or under-resourced crisis. For overlooked or forgotten crises, which attract little or no media or donor interest, unearmarked contributions are often the only source of funding required to maintain adequate—albeit often insufficient—assistance, and to maintain protection-related activities.
- **Enable** the implementation of programmes as fully as possible, with flexible funding—particularly unearmarked funding—critical to the successful implementation of UNHCR's global programmes. Unearmarked funding is 'predictable funding', and so essential for the Organization to plan, budget and implement activities in a timely and efficient manner.

Allocation of flexible funding compared to all other expenditure December 2018 | USD millions

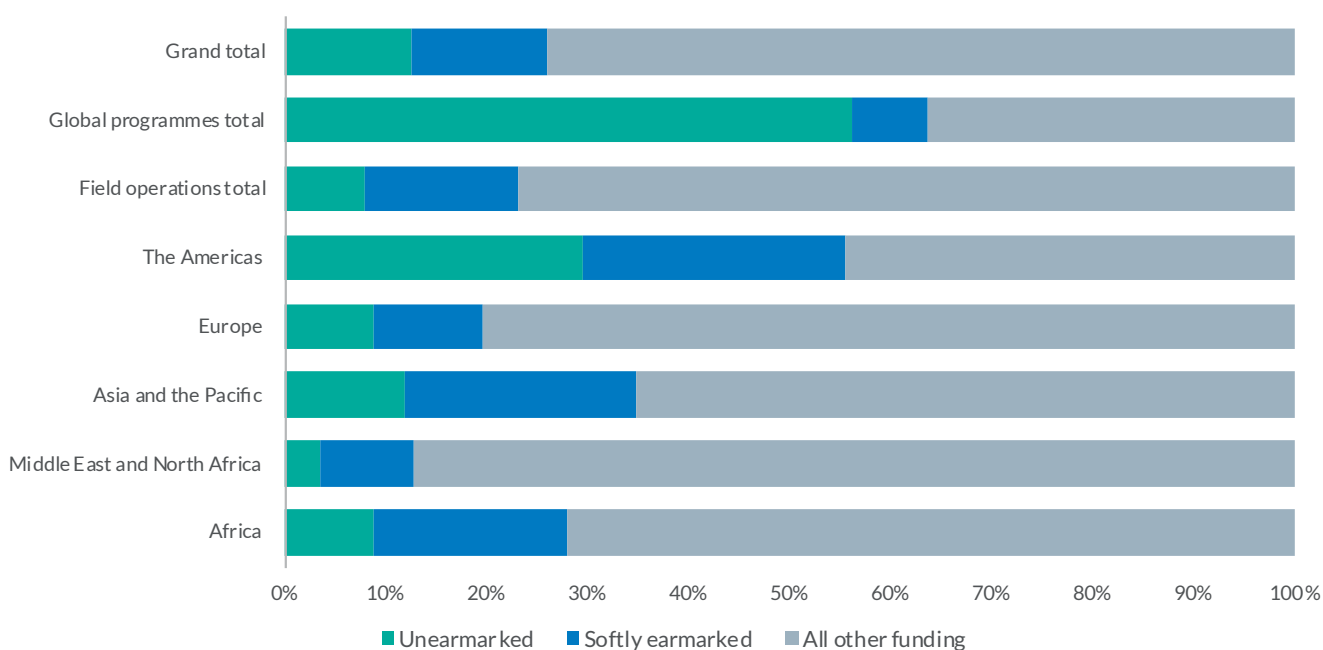


A key value of unearmarked funding is the movement of these funds throughout the year to different operations where needs are highest. The same unearmarked funds are therefore allocated multiple times to different operations throughout the year, depending on the funding status of the operation. This works as the unearmarked allocation can move once earmarked funds come in during the course of the year. This means that the allocation of unearmarked funds in the first quarter of the year may be different to the third and fourth quarters as more funding comes in to address vital needs. It is this movement of income that is so valuable and has such an important impact, allowing UNHCR to kick-start, bolster or enable operations to be implemented as fully as possible where needs are greatest.

Allocation of flexible funding compared to all other expenditure by region | December 2018 | USD millions



Flexible funding as percent of expenditure





Children displaced from Eastern Ghouta, Syria, in Herjallah shelter in Rural Damascus.



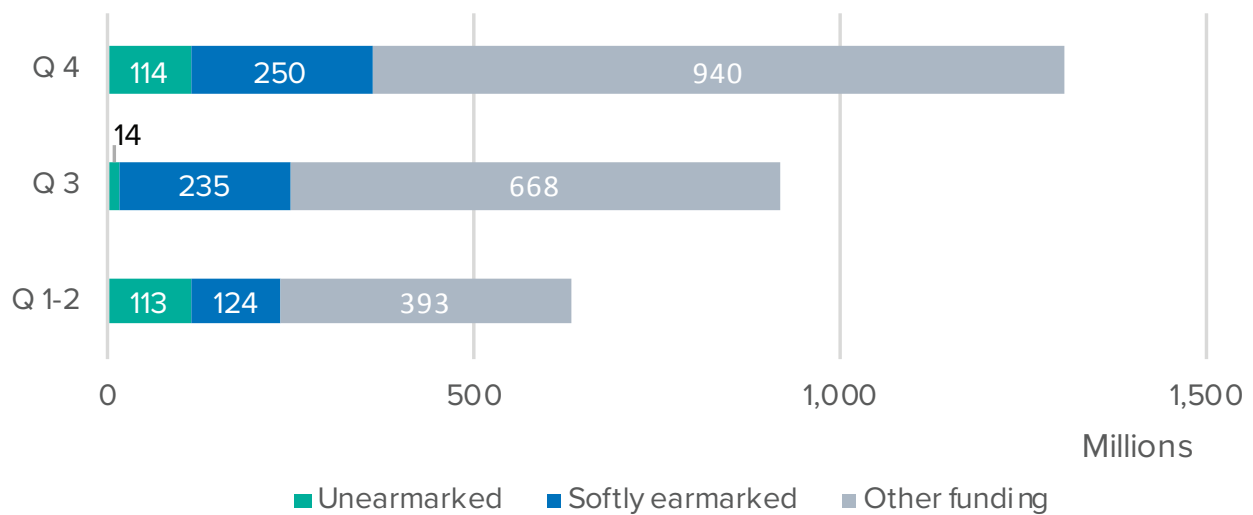
Flexible funding by region

The following charts show the movement of flexible funds during the course of the year by region.

