



UNHCR
The UN Refugee Agency

A photograph of a man and a young child wrapped in a vibrant red blanket with a white and purple floral pattern. The man has a serious expression and is looking off to the side. The child is looking towards the camera with a somber expression. They are in a refugee camp, with blue tents and a flag visible in the background under a clear sky.

USE OF
**UNEARMARKED
FUNDING**
2017

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FRONT COVER PHOTOGRAPH:

Adbu Malak, 35, carries his one-year-old son, Mohammed, in the early morning outside their shelter in Kutupalong camp, Bangladesh.

© UNHCR/ANDREW MCCONNELL



INTRODUCTION

A WORLD LACKING POLITICAL SOLUTIONS

2017 was another difficult year. Difficult for the tens of millions of people of concern to UNHCR, and difficult for the Office in providing a principled, predictable and accountable response. A major emergency erupted in Myanmar, the situation deteriorated further in crises like the Central African Republic, along the central Mediterranean route, and in the Democratic Republic of the Congo, while the protracted nature of other crises such as Afghanistan, Iraq, South Sudan and Syria demanded ever more of UNHCR and its partners.

This multiplication of emergencies drove up needs. By the end of the year, there were 71.4 million people of concern, and UNHCR's final budget had reached \$7.963 billion. Taking into account total funds available to UNHCR of \$4.510 billion, including \$3.942 billion in fresh funding, UNHCR ended the year with a funding gap of 43%. The fresh funding included \$59.2 million in contributions received in 2017 but for implementation in 2018, and \$43.3 million from the United Nations Regular Budget.

Although 2017 saw a generous level of voluntary contributions, 65% of UNHCR's income was earmarked to countries or sectors. This reduced how flexible UNHCR could be in how, where and when it responded to needs, and how flexible it could be in allocating its resources across emergencies, many of which spread over multiple borders and across regions.

UNHCR received \$588.7 million in unearmarked funding, including \$207.1 million from the private sector. Many UNHCR offices benefit from the allocation of these resources, with the largest share spent on delivering programmes in the field, and the balance used to support global programmes, without which UNHCR would not be able to deliver on its mandate.

This report acknowledges the generosity of those donors which provided UNHCR with unearmarked contributions, and adds depth and detail to how this most valuable of financial resources was used in allowing UNHCR to kick-start emergency responses, to bolster underfunded operations, and to enable operations to implement their programmes as fully as possible.

Unearmarked funding helps ensure UNHCR's neutrality and independence, and strengthens UNHCR's reputation as a trusted partner.

Exhausted from a long and treacherous journey from South Sudan, 3-year-old Sara Fatima sleeps safely at Kuluba collection point in Koboko district in Northern Uganda near South Sudan 1 May, 2017.

© UNHCR/JIRO OSO



CHAPTER 1

UNEARMARKED FUNDING BY THE NUMBERS

UNHCR defines two main types of funding as flexible. Softly earmarked funding—which can be used across a given region or situation in accordance with the priorities and activities identified by UNHCR—and the most valued, which is unearmarked funding, and which is the subject of this report.

Contributed without restrictions on its use, unearmarked funding 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.

"Two of my children stayed in Myanmar. I don't know when I'll see them again." Rohingya mother Laila Begum, 30, and her children receive their UNHCR Non-Food Items emergency relief pack in their makeshift shelter at Kutupalong refugee camp, Bangladesh. The pack includes a solar lantern, phone charger, blankets, tarpaulin and kitchen set.

© UNHCR/ANDREW MCCONNELL

Where unearmarked funding came from

Critically, over 70% of UNHCR's unearmarked funding was received in the first quarter of the year, a vital indicator of timeliness and providing the Office with valuable flexibility.

Overall, UNHCR received \$3.942 billion in fresh funding in 2017, of which unearmarked funding came to \$588.7 million from 87 donors. Unearmarked funding accounted for 15% of voluntary contributions, and was a 4.6% increase on the \$562.6 million received in 2016.

Of this funding, \$381.6 million, or 65%, was from governmental donors, and \$207.1 million, or 35%, from the private sector. Respectively, this was a 2% decrease from the \$389.9 million given by governmental donors in 2016, and a nearly 20% increase from the \$172.6 million which came from private sector fundraising.

The top three donors of unearmarked funding were Sweden with \$76 million or 13% of all unearmarked funding; private donors in Spain with \$70.8 million or 12%, all of which was channelled through the National Partner, *España con ACNUR*; and the Netherlands with \$52.1 million or 9%.

On Sweden's commitment to unearmarked funding

“The Swedish Government is a humanitarian champion and leading on the global level to increase flexible humanitarian funding for the most pressing needs. Flexible funding is crucial to kick start operations and fund neglected crises, which has been the case in many situations where UNHCR plays a leading role. We encourage donors to allow UNHCR to act as efficiently and fast as possible with the help of unearmarked contributions.”

—Isabella Lövin, Minister for International Development Cooperation and Climate and Deputy Prime Minister, Sweden

