

**Enabling mandate implementation:  
Private Partnerships  
Co-Chair Non-Paper for the International Conference**

**Introduction**

In line with UNRWA's Resource Mobilization Strategy and the Medium-term Strategy, since 2017, the Agency has made modest investments in increasing and diversifying its resources from private partners. In 2018, the drastic reduction in funding from traditional donors led to a focus on strengthening and expanding non-state funding portals through advocacy and outreach of the Dignity is Priceless Campaign.

Following the campaign, private partnership expansion was undertaken through the Strategic Partnerships Division, which in late 2020 was fully integrated with the public sector team into a Partnership Division, which is part of a restructured External Relations Department (ERD). With these changes, UNRWA hopes to improve efficiency and coordination between private and public sector donor engagement.

Despite these many changes and calls for increased engagement with private partners made by UN Member States through the consultations on sustainable predictable funding for UNRWA held in early 2017, UNRWA has faced a number of challenges in reaching its full potential in securing non-state funding.

The level of resources to support UNRWA's resource mobilization efforts still fall well below those of other UN agencies. UNHCR 's private partnerships budget (investment), which reached 126 million USD in 2019 required 28.9 million USD for its Headquarters Division of External Relations.

**Recent and current outreach**

Notwithstanding these limitations, the following types of partnerships have benefited from targeted outreach:

**1. Islamic social financing:** In 2018, UNRWA was the first UN agency to receive funding from BAZNAS, the Indonesian national zakat authority, and in 2019, UNRWA received funding from Beit Zakat in Kuwait, another government-affiliated zakat organization. Partnerships with Dubai Cares on zakat to support families of UNRWA students and with the Government of Brunei for a Ramadan campaign have further strengthened UNRWA's zakat programme. In addition to these partnerships with institutions, UNRWA's individual giving shows a dramatic increase doubling from 2018 to reach 800,000 USD in 2020. The immediate period is focused on expanding UNRWA's share of zakat and perhaps other forms of Islamic social giving such as saddaqa through fostering partnerships that can lead to greater public promotion of UNRWA's eligibility for zakat funding. Investment in digital fundraising such as social media ads and reliable funding for digital experts and partnerships

officers, particularly during the Ramadan campaign, will be instrumental in expanding zakat related resource mobilization.

**2. National Committees (NC):** UNRWA's 2 national committees, UNRWA USA and UNRWA Spain, collectively generate the highest level of private partnership funding for the Agency consistently over the past 5 years (3,008,050 and 1,665,579 in 2020, respectively). In 2020 alone, despite the particularly challenging situation of the COVID-19 global health pandemic, the NCs raised over US\$15 million. ERD's 2021 work plan aims to strengthen this growing partnership by supporting the NCs' outreach efforts, particularly in the field of individual giving and corporate sector engagement on the SDGs. Compared to UNICEF, which invests regularly in its national committees in 33 countries, UNRWA's investment in its 2 national committees has been modest but constitutes a robust return on investment (1:5 ratio for investment in UNRWA Spain). Of particular interest is both national committees' willingness to expand their outreach despite socio-economic difficulties caused by the global health pandemic, to other parts of Europe (through UNRWA Spain) and to individuals and the corporate sector particularly on digitalization issues (through UNRWA USA). While UNRWA does not currently have the resources to fully engage in corporate sector outreach and the Global Compact, the strategy of partnering with corporations through national committees is based on expansion of existing trusted partnerships with the national committees who have the knowledge, resources and strategic planning skills to engage with corporations and select global partners more efficiently.

**3. Digital and individual giving:** Since 2018, UNRWA has made several investments in its digital fundraising and individual donor outreach. In 2019, UNRWA's donations platform improved its technical features by moving from a locally-based donations website provider to an upgraded website administered by an international company working with other UN agencies. The platform now enables the Gifts for Refugees e-boutique, crowdfunding, and the peer to peer fundraising elements. COVID-19 has demonstrated the value of these investments as individual donors have moved from receiving information and donating face to face with charities to online giving. For charities and UNRWA who have invested in their digital platforms, there is room for growth through improved content creation and a more robust advertising budget. At it stands, UNRWA currently invests a modest 2 % of what it earns in digital fundraising in ads. While individual giving reached over 3 M\$ in 2020, the current return on investment on ads demonstrate the potential for growth in this type of private partner fundraising. According to data on the Spanish market, with an investment of approximately US\$300,000 in digital fundraising, UNRWA would possibly be able to raise an additional 1.4M\$. Another area where UNRWA sees potential and that the Agency would also like to develop is the High NetWorth Individual funding stream, in the context of Zakat giving in particular but not only. However, without substantial additional investments, the Agency will unfortunately not be able to pursue this stream.

**4. Arab funds, regional and Islamic organizations and foundations:** Major partners such as the Islamic Development Bank, the Open Society Foundation, the Khalifa Bin Zayed Foundation, the Islamic Relief USA, Qatar Red Crescent and Taawon, amongst many others, have supported UNRWA consistently over the last 15 years. For example, 62M\$ from IDB alone was raised over the past 5

years. Challenges that are foreseen to achieve full potential under this stream include UNRWA's limited capacity to address grant preparations, project management at large and visibility required by such institutions. However, this is a stream which can grow and in which UNRWA will invest time and funding over the coming years.

## **Conclusion**

As part of its broader modernization efforts and following the internal reorganization of ERD, UNRWA is taking a fresh look at opportunities to further develop its private partnerships. In addition to the current tracks mentioned above, important avenues under consideration include:

- **Expansion of the work of, and returns from existing National Committees** (see above) – UNHCR and UNICEF have 9 and 33 national committees or national partners respectively, noting that to set up a committee, approximately \$500,000 per year over 3 or 4 years is needed for the committees to be self-sufficient, with a Return on Investment of 1 to 4/5. Although UNRWA is also considering expanding its network of national committees, the Agency is now opting to strengthen its Spanish Committee so that it expands its private sector fundraising to other European countries, capitalizing on its know-how and success in this area.
- **Exploration of opportunities through blended and impact financing**, bringing in private investors (institutional and individual) and public sources (including multilateral organizations) to support mixed funding instruments for UNRWA.
- **Sponsorship by the corporate sector of specific initiatives**, notably in the field of digitalization of services, and youth professional development

As the examples of UNICEF and UNHCR in particular demonstrate, even if they can never replace public funding sources, private partnerships can constitute an important source of sustainable revenue. The tracks under consideration have such potential – and they will be further articulated in the strategic framework that UNRWA will present at the conference– but the comparison with sister UN agencies also shows that an upfront large investment in capacities to take them to fruition is required – in this regard UNRWA will develop an ambitious fundraising strategy to secure private funding at scale.