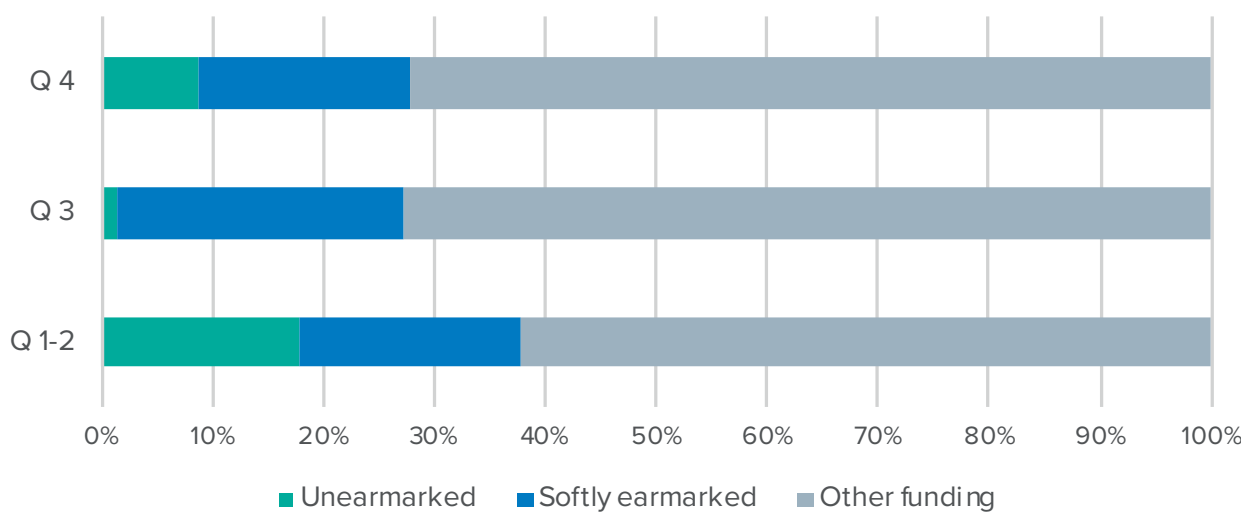
The allocation in the first half of the year is very different to the final quarter. The charts show how important unearmarked and softly earmarked funding is to starting up operations as a proportion of the total expenditure in the first half of the year. As more funding comes in, the allocations move to less well-funded or underfunded operations. By the end of the year, where operations receive significant earmarked funding, the unearmarked allocations will be lower than at the beginning of the year when startup funds were required. In some operations, however, the allocation will be higher, as these operations are overlooked and therefore required unearmarked funding to bolster or enable their programmes. Therefore, a report on the allocation of unearmarked or flexible funding at the end of the year would be a revenue allocation report at that time, but not show the tremendous journey and multiple crises that were supported with unearmarked and softly earmarked funding throughout the course of the year.

Africa

Flexible funding allocated per quarter against quarterly expenditure | USD millions



Flexible funding allocated per quarter against quarterly expenditure | Percent



Africa received the highest amount of flexible funding in dollar terms, with \$363.8 million. This came to 28% of regional expenditure. In dollar terms, the highest amount of unearmarked funding in the field was allocated to Africa, with \$113.6 million, including unearmarked funding carried over from 2017. This was 9% of regional expenditure. Regarding softly earmarked funding, Africa was also the region allocated the largest amount, at \$250.1 million, or 19% of regional expenditure. All told, 21% of unearmarked funding, and 44% of softly earmarked funds, were finally allocated to Africa.

The allocation of flexible funding reflected the continuing needs—emergency and protracted—in Africa. The region has seen a nearly threefold increase in the number of refugees over the last decade—from 2.3 million in 2008, to 6.3 million by

the end of 2018. Five countries alone—Chad, the Democratic Republic of the Congo, Ethiopia, Sudan, and Uganda—hosted 65% of refugees in Africa, or 20% of the global refugee population.

Flexible funding was used extensively in the complex and overlapping emergencies in the East and Horn of Africa sub-region, which encompassed the situations in Ethiopia, Kenya, Somalia, South Sudan and Sudan, and Uganda. In terms of percentage of funding—and indicative of how flexible funding bolsters otherwise forgotten or under-resourced crises and enables the implementation of programmes as fully as possible—flexible funding was critical to the Southern Africa sub-region where, as a proportion of its expenditure at the sub-regional level, 67% came from flexible funding.

Assistance to refugees and IDPs in the Cameroon situation

Kick-starting a response



Cameroonian refugees flee clashes and find safety in Nigeria

Violent clashes between military and armed separatists drove 32,500 Cameroonians over the border, where funding is needed to provide assistance.

“There was shooting—they killed my uncle and shot my cousin.”

—Myriam, Cameroonian refugee in Nigeria.

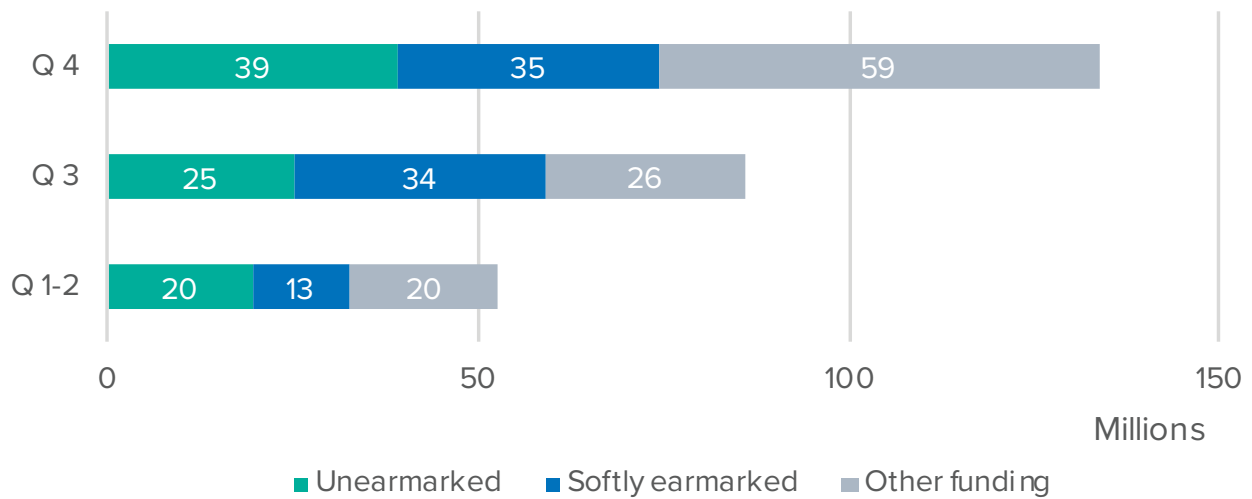


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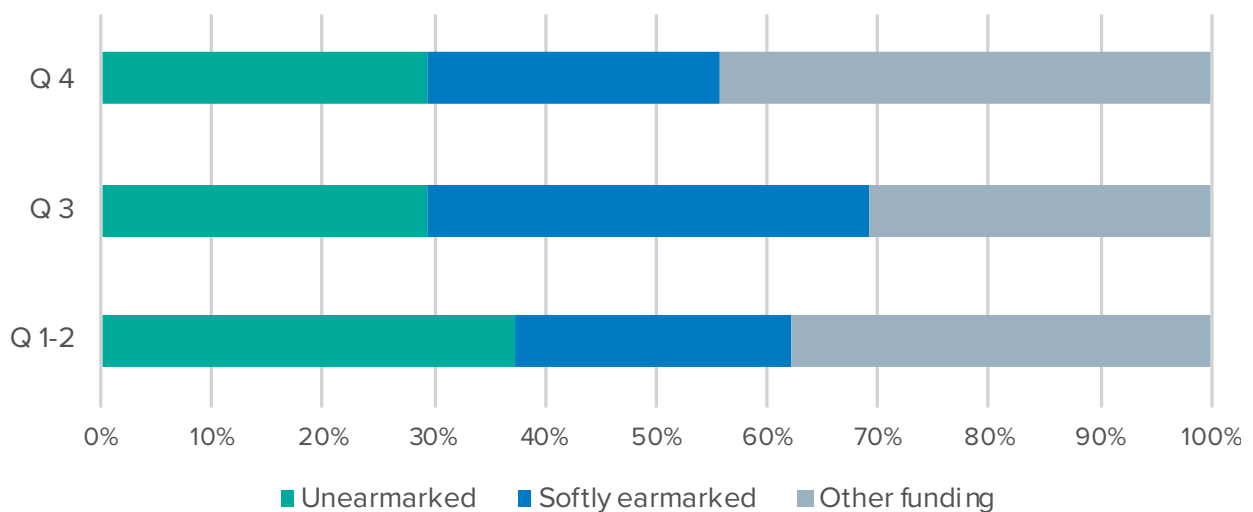


The Americas

Flexible funding allocated per quarter against quarterly expenditure | USD millions



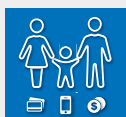
Flexible funding allocated per quarter against quarterly expenditure | Percent



As a proportion of its expenditure, the region which was allocated the highest percentage of flexible funding was the Americas, at 56% of regional expenditure. The unearmarked allocation, including carry-over from 2017, came to 29% of regional expenditure, with a further 26% coming from softly earmarked funds. All told, 7% of unearmarked funding, and 6% of softly earmarked funds, were allocated to the Americas.