Chart 1 | TOP TEN SOURCES OF UNEARMARKED FUNDING IN 2017

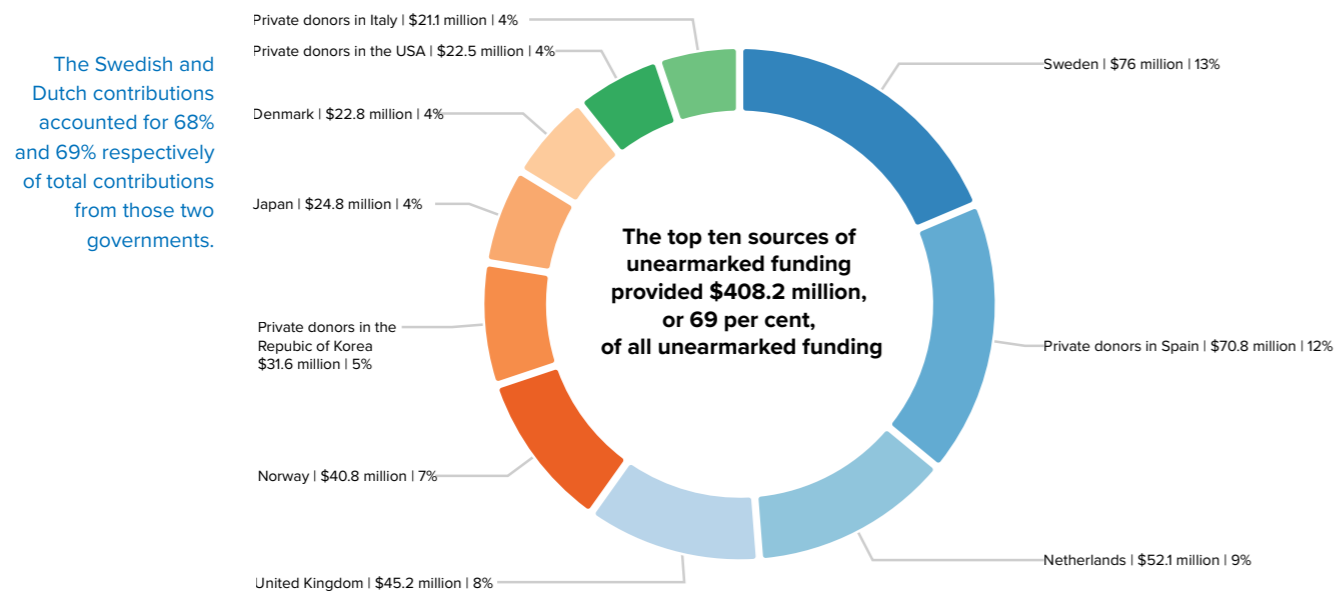
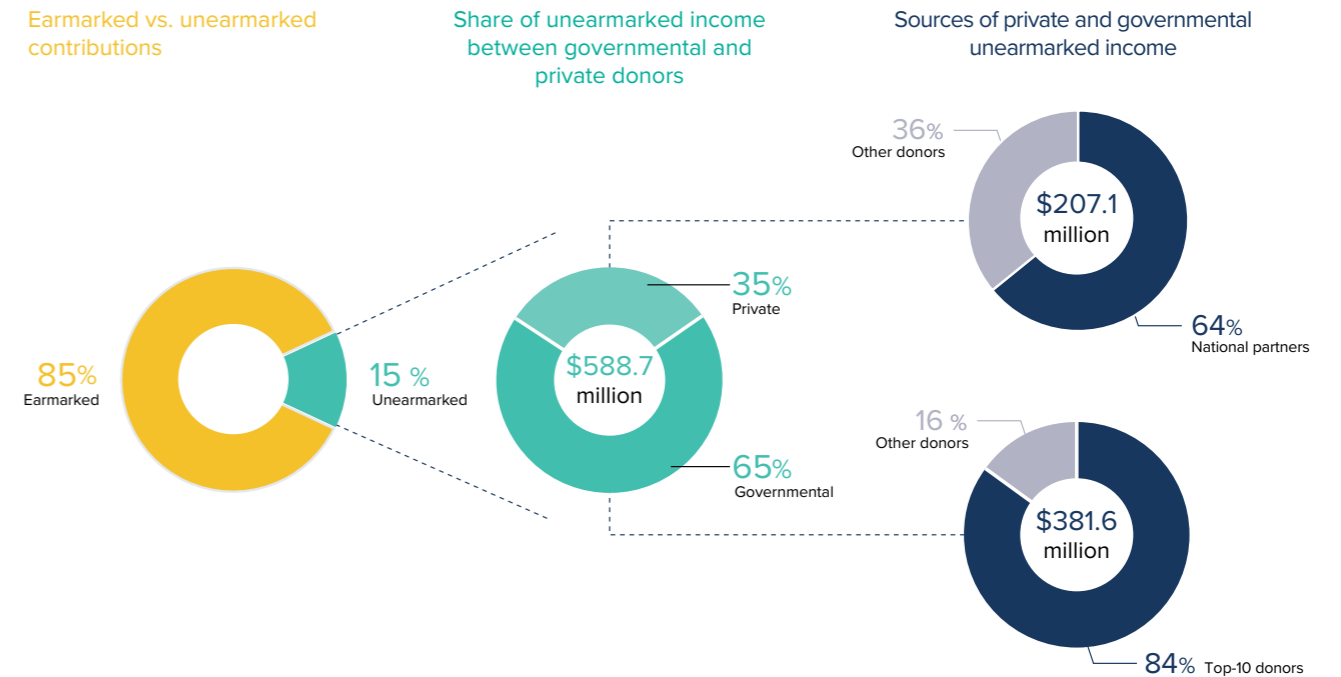


Chart 2 | SOURCES OF UNEARMARKED FUNDING IN 2017



The top ten donors of unearmarked funding provided \$408.2 million, or 69% of overall unearmarked funding. Six of the top ten were governments, which provided \$262 million. This accounted for 64% of funding from the top ten contributors of unearmarking, and 45% of all unearmarked funding.

Also within that top ten, there were four private sector donors—the National Partners in Spain and the USA, as well as funds from the private sector in Italy and the Republic of Korea—which contributed \$146.1 million, or 36% of unearmarked funding from the top ten donors. The contributions from those four private sector sources also accounted for just over 70% of all unearmarked funding raised from the private sector.

On España con ACNUR's success in raising unearmarked funds

“This is down to direct and honest communication. UNHCR requires unearmarked funds to meet the basic needs of refugees in critical operations that receive less attention from the public; our donors in Spain respond to this challenge. Allowing individuals to support the needs of refugees globally through a reliable UN agency gives them the chance to be part of the solution.”

— Francesco Sciacca, Director of España con ACNUR



The Green Refugee Camp: a sustainable environment for refugees and host communities



The Dutch and Swedish Postcode Lotteries granted more than \$5 million in unearmarked funding in 2017. The Dutch Postcode Lottery also contributed an additional \$1.6 million to support the Green Refugee Camp, an innovative project in Cameroon to create a sustainable environment for refugees and host communities. As part of this project, 40,000 trees will be planted to restore the local environment. An estimated 25,000 people of concern will also benefit from work to improve the sustainability of shelters and to ensure cooking practices are more environmentally friendly.

A volunteer from the Lutheran World Federation plants seeds in a nursery at Minawao refugee camp in Cameroon, as part of the reforestation project, "Make Minawao Green Again".

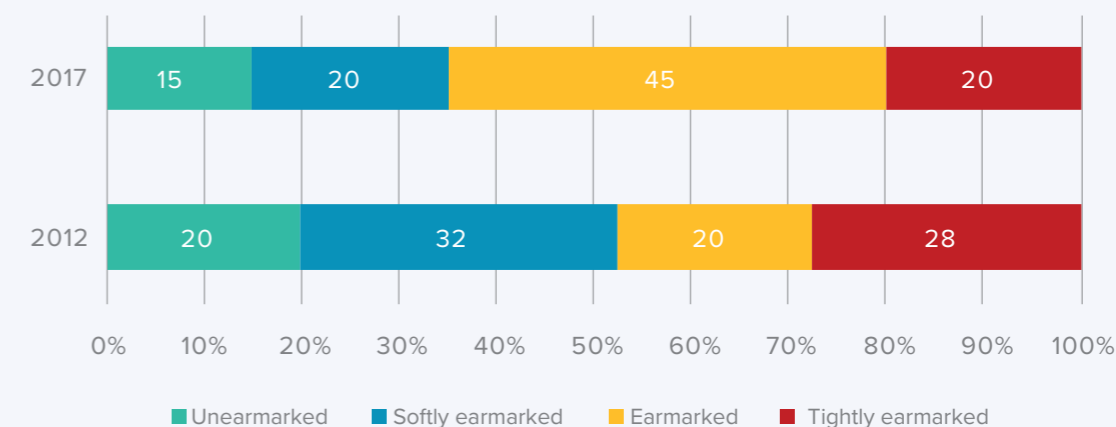
Table 1 | SUMMARY INFORMATION ON UNEARMARKED CONTRIBUTIONS