The flexible funding allocated to the region was critical, as it faced a displacement crisis not seen in decades. The year ended with more than 12.8 million people of concern. Of the 1.5 million asylum requests, a million applications were still pending at the end of the year. Almost 140,000 people were internally displaced in 2018 alone.

Cash assistance in the Americas | Kick-starting a response

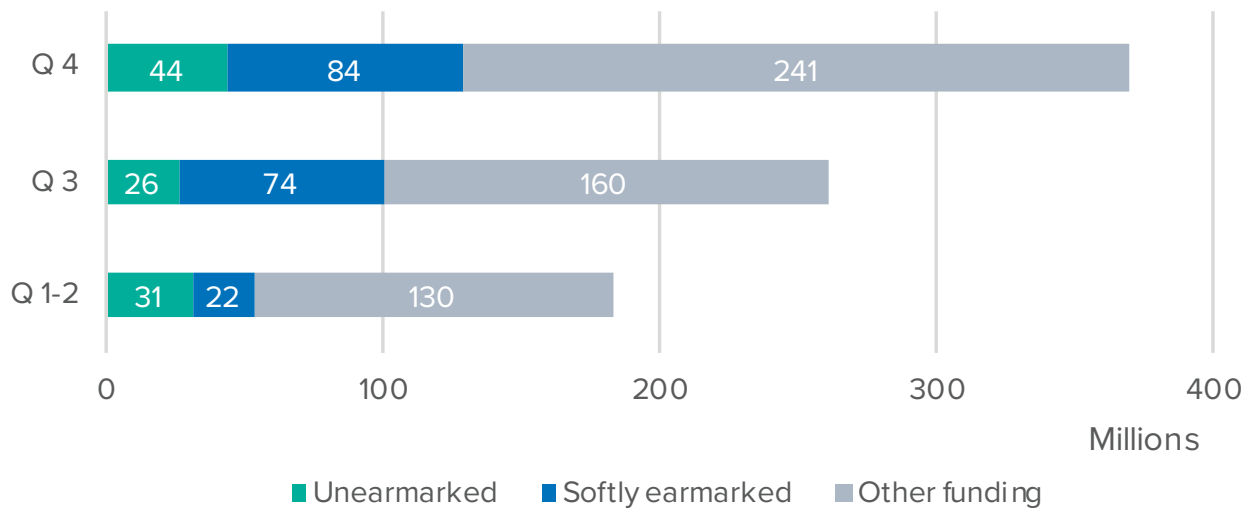


© UNHCR/ROAN OJOMO

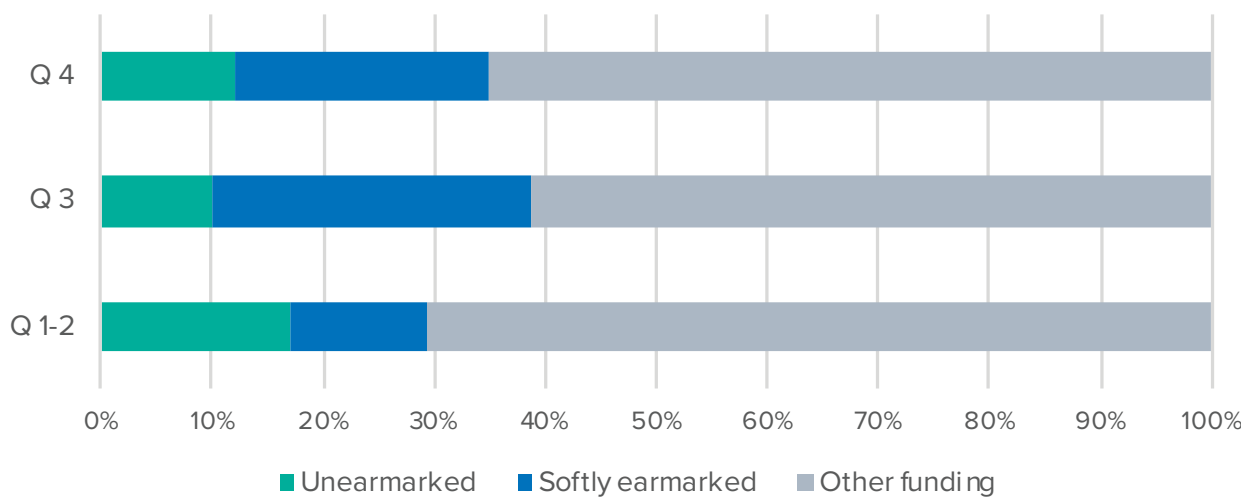
In the Americas, UNHCR distributed almost \$8 million in cash assistance. In 2018, Mexico scaled-up cash-based interventions and doubled its cash-based intervention expenditures to help increasing numbers of vulnerable asylum-seekers and refugees from Central America and Venezuela to meet their basic needs during the asylum seeking process. UNHCR distributed almost \$2.5 million of unconditional and unrestricted cash assistance to over 3,200 vulnerable families, to cover costs related to shelter, water and hygiene, food and clothing, and to help households establish livelihoods in Mexico. The cash assistance was distributed through reloadable prepaid cards that could be used in ATMs around the country. UNHCR also increased its cash assistance in Argentina, Brazil, Colombia, Costa Rica, Ecuador, Panama, Peru and Trinidad & Tobago, to respond to the needs of increasing numbers of Venezuelans displaced in those countries.

Asia and the Pacific

Flexible funding allocated per quarter against quarterly expenditure | USD millions



Flexible funding allocated per quarter against quarterly expenditure | Percent



In percentage terms, 35% of regional expenditure came from the allocation of flexible funding. Unearmarked funding was \$44.1 million, or 12% of regional expenditure. Softly earmarked funding was \$84.2 million, or 23%. All told, 8% of unearmarked funding, and 15% of softly earmarked funds were finally allocated to the Asia and the Pacific region.

In 2018, the region encompassed a set of complex and diverse situations ranging from emergencies, such as in Bangladesh, to protracted situations where longer-term solutions are needed, such as the Afghan refugee situation. The region also hosted a significant number of stateless persons—2.2 million—including displaced Rohingya refugees in Bangladesh and IDPs in Myanmar.

Returns in Afghanistan | Enabling the full implementation of programmes

The Office supported the reintegration of over 16,220 Afghan refugees who returned home in 2018, despite a situation of ongoing violence that impeded larger-scale returns. UNHCR worked across sectors, including with development actors and the private sector, to reinforce assistance throughout the humanitarian development continuum in 15 areas of high refugee return.

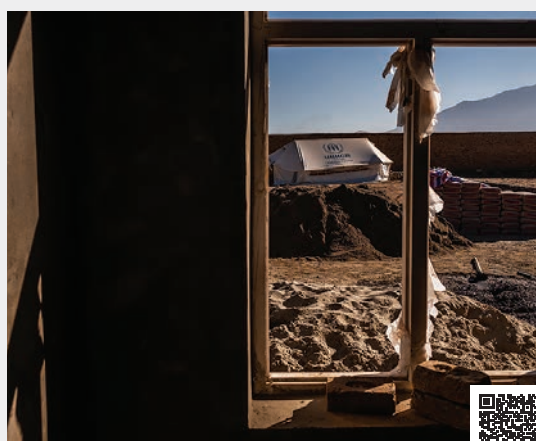


Returning Afghan refugees rebuild their lives despite challenges

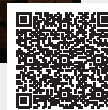
UNHCR and partners are helping returnees access basic services, land and jobs upon return, but further international support is needed.

“We may not be here tomorrow, but our children will be.”

—Zardad, Afghan returnee.

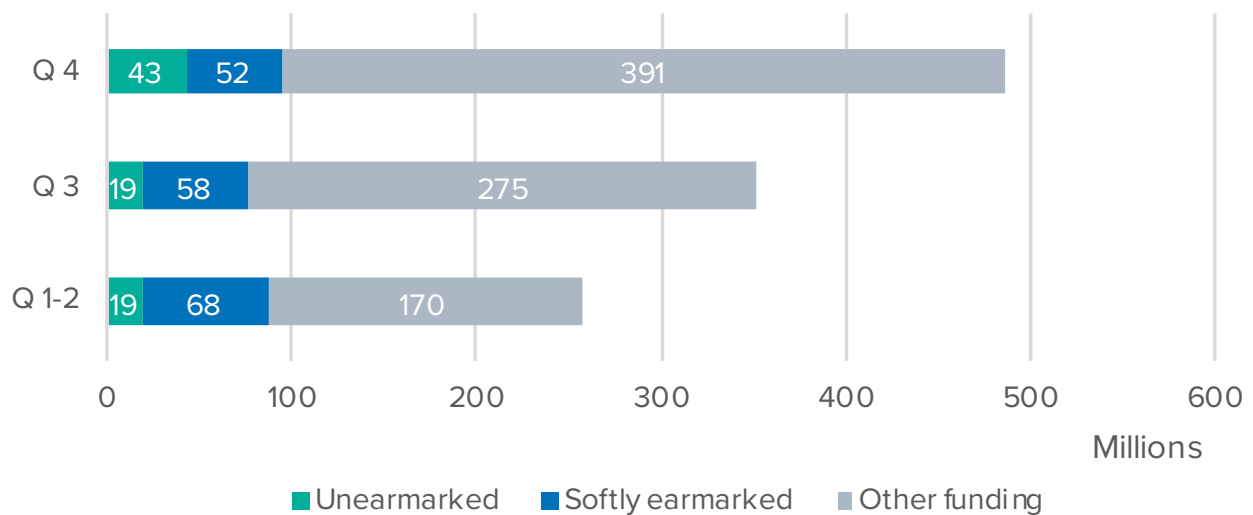


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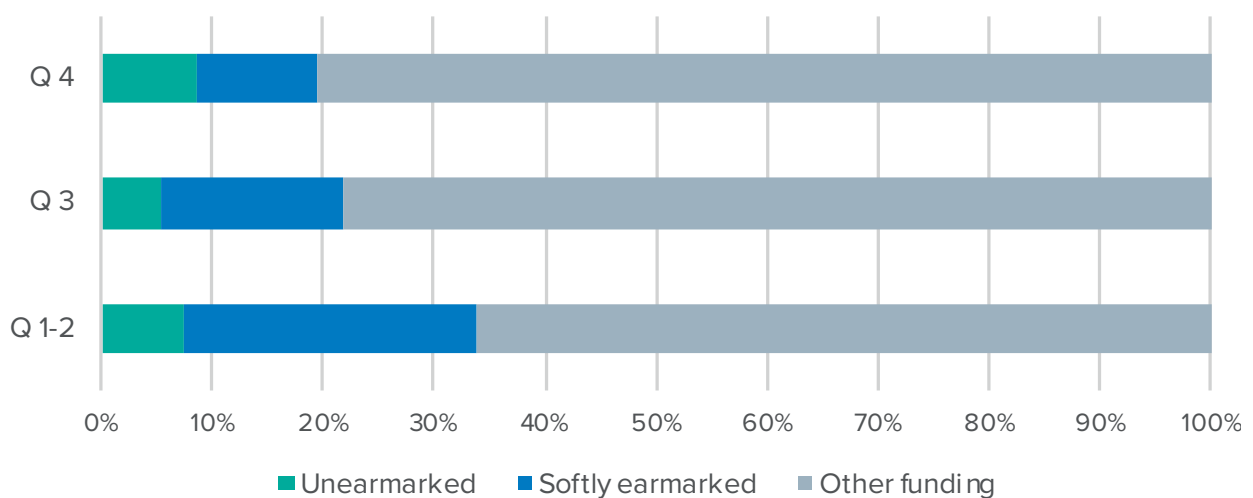


Europe

Flexible funding allocated per quarter against quarterly expenditure | USD million



Flexible funding allocated per quarter against quarterly expenditure | Percent



The region was allocated 9% of the total amount of flexible funding. This came to \$94.6 million, or 19% of regional expenditure. All told, 8% of unearmarked funding and 9% of softly earmarked funds were finally allocated to Europe.

Despite a significant drop of arrival rates, with a return to pre-2014 levels, divergent views on asylum and restrictive policies coupled with a challenging legal and political environment persisted across Europe. Some 714,800 asylum applications were received, a drop of 11% compared to 2017.

The region was second after the Middle East and North Africa for the high concentration of earmarking. Expenditure from earmarked funding came to 75% of regional expenditure. Earmarking was concentrated in the Northern, Western, Central and Southern Europe sub-region, mainly due to the situation in Greece.

Aside from operations in Greece, however, UNHCR's offices and activities across much of the sub-region benefitted from flexible funding. This allowed for important activities such as legislative and normative work on safeguarding asylum space in Europe by promoting direct access to asylum procedures and acceptable reception conditions. UNHCR also worked to strengthen participatory and community-based approaches to protection and solutions.

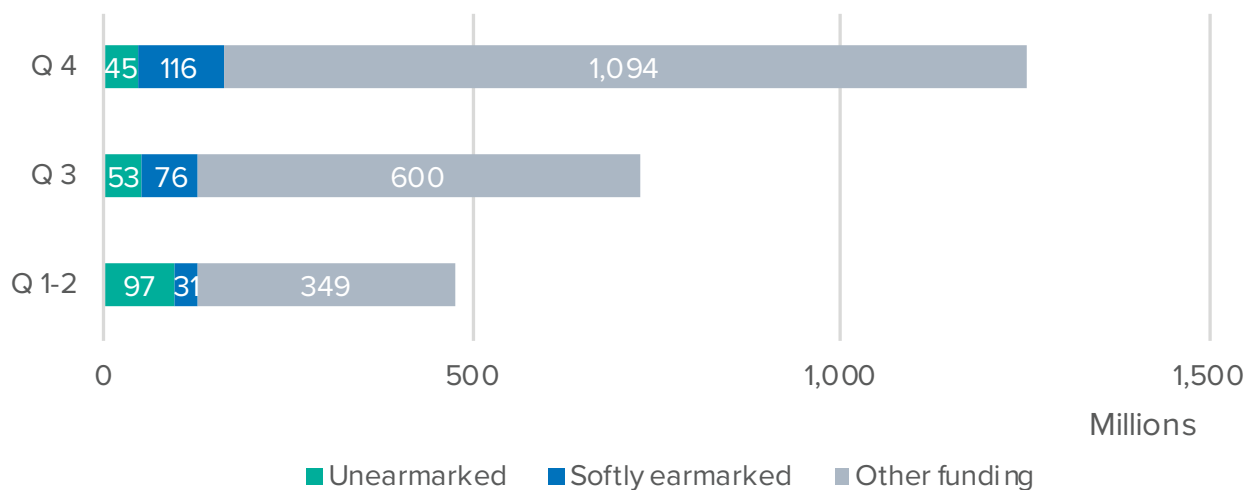
The sub-region that benefitted the most from flexible funding at 80% of sub-regional expenditure was South-Eastern Europe. This included activities across the Balkans, such as refugee reception and asylum, as well as activities related to the significant residual caseload of internally displaced people from the wars in the 1990s.