Summary information on unearmarked contributions	USD	% of total unearmarked contributions	USD	% of total unearmarked contributions
	2017		2016	
Total fresh funding	3,942,450,095	-	3,943,430,550	-
Total unearmarked contributions	588,717,703	15% of total contributions	562,617,449	14% of total contributions
Subtotal unearmarked from top 3 donors	199,057,320	34%	199,108,811	35%
Subtotal unearmarked from top 10 donors	408,277,611	69%	392,015,807	70%
Subtotal unearmarked from donors contributing over \$1 million	581,856,254	99%	\$556,163,285	98%
Subtotal unearmarked from donors contributing over \$100,000	587,711,154	Close to 100%	561,848,483	99.90%
Subtotal unearmarked from donors contributed under \$100,000	1,006,549	less than 1%	768,966	less than 1%
Total unearmarked from government	381,633,039	65%	389,932,628	69%
Subtotal unearmarked from top ten governmental donors	321,816,995	55% (of governmental contributions)	331,628,568	85% (of governmental contributions)
Total unearmarked from private sector	207,084,664	35%	172,684,821	31%
Subtotal unearmarked from National Partners	131,812,419	22%	109,755,068	64%
Unearmarked income received in first quarter	318,876,348	54%	314,772,058	56%
Unearmarked income received in first half of the year	419,580,614	71%	410,480,228	73%
Number of donors contributing 100% unearmarked	14 governmental donors, which contributed \$5 million (New Zealand was largest with \$4 million)		21 donors, which contributed \$4.9 million (New Zealand was largest with \$4 million)	

Unearmarked funding in context

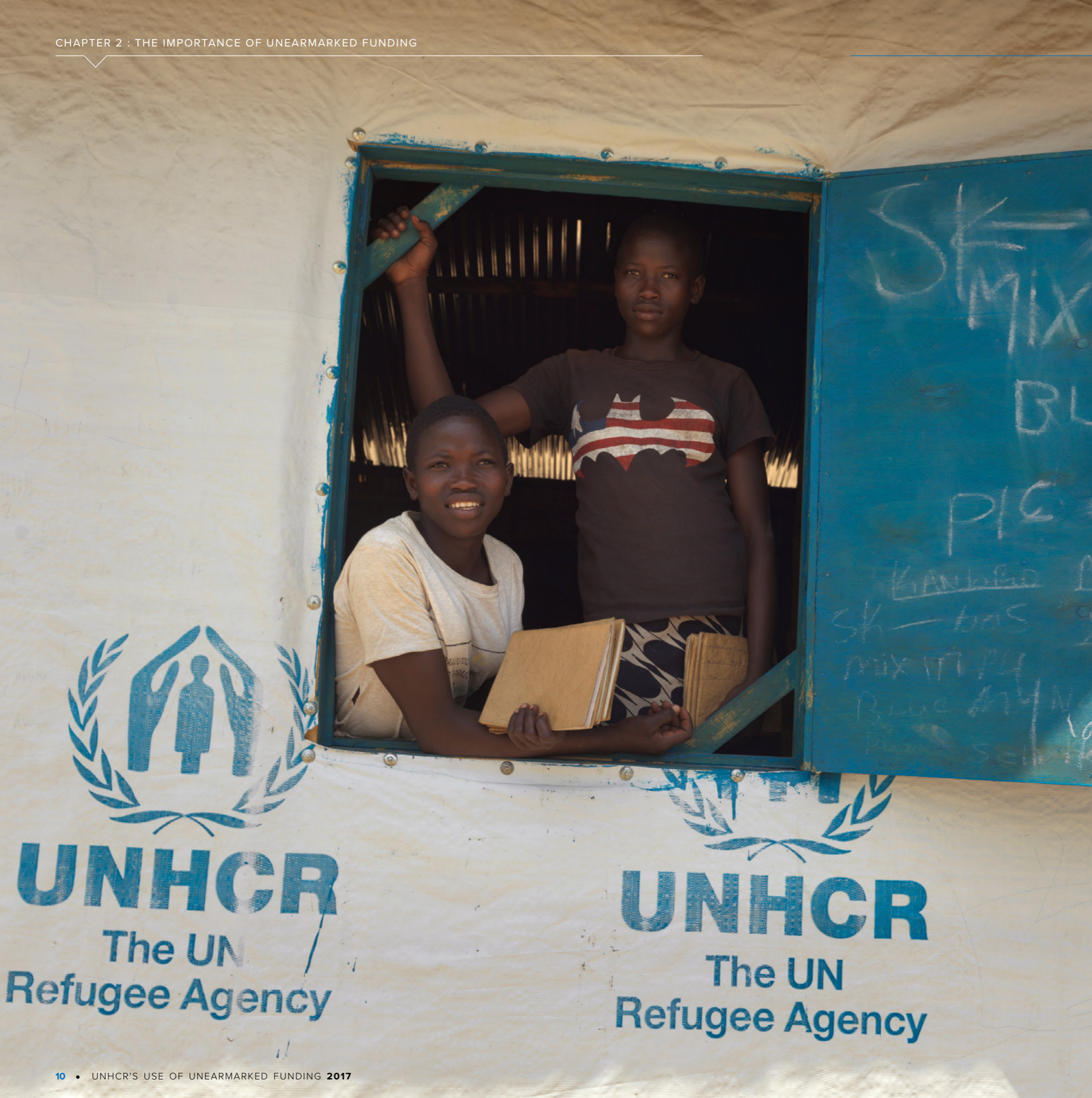
Although 2017 saw an increase over 2016 in the overall amount of unearmarked funding, this needs to be set in perspective against the general decline in this type of funding underway since 2012.

Chart 3 | TOP TEN SOURCES OF UNEARMARKED FUNDING IN 2017



Trends in income (2012-2017)

- The share of flexible funding (unearmarked and softly earmarked) has reduced from 52% in 2012 to 35% in 2017. This meant that about two thirds of UNHCR's income in 2017 was earmarked at the country level and below.
- Although unearmarked funding has increased in absolute terms from \$451 million in 2012 to \$589 million in 2017, in percentage terms it reduced from 20% to 15% between 2012 and 2017. However, unearmarked funding from the private sector is rising, especially from National Partners.
- The profile of donors providing unearmarked funding, and their financial support, has been very stable over the period. Sweden has been the number one donor of unearmarked funding, contributing an average of \$85 million per year, with Denmark, the Netherlands, Norway and the United Kingdom consistently making up the top five, albeit with some fluctuation in their ranking.
- The increase in unearmarked income has come primarily from private donors. During this period, for example, the number of individual donors has grown from some 628,000 to more than 1.9 million people, most of whom provide UNHCR with unearmarked contributions. Those contributions have grown from \$59.6 million in 2012 to \$207.1 million in 2017, with UNHCR's National Partners playing a key role in that growth. In that period, unearmarked funding channelled through the National Partners grew from \$33.1 million to \$131.8 million. This means that, since 2012, unearmarked funding from the National Partners has grown by nearly 300%.
- Despite some fluctuations, softly earmarked funding and earmarked funding remained at similar levels over the period in review. UNHCR received \$768 million in softly earmarked funding, the majority from the United States of America. Overall, this was a decline from 2016, when UNHCR received \$786 million in softly earmarked funding in 2017. The top donors of softly earmarked funding were the United States of America, with \$481.6 million or 63%; Germany, with \$143.5 million or 19%; and Norway, with \$16.5 million or 2%. A range of other donors contributed the remaining \$126.2 million, or 16%.
- Earmarking has almost quadrupled in absolute terms, increasing from \$457 million to almost \$1.728 billion. Matching earmarked funding with prioritized activities can be at times very challenging.
- While earmarking at the country level provides some level of 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.



CHAPTER 2

THE IMPORTANCE OF UNEARMARKED FUNDING

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. It 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.

Grand Bargain, work stream on reducing the earmarking of donor contributions

At the purpose built UNHCR school in Imvepi settlement, Tabu Sunday (right) the symbolically named one millionth South Sudanese refugee to arrive in Uganda, and her twin sister Rena enjoy attending classes, though Tabu says it is overcrowded and she lacks school books.