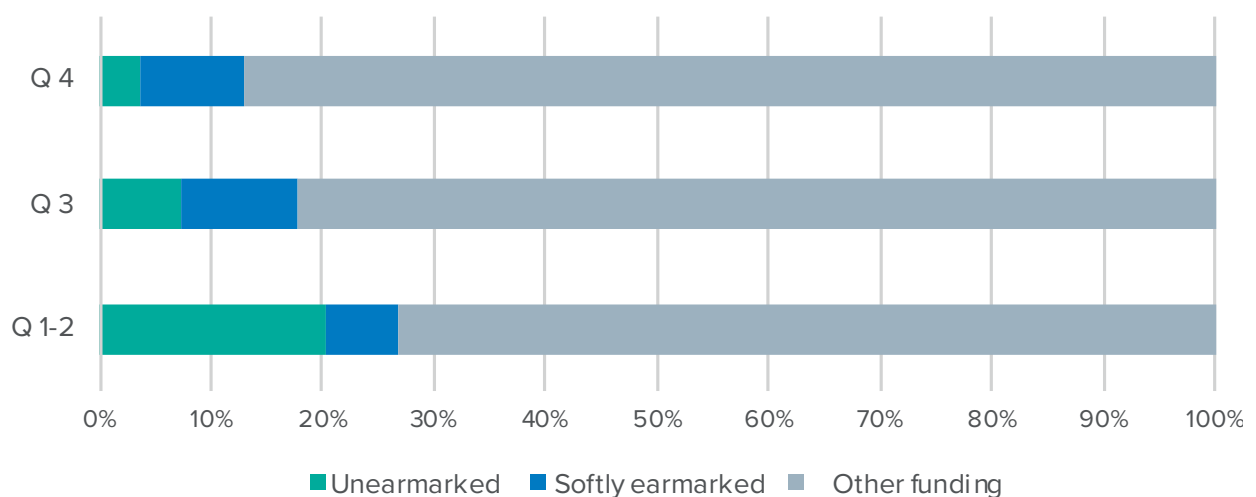
A resident of East Ukraine, forced to move into a basement after his house was bombed.

The Middle East and North Africa

Flexible funding allocated per quarter against quarterly expenditure | USD millions



Flexible funding allocated per quarter against quarterly expenditure | Percent



The region was allocated the second-largest amount of flexible funding, at \$161.4 million, equivalent to 13% of regional expenditure. Unearmarked funding was 4% of regional expenditure, and softly earmarked was 9%. All told, 9% of unearmarked funding and 20% of softly earmarked funds were allocated to the Middle East and North Africa region.

In 2018, the Middle East and North Africa continued to see some of the most severe and protracted refugee crises in the world. More than 10.1 million were internally displaced from conflicts in Iraq, the Syrian Arab Republic, and Yemen—three of the direst humanitarian situations globally.

Because of the high level of earmarking—some 81% of regional expenditure—to the region, mainly to the situations for Iraq, Syria, and Yemen, comparatively the region was allocated the least flexible funding in both dollar and percentage terms. However, flexible funding was still critical. For example, between January and June 2018, flexible funding—mainly unearmarked funding—was allocated to the Middle East sub-region, with significant amounts for Jordan, Lebanon, and for regional activities coordinating the Syria response. Softly earmarked funding rose steadily, with the second-largest allocation of such funds—\$105.8 million—made at the end of the year, mainly for the Syria situation.

Response to internal displacement in Yemen

Kick-starting a response



Yemenis displaced by fresh violence face bleak winter

Renewed fighting has displaced more than 32,000 Yemenis in the past two months, adding to the millions already forced to flee and facing a harsh winter.

“Our hope is for this ugly war to end and the warring sides to leave us to live in peace.”

—Fatemah Murai*, Yemeni displaced grandmother.

*Name changed for protection purposes

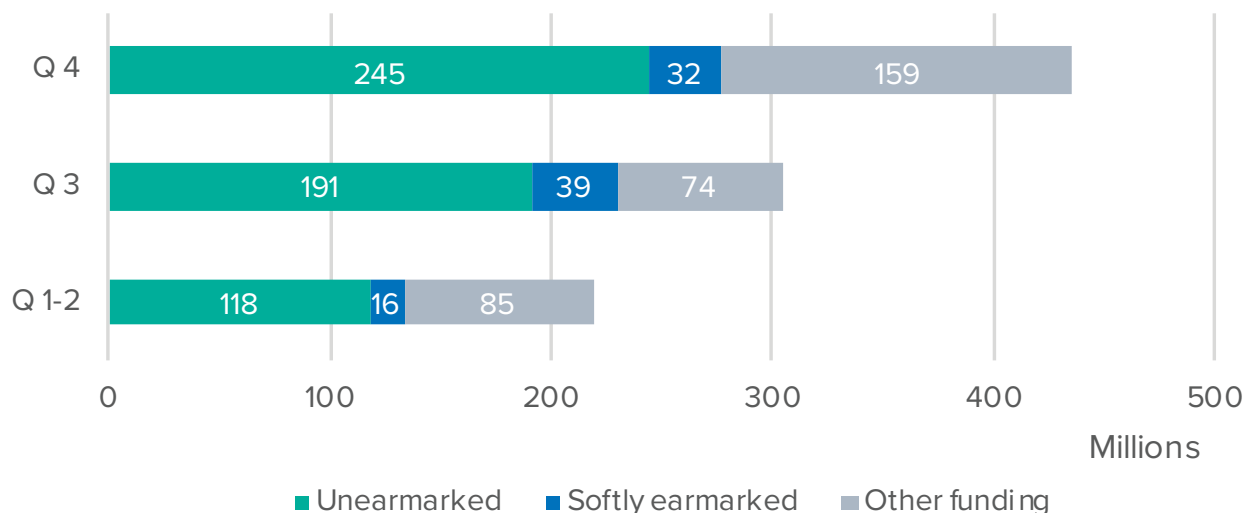


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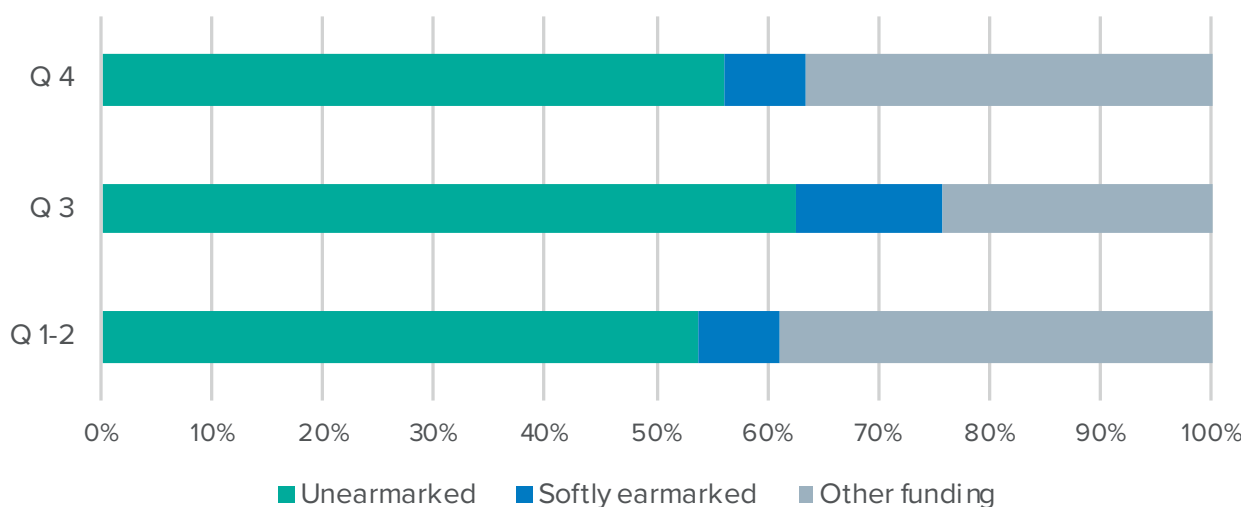


Global programmes

Flexible funding allocated per quarter against quarterly expenditure | USD millions



Flexible funding allocated per quarter against quarterly expenditure | Percent



The global programmes were provided a final allocation of 25% of all UNHCR's flexible funding. Taking the unearmarked carry-over into account, \$244.6 million in unearmarked funding was allocated to global programmes, or 56% of expenditure. A further \$32.2 million in softly earmarked funding was also allocated, or 7%. All told, 46% of unearmarked funding and 6% of softly earmarked funds were finally allocated to the global programmes.

Managed by divisions at Headquarters, global programmes support field operations through policy development and technical support in priority areas. They are designed to be implemented at the field level, but are budgeted for and managed at Headquarters. With a strong protection and solutions orientation, the programmes strengthen delivery and ensure equity, access and community empowerment through the utilization of the age, gender and diversity approach. The technical interventions range from lifesaving responses and measures to mitigate sexual and gender-based violence, to

strengthening the attainment of durable solutions for refugees and other people of concern in both urban and camp settings, to reducing the environmental impact of refugee settlements and providing sustainable energy. The programmes encourage linkages between humanitarian interventions and development efforts to support both refugees and host communities, in line with the Sustainable Development Goals and the Comprehensive Refugee Response Framework.

In 2018, the share of expenditure on global programmes over total expenditure was slightly higher than in 2017. The increase was due to projects such as the Refugee Housing Unit, investments in risk management 2.0 and cyber security, as well as structural changes in the Division of Human Resources and activities carried out by the Division of Resilience and Solutions. Unearmarked funding also strengthened the prevention and response to sexual exploitation and abuse and sexual harassment, and was instrumental in global campaigns such as the #IBelong Campaign to End Statelessness.



Internally displaced children play games, listen to stories and watch cartoons at a child friendly space set up by UNHCR's mobile teams in Tal Shair village, northern rural Aleppo

Building better futures | Enabling the full implementation of programmes



From child refugee in Mozambique to school principal in the United States

Resettlement gave Bertine Bahige a new chance in life. The former Congolese refugee, resettled in the United States of America, would have never imagined he would one day call Wyoming home.

“All refugees are asking for is an opportunity [...] Sometimes we look at it as, ‘How much is that going to cost me?’ But we fail to look at it from the other side – ‘What can refugees bring? How can they enrich our community?’”

—Bertine Bahige, Congolese refugee at his school in Wyoming.



© UNHCR/CYNTHIA HUNTER



Evacuating vulnerable people from danger | Kick-starting an emergency response

© UNHCR/LEAH AD NGA



Safe, but in limbo, after the horror of Libya

Their lives have been reduced to waiting in the heat. Many must sleep on the ground. But at least now they are safe in Niger.

“This is a safe place for me. But I would still like to work and help my mother and brothers in Darfur.”

—Abu Bakr, Sudanese refugee who fled first to Libya and then escaped to Niger.



Registering people of concern | Enabling the full implementation of programmes



Empowering refugees as data-owners through registration

A “self-renewal methodology” in registration procedures was introduced in Jordan in 2018—the first operation worldwide to implement this project which aims to empower people of concern as data owners by enabling them to validate and update data previously collected during registration. “Self-renewal” will save time during the registration process and in renewing documents, allowing refugees and asylum-seekers to avoid the often lengthy queues at UNHCR registration centres.



© UNHCR/ANNIES AKKAB

In the long-term, the project will enable refugees to update their data remotely with access to a unique, portable, authenticated digital identity, which is compatible with State population registries, civil registration and vital statistics systems. The self-renewal process will be managed through kiosks that include an iris camera (for biometric verification), a monitor and a printer. The booths were initially tested in the Khalda registration centre, with 30 more kiosks planned for Amman, 10 in Irbid and 10 in Mafrqa.

Providing innovative energy solutions | Enabling the full implementation of programmes

© UNHCR/ROGER ARNOLD



Innovative and green technologies bring water to Rohingya refugees in Bangladesh

In the crowded refugee settlements in Cox’s Bazar, UNHCR is supporting the first solar-powered safe water systems. The project is part of a broader shift in the humanitarian response towards the expanded use of green and non-polluting technologies. The new safe water systems run entirely on electricity generated through solar panels, improving the daily supply of safe, clean drinking water to Rohingya refugees.





David Almas, a refugee from the Democratic Republic of Congo, holds the 'camera' he made from clay, with a polythene bag for viewfinder and the base of a plastic bottle for a lens. David and his family have been living in Nakivale refugee camp in south-west Uganda since 2009.

VISIBILITY

Providing visibility and recognition for flexible funding is a priority to UNHCR. Acknowledging that donors are under increasing pressure to demonstrate the value of flexible funding, in the past year, the Office has taken steps to develop stronger donor visibility. This includes more resources and tools for the field to focus on external relations and visibility bolstered by strengthened capacity and support at Headquarters, as well as improving some of UNHCR's products and platforms, with special focus on communicating about flexible funding.

The main channels for UNHCR to highlight donor contributions and share information related to flexible funding include, among others, the UNHCR Global Reports and the Global Focus website. The latter provides specific details on unearmarked contributions and includes donor profiles which have been updated significantly. In 2018, UNHCR also revised the format of the external funding updates, which now show an indicative allocation of softly earmarked and unearmarked funding. Donors contributing more than \$10 million of unearmarked or softly earmarked funding are also listed with their contribution amount.

Social media is an important channel for communicating the impact of donor contributions to a global audience. In 2018, a dedicated government donor Twitter account (@UNHCRgov) was established and has experienced considerable growth. The account enables UNHCR to create and share original content and messaging around flexible funding as well as amplify content shared from country accounts and from UNHCR leadership.

In 2018, three films were produced and published on social media, highlighting flexible donations. Acknowledging the high levels of flexible funding from Nordic countries, particularly the high levels of unearmarked funding, UNHCR's Regional Office for Northern Europe manages donor profile home pages, and efforts have been made by other offices to ensure content is translated into local languages for UNHCR regional and country accounts, including Spanish, Arabic, French, and Japanese. UNHCR remains committed to acknowledging flexible funding and reaching the donor's audience.



UNHCR Government Partners @UNHCRgov

#NewYearsEve - a big thank you to UNHCR's top donors!