© UNHCR/PETER CATON



Abu Siddique, 90, stands on a hill overlooking the Kutupalong refugee camp, as a rainbow covers the sky. He spent all of his savings to pay people to carry him across the Myanmar border to Bangladesh. © UNHCR/PAULA BRONSTEIN

Contributed without restrictions on its use, unearmarked funding 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. Many UNHCR offices benefit from the allocation of these resources, with the largest share spent on delivering programmes in the field, and the balance used to support global programmes, without which UNHCR would not be able to deliver on its mandate.

How it was used

Unearmarked funding is allocated and reallocated multiple times during the year and is critically important in allowing UNHCR to fund prioritized activities.

As UNHCR manages funding at the programme level, it does not trace how individual unearmarked contributions were used, as that would be contrary to the principle of flexible funding. Rather, UNHCR looks at the total unearmarked revenue as one pot and traces how the entire amount was used. During the course of the year, actual and projected contributions, both earmarked and unearmarked, are tracked and allocated against approved spending authorities issued to each operation on a regular basis. This enables UNHCR to identify which operations are attracting earmarked contributions, compared to those which are underfunded and hence reliant on unearmarked funding.

This is carried out at the global level and hence also serves to identify where spending authorities can be further increased to allow operations to implement activities more fully.

Moved from operation to operation according to need and based on the availability of earmarked funding, unearmarked contributions benefitted all populations of concern. The majority was spent on refugees under activities budgeted under Pillar 1 (global refugee programmes), followed by activities for IDPs (Pillar 4), returnees (Pillar 3) and stateless (Pillar 2). During the course of the year, the percentage allocated to refugees varied from 70% in June to 98% in October. On average, around 6% of unearmarked funds were allocated to projects under Pillar 4 from period to period.

Note on seven per cent 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 2017, the application of this policy generated \$199 million, of

which 89% was used to fund Headquarters expenditure and 11% was redirected to fund expenditure in Africa (see Table 3 on expenditure). 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, are not funded from this 7%.

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



South Sudanese refugees collect water from a well at Meri settlement in Haut-Uele province. © UNHCR/COLIN DELFOSSE

- **Kick-start** a response, often in an emergency setting, as unearmarked contributions allow UNHCR to initiate its emergency 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 unearmarked income critical to the successful implementation of UNHCR's global programmes. Predictable funding is essential for the organization to plan, budget and implement activities in a timely and efficient manner.



Julieta Metambili Rashid is one of several thousand Makonde people being issued identity papers and Kenyan citizenship after years of statelessness. © UNHCR/ROGER ARNOLD

Unearmarked funding was vital to UNHCR's work on reducing statelessness. The #IBelong Campaign to End Statelessness remained a corporate priority in 2017. Significant progress in reducing statelessness took place in countries including the Philippines, the Russian Federation, Tajikistan and Thailand, and legislative and policy reforms were also adopted in a number of States. UNHCR's report on stateless minorities, "[This is our home: Stateless Minorities and their Search for Citizenship](#)", was issued to mark the third anniversary of the #IBelong campaign. Its findings underscored the critical need for minorities to enjoy the right to a nationality.

Allocation of unearmarked funding by quarter

Throughout the first part of the year, unearmarked funding was used extensively to support global programmes—or enabling UNHCR operations to implement as fully as possible. The global programmes strengthen the organization's response capacity and global reach, and enable it to implement core, mandate-related issues such as resettlement, or registration. They are designed to be implemented at the field level, but are budgeted for and managed at Headquarters, and reinforce UNHCR's protection and solutions work in the field across a broad range of operational activities. They contribute to UNHCR being able to implement rapid, agile and effective emergency responses, for example through shelter and site planning, or the use of cash-based interventions, and they are vital to promoting inclusive, sustainable and development oriented responses

Throughout the year, global programmes promoted innovation and harmonized approaches across a wide spectrum of operational activities, including public health; HIV/AIDS and reproductive health; nutrition and food security; water, sanitation and hygiene (WASH); shelter and settlements; education; livelihoods; and environmental management and energy.

Registration and identity and information management, as well as the suitable use of cash-based interventions, underpinned relevant, well-targeted programmes. Interventions were guided by five-year global strategies established in 2014 for public health, settlement and shelter, livelihoods, and safe access to fuel and energy, with a five-year policy on cash launched in 2016.

Unearmarked 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.

Examples of of innovative practices which were managed through the global programmes, and which would not have been possible without unearmarked funding



Vulnerable desert-based communities get UNHCR support

The arid south-eastern region of Hodh Ech Chargui in Mauritania is host to some 50,000 Malian refugees. Both Malian and Mauritanian communities in the area are nomadic populations whose livelihoods depend on livestock and access to water. Despite the harsh climate and exposure to droughts, local populations have welcomed refugees and share their very limited natural resources with them. UNHCR supports these communities, who live scattered throughout the region, with micro-project interventions to improve access to water, strengthen resilience and facilitate peaceful coexistence among the communities.



Nomads come to fetch water in the village of Saramassa near the town of Bassikounou in Mauritania, where UNHCR has installed a solar-powered water pump to support refugees, internally displaced persons and host populations living in and around Mbera refugee camp.

© UNHCR/HELENA PAS



Addressing and responding to mixed movements

Stepping up its efforts to address protection risks along mixed migration routes, UNHCR invested in information campaigns and communication with community initiatives, such as the [Telling the Real Story project](#).



An Italian Coast Guard officer stands on the front of a boat after rescuing sub-Saharan African asylum-seekers during a night operation in the Mediterranean Sea, some 50 nautical miles off the coast of Libya.

© UNHCR/BELA SZANDELSZKY



Partnering to improve cash assistance to refugees



© UNHCR/DAVID AZIA

A teller, left, distributes winter cash assistance to a Syrian refugee in Zaatari refugee camp, Mafraq Governorate, Jordan.

In 2017, UNHCR used CBIs to help refugees and IDPs cover costs related to food, rent, and medical care and to help them prepare for cold winter weather. Most of those assisted were in urban areas. In total, CBIs assisted more than 2.1 million Syrian and Iraqi IDPs and refugees, and 334,000 IDPs in Yemen. In Jordan, the common cash facility (CCF) continued to operate as an innovative approach designed to create efficiencies, with the ability to be replicable/scalable across diverse operations. This common cash arrangement, bringing 17 partners together, continued to reinforce alignment and coordination between multiple organizations' cash transfer programmes.

More information on how global programmes sought to improve the quality of life for people of concern through support to field operations is available here: <http://www.unhcr.org/5a9fd8af6>



Biometric registration brings efficiencies and improvements in registration



© UNHCR/SCOTT NELSON

A UNHCR staff member takes an eye scan during the registration interview for Isak (24) an Eritrean asylum-seeker in the reception area of the UNHCR office in Egypt.

Unearmarked funding was vital in UNHCR being able to biometrically enroll more than 4.4 million refugees and asylum-seekers in 48 countries using systems such as the Biometric Identity Management System (BIMS) or IrisGuard. By doing so, UNHCR helped partners and host governments standardize registration and case management practices, and is on track to achieve its Grand Bargain commitment of 75 countries benefiting from biometric identity management systems by 2020.

Biometric registration improved the quality of case processing for resettlement as it enabled the verification of applicants and boosted the credibility of information shared with the authorities of resettlement.

Where unearmarked funding was allocated

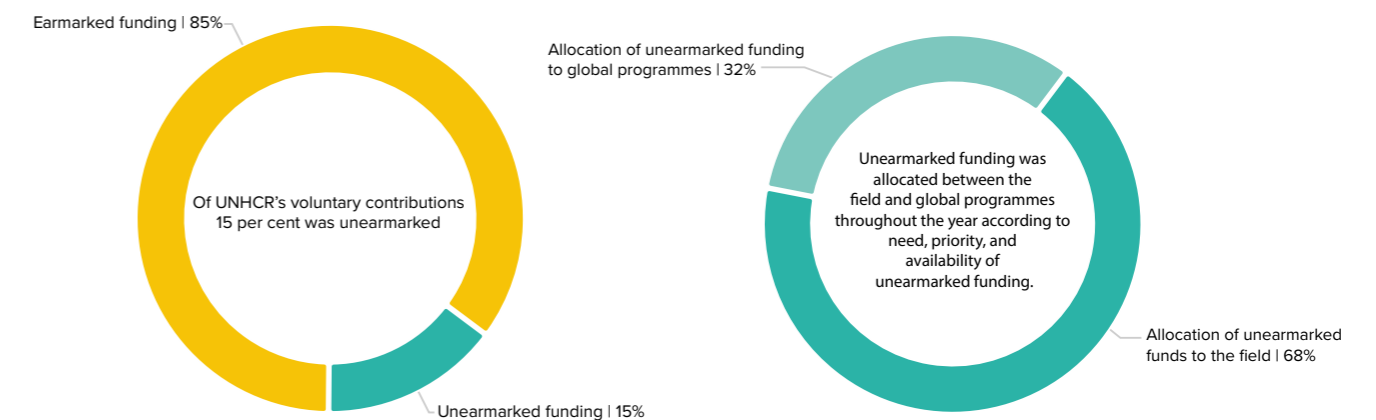
UNHCR's expenditure in 2017 was **\$4.1 billion** (see Table 3 on expenditure). Overall, unearmarked funding, including the unearmarked carry-over from 2016, covered about **14%** of that expenditure.

Although the highest allocation was made to Africa, as a percentage of regional expenditure, unearmarked funding covered 54% of expenditure in the Americas. This is demonstrative of the low levels of

earmarked funding going towards the region, and the relative lack of visibility towards UNHCR's work there.

The lowest level of regional expenditure funded from unearmarked funding was in the Middle East and North Africa, where unearmarked funding covered 4% of regional expenditure. This is explained by the very high levels of earmarked funding towards the Syria crisis.

Chart 4 | ALLOCATION OF UNEARMARKED FUNDING IN 2017



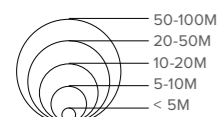
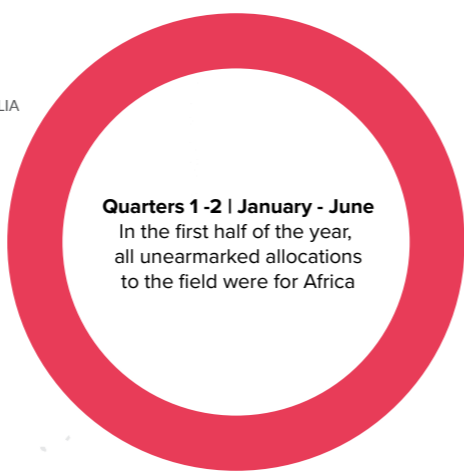
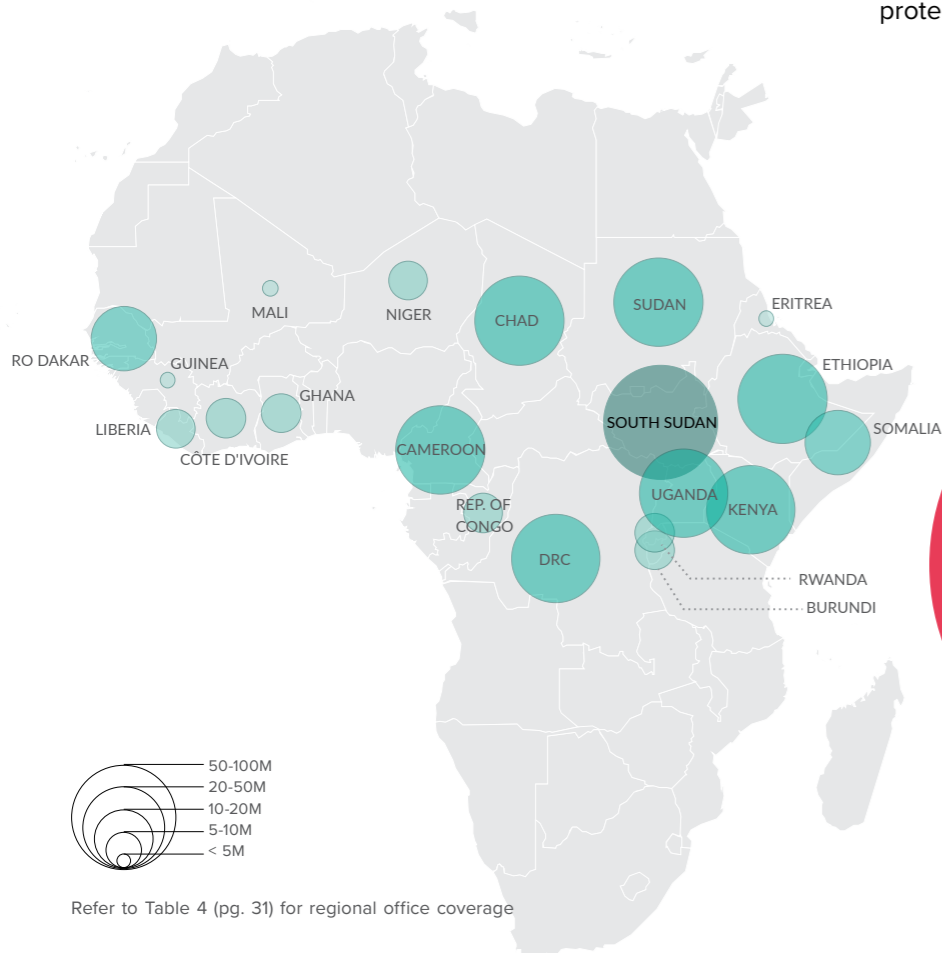
USE OF UNEARMARKED FUNDING IN THE FIELD

First to second quarter | January - June

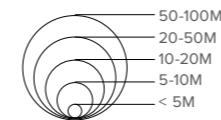
In the first half of the year, all UNHCR's unearmarked funding allocated to the field was allocated to operations across Africa. By the end of the second quarter, a picture was emerging of unearmarked funding being used to support operations responding in the East and Horn of Africa sub-region around the crisis in South Sudan. Within the second quarter, the top three largest recipients of unearmarked funding were South Sudan, Kenya and Uganda.

Fewer unearmarked contributions would reduce UNHCR's agility in responding to new emerging needs.