- 💰 Unearmarked & flexible funding allows @Refugees to respond to crises
- ❤️ Supporting refugees like these kids in Ethiopia

👉 @StatePRM @eu_echo @GermanyDiplo @SweMFA @MofaJapan_en @DFID_UK @NorwayMFA @CanadaDev @DanishMFA

4:58 AM - 31 Dec 2018

UNHCR NorthernEurope @UNHCR_NE

Sweden 🇸🇪

- 💡 Number 1 donor of unearmarked funding to UNHCR
- 💡 Top-5 donor to UNHCR
- 💡 One of UNHCR's most important partners

#WithRefugees #leavenoonebehind #GRC #bistånd

👉 bit.ly/2vKWUG5

1:54 AM - 8 Aug 2018

UNHCR NorthernEurope @UNHCR_NE

In 2018, Estonia 🇪🇪 has:

- 👍 increased unearmarked funding to UNHCR, helping us provide protection to refugees worldwide.
- 👍 earmarked donations to people affected by the Myanmar, Ukraine & Syria Situations.

#LeaveNoOneBehind #WithRefugees

👉 bit.ly/2FKQEoA

9:01 AM - 12 Sep 2018

UNHCR United States @UNHCRUSA

Thank you to the United States 🇺🇸 @StatePRM @StateDept for the generous contribution towards UNHCR's humanitarian work.

This support will impact the lives of millions of vulnerable refugees.

#InvestInHumanity

UNHCR donors commit a record US\$926 million in initial pl...
 Donor governments today pledged an initial US\$926 million towards the work of UNHCR, the UN Refugee Agency, in providing protection and assistance to millions
 unhcr.org

3:01 AM - 13 Dec 2018

UNHCR Government Partners
@UNHCRgov

Good consultations w/Denmark 🇩🇪 today
 🏆 A strong partner to @Refugees
 💰 Generous donor of unearmarked & flexible funds
 📈 In 2019, Denmark will increase funds totalling DKK 360M to meet growing critical needs globally
 #LeaveNoOneBehind
bit.ly/2PJ6XZ8



UNHCR NorthernEurope
@UNHCR_NE

Norway 🇳🇴 was UNHCR's largest donor per capita & 4th largest donor of unearmarked funds in 2017! Today meeting with @StatssekHagen on continued support to protect refugees worldwide.

Check out this video on Norway's unearmarked funding to @Refugees
bit.ly/2G93HAI



5:00 AM - 30 May 2018

UNHCR Government Partners
@UNHCRgov

With 🏆 + 💰 from countries like 🇧🇪 Belgium, UNHCR can support displaced families - through predictable and flexible funding.

Go 🇧🇪! #InvestInHumanity @BelgiumMFA @Refugees



UNHCR Government Partners
@UNHCRgov

🎥 In #Lebanon, 4 year old Maysa finds her voice at a school for deaf children.

With unearmarked & multiyear support from 🇫🇮 @Ulkoministerio, UNHCR can reach the most vulnerable refugees, like Maysa.
 ❤️ @FinlandGeneva @FinlandUN @UNHCR_NE @UNHCRLebanon



Unearmarked funding from countries like Finland

1:20 | 83 views

5:32 AM - 9 Jan 2019

UNHCR Lebanon
@UNHCRLebanon

"I want to learn to become a dentist" 🧑🏫 🦷

How is Australia 🇦🇺 helping Syrian refugees like Ali? @dfat



Flexible funding is essential for UNHCR

0:34 | 4,864 views



Antonella, a young Venezuelan girl, waits at the Binational Border Assistance Center in Tumbes, Peru near the border with Ecuador, before travelling on to the Peruvian capital Lima with her parents.

CONCLUSION

Each and every day, UNHCR’s staff did their utmost to serve the needs of people of concern, all over the world. Thanks to the generosity of donors, especially donors who realize the importance of providing UNHCR with flexible funding, the Office was able to make more of the right interventions at the right time.

In these challenging times, UNHCR relies more than ever on early, predictable and unrestricted donor support to provide uninterrupted protection and assistance for populations of concern, and to implement core mandated activities. These include resettlement, registration, the response to sexual or gender-based violence, reducing statelessness, or implementing cash-based interventions that provide people of concern with more choice and dignity.



With the gap between needs and available humanitarian resources widening, unrestricted support is ever more crucial in providing flexibility to implement emergency interventions as soon as possible, and the ability to continue to address ongoing operations including forgotten, protracted situations.

The implications of reduced unearmarked funding are clear. There would be less revenue to be allocated flexibly within the framework of approved planning and programming. UNHCR's ability to deliver on core mandate and commitments would be compromised, as would its agility and flexibility in responding to emergency needs and protracted underfunded operations. Less flexible funding would carry reputational risk for UNHCR if its ability to begin timely humanitarian action or scale-up its response were to be curtailed because of lack of funds.

Annexes

TOP 20 DONORS OF UNEARMARKED FUNDING | 2018 | USD MILLIONS

Donor	Rank	Amount	Donor	Rank	Amount
Sweden	1	98,191,833	<i>Sverige för UNHCR</i>	11	17,271,161
<i>España con ACNUR</i>	2	82,032,374	Switzerland	12	15,758,835
Netherlands	3	47,054,072	USA for UNHCR	13	14,872,782
United Kingdom of Great Britain and Northern Ireland	4	45,348,792	France	14	14,000,000
Norway	5	42,522,172	Germany	15	13,725,845
Private donors in the Republic of Korea	6	38,696,498	Italy	16	11,180,124
Japan	7	26,526,019	Belgium	17	9,876,543
Denmark	8	25,477,707	Canada	18	9,251,101
Private donors in Japan	9	24,230,764	Private donors in China	19	9,066,210
Private donors in Italy	10	21,181,300	Ireland	20	8,680,556

DONORS CONTRIBUTING OVER \$100,000 IN FLEXIBLE FUNDING | 2018

Donor (Ranked by size of flexible contribution)	Total Contribution	Unearmarked Contribution	Softly earmarked contribution	Subtotal flexible contribution	Flexible contribution as % of donor's total contribution to UNHCR	Donor's flexible contribution as % of total flexible contribution to UNHCR	% increase / decrease in 2017
United States of America	1,589,776,543		467,400,000	467,400,000	29%	34%	-3%
Germany	395,879,891	13,725,845	132,935,459	146,661,304	37%	11%	-6%
Sweden	143,321,967	98,191,833	18,560,333	116,752,166	81%	9%	33%
<i>España con ACNUR</i>	93,660,956	82,032,374	7,630,179	89,662,553	96%	7%	16%
Norway	100,688,853	42,522,172	9,324,279	51,846,451	51%	4%	-10%
Netherlands	79,490,708	47,054,072	603,865	47,657,936	60%	3%	-13%
United Kingdom of Great Britain and Northern Ireland	99,402,652	45,348,792		45,348,792	46%	3%	None
Private donors in the Republic of Korea	44,363,833	38,696,498	5,035,777	43,732,275	99%	3%	24%
Denmark	82,080,067	25,477,707	17,635,265	43,112,972	53%	3%	33%
Japan	120,024,776	26,526,019	6,591,958	33,117,977	28%	2%	21%
Japan for UNHCR	35,330,815	24,230,764	603,374	24,834,138	70%	2%	16%
Private donors in Italy	22,825,186	21,181,300	1,278,715	22,460,016	98%	2%	None
<i>Sverige för UNHCR</i>	22,252,372	17,271,161	3,457,139	20,728,301	93%	2%	-3%
<i>USA for UNHCR</i>	38,114,835	14,872,782	5,207,798	20,080,579	53%	1%	-23%