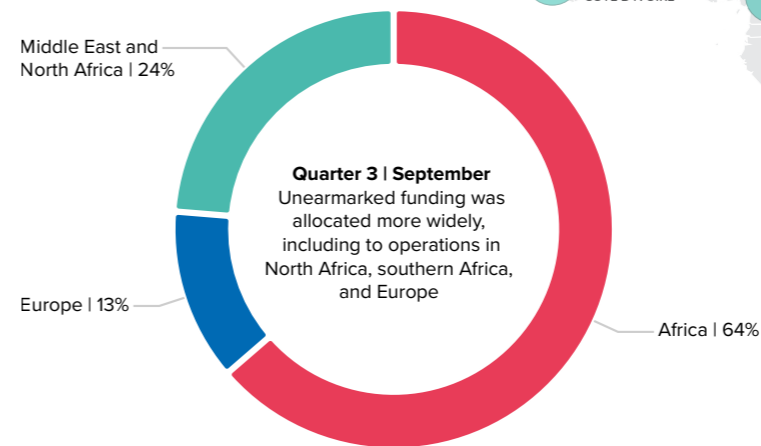
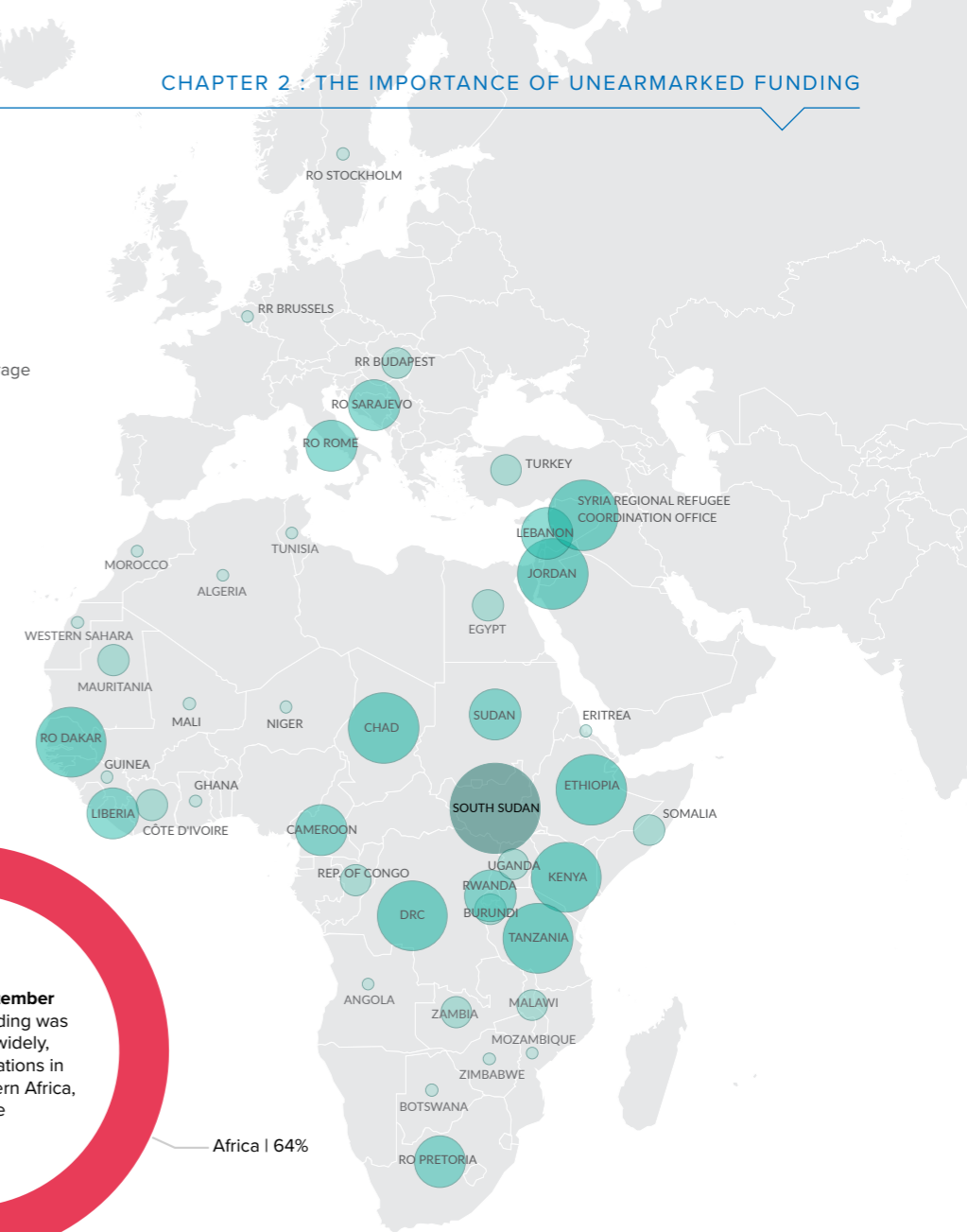
In June, following a sudden outflow of South Sudanese fleeing renewed fighting, unearmarked funding was used in operations in the East and the Horn of Africa. Large allocations of unearmarked funding were made to the South Sudan situation, to operations in Ethiopia, Kenya, South Sudan, Sudan and Uganda as emergency responses were kick-started to respond to the needs to refugees, IDPs and host communities, providing basic needs and essential services, and lifesaving protection assistance.



Refer to Table 4 (pg. 31) for regional office coverage



Refer to Table 4 (pg. 31) for regional office coverage



Third quarter | September

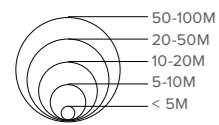
By September, the allocation of unearmarked funding had spread into operations in North Africa, southern Africa, and Europe. The largest recipients of unearmarked funding were still in Africa, with South Sudan and Kenya again the recipients of large allocations. Significant allocations were also made to the Democratic Republic of the Congo, Rwanda, and the United Republic of Tanzania, and to the Regional Office for West Africa.

Allocations were also made to Europe and to the Middle East and North Africa.

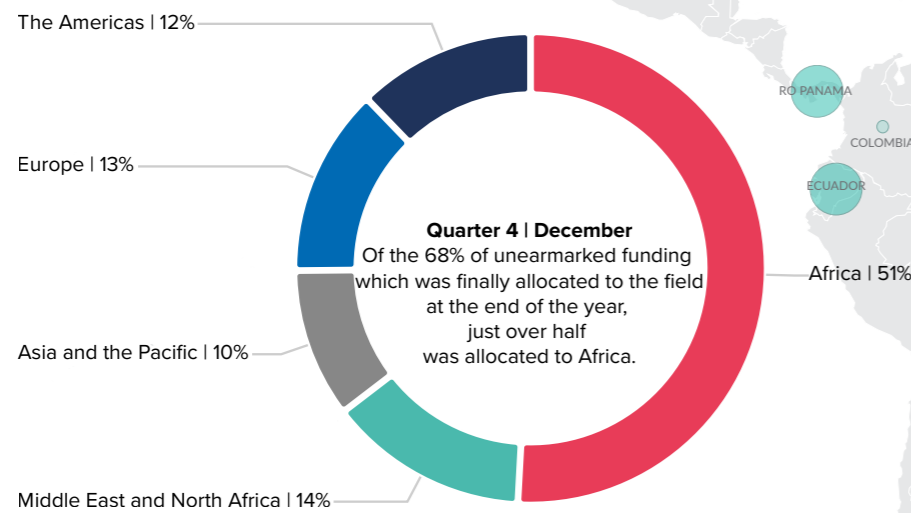
In Europe, these allocations were largely made to the Regional Offices in South-Eastern Europe, and in Italy, where the funding allowed for the full implementation of programmed activities across the sub-regions covered by the offices.