DONORS CONTRIBUTING OVER \$100,000 IN FLEXIBLE FUNDING | 2018

Donor (Ranked by size of flexible contribution)	Total Contribution	Unearmarked Contribution	Softly earmarked contribution	Subtotal flexible contribution	Flexible contribution as % of donor's total contribution to UNHCR	Donor's flexible contribution as % of total flexible contribution to UNHCR	% increase / decrease in 2017
Finland	24,083,632	8,293,839	11,286,476	19,580,315	81%	1%	11%
UNO- Flüchtlingshilfe	24,993,018		17,750,264	17,750,264	71%	1%	-2%
Australia for UNHCR	21,014,942	25,000	17,262,072	17,287,072	82%	1%	-8%
Switzerland	42,837,379	15,758,835		15,758,835	37%	1%	7%
Canada	72,885,485	9,251,101	6,441,477	15,692,578	22%	1%	-22%
France	39,415,436	14,000,000		14,000,000	36%	1%	-17%
Italy	52,092,336	11,180,124		11,180,124	21%	1%	11%
Belgium	23,891,923	9,876,543		9,876,543	41%	1%	16%
Private donors in China	10,622,539	9,066,210	803,190	9,869,400	93%	1%	11%
Ireland	15,680,457	8,680,556		8,680,556	55%	1%	-17%
Private donors in Canada	8,127,899	5,644,719	2,151,997	7,796,716	96%	1%	30%
Kuwait	43,509,490	1,000,000	5,000,000	6,000,000	14%	*	500%
Private donors worldwide	7,837,963	3,214,104	1,766,163	4,980,268	64%	*	-37%
Private donors in the Netherlands	16,314,899	4,068,394	169,255	4,237,648	26%	*	95%
New Zealand	5,413,497	4,008,016		4,008,016	74%	*	None
Australia	32,852,147		3,782,148	3,782,148	12%	*	-80%
Luxembourg	10,881,855	2,310,427	1,307,531	3,617,958	33%	*	52%
Republic of Korea	25,389,456	3,397,619		3,397,619	13%	*	-29%
Private donors in Mexico	4,126,785	23,883	3,236,710	3,260,593	79%	*	3635%
Private donors in the United Kingdom of Great Britain and Northern Ireland	4,948,010	879,751	1,685,947	2,565,698	52%	*	17%
Private donors in Switzerland	3,608,668	105,994	1,666,490	1,772,484	49%	*	37%
Private donors in the United Arab Emirates	3,432,586	433,113	766,451	1,199,564	35%	*	94%
Saudi Arabia	49,988,594	1,000,000		1,000,000	2%	*	None
Private donors in the Philippines	1,295,653	849,197	38,331	887,529	69%	*	-5%
Russian Federation	2,000,000	550,000	300,000	850,000	43%	*	None
Private donors in France	1,495,558	472,658	355,081	827,739	55%	*	350%

DONORS CONTRIBUTING OVER \$100,000 IN FLEXIBLE FUNDING | 2018

Donor (Ranked by size of flexible contribution)	Total Contribution	Unearmarked Contribution	Softly earmarked contribution	Subtotal flexible contribution	Flexible contribution as % of donor's total contribution to UNHCR	Donor's flexible contribution as % of total flexible contribution to UNHCR	% increase / decrease in 2017
China	1,232,626	800,000		800,000	65%	*	None
Private donors in Malaysia	793,170	793,170		793,170	100%	*	487%
Iceland	752,128	477,737	274,390	752,128	100%	*	10%
Private donors in Thailand	5,127,210		697,122	697,122	14%	*	44%
Austria	3,602,674	629,371		629,371	17%	*	10%
Private donors in Lebanon	1,072,173	376,892	129,000	505,891	47%	*	387%
Argentina	482,100	375,000		375,000	78%	*	N/A
Poland	1,357,363		372,823	372,823	27%	*	-38%
Private donors in Saudi Arabia	806,448	282,900	62,962	345,862	43%	*	39%
Private donors in Brazil	1,280,586	238,707	86,342	325,050	25%	*	13%
Morocco	325,598	300,000		300,000	92%	*	-70%
Turkey	300,000	300,000		300,000	100%	*	None
Czechia	2,616,586		228,206	228,206	9%	*	N/A
Qatar	8,587,304	200,000		200,000	2%	*	None
United Arab Emirates	38,757,689	200,000		200,000	1%	*	None
Malta	192,145		192,145	192,145	100%	*	286%
Liechtenstein	304,569	50,761	101,523	152,284	50%	*	200%
Private donors in Kuwait * Contribution less than 1%	1,370,833	69,320	56,580	125,900	9%	*	79%
Estonia	505,667	118,483		118,483	23%	*	-18%
Algeria	100,000	100,000		100,000	100%	*	None
Israel	100,000	100,000		100,000	100%	*	None
Subtotal all donors over \$100,000	3,485,620,526	616,633,745	754,234,819	1,370,868,564	39%	100%	
Subtotal all donors under \$100,000	56,919,827	808,130	404,745	1,212,875	2%	*	
Subtotal all donors of earmarked and tightly earmarked contributions	597,972,681						
Grand total	4,140,513,034	617,441,875	754,639,564	1,372,081,439	33%	100%	1%

SOURCES OF FUNDING | 2018

	SOURCE OF FUNDING									TOTAL
	Carry-over from prior years		Voluntary cash contributions			Voluntary in-kind contributions	Programme support costs	United Nations Regular Budget	Other income b/	
	Earmarked	Unearmarked	Earmarked	Softly earmarked a/	Unearmarked					
FIELD OPERATIONS										
Africa	48,408	79,159	779,360	250,166	34,496	10,162	30,586	-	71,808	1,304,145
Americas	3,411	23,087	49,854	35,005	16,252	289	2,039	-	3,742	133,679
Asia and the Pacific	29,475	25,890	206,152	84,274	18,225	940	2,286	-	1,958	369,200
Europe	20,563	24,967	366,128	52,104	17,576	1,685	2,205	-	217	485,445
Middle East and North Africa	56,799	34,274	1,020,405	115,994	11,218	1,460	1,896	-	13,005	1,255,051
TOTAL FIELD OPERATIONS	158,656	187,377	2,421,899	537,543	97,767	14,536	39,012	-	90,730	3,547,520
Global Programmes	9,294	8,747	44,003	32,267	235,930	12,100	-	-	93,229	435,570
Headquarters	270	-	618	-	-	9,549	174,019	42,954	7,666	235,076
Operational Reserve and "New or additional activities - mandate-related" (NAM) Reserve	-	-	-	-	-	-	-	-	-	-
Junior Professional Officers Fund	-	-	8,088	-	-	-	-	-	-	8,088
TOTAL	168,220	196,124	2,474,608	569,810	333,697	36,185	213,031	42,954	191,625	4,226,254
%	9%		59%	13%	8%	1%	5%	1%	5%	100%

Notes:

a/ Includes contributions earmarked at the regional, sub-regional, situation or thematic level.

b/ Includes miscellaneous income, prior year adjustments and cancellations and other internal transfers

Note on 7% programme support costs

UNHCR applies a 7% programme support component to all earmarked contributions received, excluding in-kind contributions and JPOs. This policy is applied in order to ensure transparent, equitable and predictable coverage of Headquarters costs through a means that more accurately reflects the distribution of income and expenditure in UNHCR's operations across all four budget pillars. In 2018, this policy generated \$213 million, of which 81% was used to fund Headquarters expenditure, and the remainder redirected to fund expenditure in the field. To note in conclusion, by the end of the year, no unearmarked funding was used to fund expenses at Headquarters. Expenditure on global programmes, which are budgeted for and managed at headquarters but are designed to be implemented at the field level, were not funded from the 7% programme support costs.

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