In the Middle East and North Africa, large allocations were made to Jordan and Lebanon in particular in response to needs stemming from the Syria crisis. Unearmarked funding was used to support, for example, cash-based interventions.

Less unearmarked funding would compromise the Office's ability to deliver on core commitments to populations of concern.



Refer to Table 4 (pg. 31) for regional office coverage



Quarter 4 | December
Of the 68% of unearmarked funding which was finally allocated to the field at the end of the year, just over half was allocated to Africa.

Fourth quarter | December

By December, UNHCR's overall level of income had reached some \$3.9 billion, with \$1.7 billion, or some 65% of contributions, earmarked to the country-level.

UNHCR was thus able to allocate unearmarked funding across the full range of operations in the field and across all regions with a more complete picture of what resources were available, and with which conditions.

For example, in Africa, the South Sudan situation by year's end was allocated about half of what it had received at the beginning of the year because of the availability of earmarked funding. A similar pattern was visible for the Somalia situation which, by year's end, was allocated a fraction of the unearmarked funding with which it began the year. Illustrative of how unearmarked

funding is reallocated, the unearmarked funding thus freed up was allocated to situations such as that for Burundi. By December, Burundi was allocated twice as much as it had been given by the end of the second quarter. In Africa, although the South Sudan crisis remained the largest recipient of unearmarked allocations, operations such as Malawi, Mozambique, Zambia and Zimbabwe—traditionally poorly funded from earmarked contributions, if funded at all—also benefitted, an example of UNHCR using its unearmarked funding to bolster underfunded operations.

In the Americas, unearmarked funding was allocated to Ecuador for the implementation of its planned activities, including to maintain protection and mixed solutions for refugees, and allowing for the continued implementation of successful and

innovative local integration programmes. It was also allocated to the Panama Regional Office. Unearmarked funding was invaluable in, for example, adopting a regional approach to protection and solutions, in building up governmental and NGO capacity, and in protection and sheltering people of concern in need across the North of Central America.

In Asia and the Pacific, allocations were spread across the region. Pakistan received the largest allocation in the region for the Afghan situation. Although this was largely insufficient for the needs, demonstrating the low level of visibility and specific support for this situation. Illustrative of how earmarked and unearmarked funding can complement each other, almost no unearmarked funding was allocated to the Myanmar situation. This was because, largely due to the

visibility of the crisis in August, dedicated earmarked funding was rapidly available.

In Europe, the largest allocations of unearmarked funding were made to the Regional Office for South-Eastern Europe, and to Turkey.

In the Middle East and North Africa, the Syria situation overall benefitted from extensive unearmarked allocations in the fourth quarter as preparations were made for winterization, particularly in Lebanon. By year's end, the unearmarked funding allocated to that situation, although still a significant amount, had been reduced as earmarked funding was made available. Other allocations were made widely across the region with, for example, support going to operations such as Egypt and Mauritania.

Less unearmarked funding limits UNHCR's global presence and its ability to reach the most marginal and vulnerable, especially in overlooked, forgotten or protracted situations.



Refugee woman from the Kasai region of the Democratic Republic of Congo selling her wares.
© UNHCR/MASSOUMEH FARMAN-FARMAIAN

In summary, the illustration on the previous pages of unearmarked funding being allocated over the year supports the basic principles of how it is used in kick-starting, enabling, and bolstering UNHCR's operations.

It also illustrates some of the complexity in describing just how such a valuable resource was used. By virtue of its nature, unearmarked funding is malleable, with a sometimes complex narrative to how it is used.

One key determinant in where and when unearmarked funding is used, and how much of it, is the availability of earmarked funding, and when it is received. The two types of funding are complementary, but when so much of UNHCR's income is earmarked—some 65 % in 2017—it is more

difficult to effectively manage operations. Unearmarked funding is particularly useful in working round some of those challenges, but there is not enough of it to meaningfully fill gaps in response. This requires ever more stringent prioritisation by UNHCR.



A Colombian mother and her child speak to a UNHCR worker about accessing healthcare, legal assistance and humanitarian support in the rural town of Tucaní, in the Andean border state of Merida, western Venezuela. © UNHCR/PRO S FILMS

CHAPTER 3 ATTRIBUTING SUCCESS

At the political level, there is consensus within a core group of donors, many of which are signatories to the Grand Bargain, that flexible funding increases predictability, enables more timely needs-based responses, and provides for a more equitable distribution of resources. Political and practical constraints prevent other donors from doing likewise.

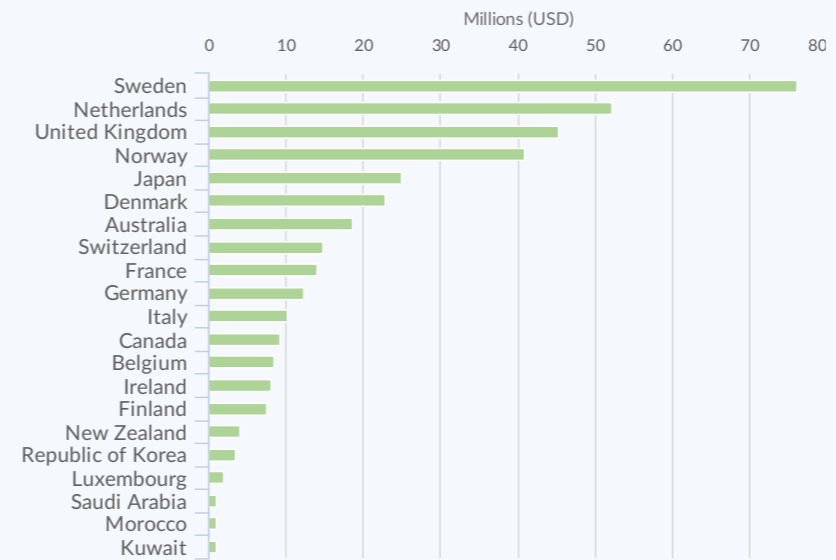
UNHCR acknowledges the importance of giving visibility and recognition to unearmarked funding, especially given the legal, administrative and political constraints donors face in providing it. UNHCR's Global Reports and the Global Focus website in particular are the main channels for showing all donor contributions. Both the Reports and Global Focus offer specific details on unearmarked funding, with the website also offering information and acknowledgment through its donor profiles, and through information provided on its financial pages.

UNHCR's external funding updates, as well as updates on situations, emergencies and operations, all offer recognition for donors providing unearmarked funding. As well, initiatives such as the website maintained by the UNHCR Regional Office for Northern Europe offers innovative analysis on unearmarked funding from Northern European donors. Social media platforms, including those managed by UNHCR operations, also provide visibility and acknowledgment.

In a particular example of providing visibility and thanks, UNHCR's Regional Office for Northern Europe created videos acknowledging the importance of unearmarked funding from the Northern European governments the office covers. The videos were published on the Regional Office's government donor website and on its YouTube channel.

Examples of visibility given through the use of UNHCR's various online and social media platforms

From Global Report



Examples of Tweets



Norwegian unearmarked funds save refugees worldwide



Norges ikke-øremerkede bidrag redder flyktninger i hele verden

Credit: UNHCR Northern Europe
Direct Link: <https://www.youtube.com/watch?v=Gr2EFuUHeSY&t=5s>



CONCLUSION

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 such as 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 such as through the common cash facility in Jordan.

Less unearmarked 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.

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. Importantly, less unearmarked funding would be a roll-back of commitments by donors, reiterated most recently at WHS through the Grand Bargain.

Pupils and staff of a school in Tegucigalpa are photographed during a visit from UNHCR staff to coincide with the High Commissioner's mission to Honduras.
© UNHCR/SANTIAGO ESCOBAR-JARAMILLO

Table 2 | **DONORS CONTRIBUTING OVER \$100,000**
(WITH COMPARISON TO 2016)

Donor (Ranked by size of unearmarked contribution)	Total contribution	Unearmarked contribution	Unearmarked contribution as % of donor's total contribution to UNHCR	Donor's unearmarked contribution as % of total unearmarked contribution to UNHCR	% increase / decrease in 2017
Sweden	111,958,945	76,078,687	68%	13%	-25%
Private donors in Spain	80,749,997	70,824,438	88%	12%	18%
Netherlands	75,711,468	52,154,195	69%	9%	12%
United Kingdom	136,219,370	45,278,137	33%	8%	0%
Norway	98,941,956	40,887,850	41%	7%	2%
Private donors in the Republic Of Korea	35,818,585	31,635,485	88%	5%	32%
Japan	152,359,773	24,850,314	16%	4%	3%
Denmark	58,370,565	22,831,050	39%	4%	-3%
Private donors in the United States of America	39,463,883	22,566,691	57%	4%	29%
Private donors in Italy	24,137,770	21,170,763	88%	4%	6%
Private donors in Japan	33,200,049	19,290,812	58%	3%	4%
Private donors in Sweden	21,761,459	19,145,997	88%	3%	8%
Australia	39,715,089	18,670,650	47%	3%	17%
Switzerland	35,402,490	14,792,899	42%	3%	-3%
France	39,733,899	14,000,000	35%	2%	0%
Germany	476,918,668	12,273,212	3%	2%	-3%
Italy	51,417,322	10,078,387	20%	2%	-1%
Canada	81,879,293	9,251,101	11%	2%	3%
Belgium	23,017,552	8,503,401	37%	1%	0%
Ireland	14,641,654	8,004,269	55%	1%	4%
Private donors in China	9,164,455	7,939,358	87%	1%	2%
Finland	22,049,595	7,430,998	34%	1%	-4%
Private donors worldwide	12,120,424	5,265,110	43%	1%	-6%
Private donors in Canada	7,725,110	4,541,772	59%	1%	7%
New Zealand	4,008,016	4,008,016	100%	1%	0%
Republic of Korea	21,845,151	3,413,449	16%	1%	8%
Private donors in the Netherlands	21,307,797	2,111,462	10%	*	23%
Luxembourg	8,536,825	1,857,749	22%	*	11%
Kuwait	8,619,490	1,000,000	12%	*	0%
Morocco	1,023,629	1,000,000	98%	*	100%
Saudi Arabia	18,065,880	1,000,000	6%	*	0%
Private donors in the Philippines	943,963	895,590	95%	*	29%
China	11,144,039	800,000	7%	*	0%
Private donors in the United Kingdom	5,344,872	748,569	14%	*	-12%

Donor (Ranked by size of unearmarked contribution)	Total contribution	Unearmarked contribution	Unearmarked contribution as % of donor's total contribution to UNHCR	Donor's unearmarked contribution as % of total unearmarked contribution to UNHCR	% increase / decrease in 2017
Austria	9,368,387	573,248	6%	*	-4%
Russian Federation	2,000,000	550,000	28%	*	9%
Iceland	825,000	465,000	56%	*	100%
Turkey	300,000	300,000	100%	*	0%
Spain	10,119,894	289,375	3%	*	100%
Private donors in Brazil	602,721	268,514	45%	*	100%
Qatar	200,000	200,000	100%	*	0%
United Arab Emirates	5,477,371	200,000	4%	*	0%
Private donors in Malaysia	135,140	135,140	100%	*	100%
Private donors in Saudi Arabia	496,352	117,918	24%	*	11%
Private donors in Switzerland	2,316,129	111,545	5%	*	100%
Algeria	100,000	100,000	100%	*	0%
Israel	100,000	100,000	100%	*	0%
Subtotal all donors over \$100,000	1,815,360,026	587,711,154	32%	100%	
Subtotal all other donors	66,739,523	1,006,549	2%	0%	
Grand total	1,882,099,549	588,717,703	31%	100%	

* Contribution less than 1%

Table 3 | EXPENDITURE BY SOURCE OF FUNDING

USD thousands

	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	139,060	157,875	785,673	218,610	35,073	11,120	21,192	-	21,470	1,390,074
Middle East and North Africa	65,282	-	848,233	233,272	52,103	1,980	-	-	15,356	1,216,225
Asia and the Pacific	16,893	-	151,003	80,527	38,904	1,818	-	-	473	289,619
Europe	39,082	-	342,743	53,743	49,068	1,998	-	-	9,845	496,479
The Americas	310	-	11,666	26,042	46,341	442	-	-	1,236	86,037
TOTAL FIELD OPERATIONS	260,627	157,875	2,139,319	612,195	221,488	17,357	21,192	-	48,380	3,478,434
Global programmes	19,473	-	40,320	39,477	180,281	10,819	-	-	75,714	366,083
Headquarters	3	-	664	-	-	4,745	177,801	43,326	4,622	231,161
Operational Reserve and new or additional -activities - mandate related reserve	-	-	-	-	-	-	-	-	-	-
Junior Professional Officers Scheme	-	-	7,674	-	-	-	-	-	-	7,674
TOTAL	280,104	157,875	2,187,977	651,671	401,769	32,921	198,992	43,326	128,716	4,083,352

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

Table 4 | REGIONAL OFFICE COVERAGE

RO Buenos Aires, Argentina	Includes activities in the Plurinational State of Bolivia, Chile, Paraguay, Peru and Uruguay
RO Canberra, Australia	Includes activities in New Zealand, Pacific Islands, and Papua New Guinea.
RO Sarajevo, Bosnia and Herzegovina	Includes activities in Albania, Macedonia, Serbia and Kosovo (S/RES/1244 (1999)), and Montenegro.
RO Kinshasa, DRC	Coordinates activities in Gabon and the DRC.
RO Tbilisi, Georgia	Includes activities in Armenia and Azerbaijan
RO Rome, Italy	Includes activities in Cyprus, Malta and Spain.
RO Almaty, Kazakhstan	Includes activities in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.
RO Stockholm, Northern Europe	Includes activities in Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden.
RO Panama	Includes activities in Cuba, El Salvador, Guatemala, Honduras, Nicaragua, and the Regional Legal Unit
RO Dakar, Senegal	Includes activities in Benin, Gambia, Guinea-Bissau, Senegal, Sierra Leone and Togo.
RO Pretoria, South Africa	Includes activities in Angola, Botswana, eSwatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe
RO Bangkok, Thailand	Includes activities in Mongolia and Viet Nam.
RO Washington DC, United States of America	Includes Belize, Dominican Republic, and Haiti
RR Brussels, Belgium	Includes activities in Austria, France, Germany, Ireland, the Netherlands, the liaison office for Switzerland, and the United Kingdom.
RR Budapest, Hungary	Includes activities in Bulgaria, Croatia, Czechia, Republic of Moldova, Poland, Romania, Slovakia and Slovenia.

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