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Non-violent communicacion workshop in the Central African Republic. © IOM 2017/Amanda NERO

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FOREWORD

In 2018, unearmarked funding to IOM totalled USD 30 million, doubling the amount received the previous year. This encouraging trend illustrates the understanding that traditional donors are gaining on the importance of this type of flexible funding for the Organization, which until recently was almost exclusively granted tightly earmarked funds. Unearmarked contributions are crucial to the Organization, particularly in this time of internal reforms, and as IOM moves forward with its Strategic Vision and Internal Governance Framework review. These funds give IOM the possibility of allocating resources where most needed in a time when migration has been identified as a central issue in a number of internationally agreed texts, including the Sustainable Development Goals.

While we are starting to see a positive shift in the flexibility of some of our donors, 98 per cent of the voluntary contributions received by IOM in 2018 remained earmarked to specific activities thus curtailing the Organization's capacity to allocate resources as efficiently as possible.

As the size and annual budget of the Organization continues to grow, it is vital that the share of unearmarked funding follows the same trajectory. This will ensure that IOM continues to strengthen its core as well as its oversight processes and functions to effectively deliver its programmes worldwide and provide its Member States with essential services and support on migration matters.

We are very grateful to the ten donors that have entrusted IOM with unearmarked funding in 2018. Unearmarked funding is one of the most valuable resources that can be conferred to our Organization in this time of growth and transition. This first annual report provides our partners with an overview of how IOM, through the Migration Resource Allocation Committee, allocated unearmarked funding to implement strategic initiatives, improve internal systems and deliver essential services to migrants worldwide.

Through this report, we hope that we have demonstrated IOM's responsible allocation and management of these funds. We deeply appreciate the trust that donors have placed in IOM through the contributions made thus far and look forward to building that trust still further in the coming years as IOM strengthens its core capacities.

António Vitorino Director General



VOLUME OF UNEARMARKED FUNDING

In 2018, IOM received just over USD 30 million in unearmarked funding up from USD 14.9 million the previous year. The top three donors of unearmarked funding to IOM in 2018 were the Netherlands, Sweden and the United Kingdom, accounting for 67 per cent of all unearmarked funding received that year.

Denmark, the United States of America, Norway, Belgium, Switzerland, Portugal and Austria contributed the remaining USD 9.8 million as shown in the below table.

Donor	Unearmarked voluntary contribution (2018) in USD	Earmarked voluntary contributions (2018) in USD	Donor's unearmarked contribution as % of IOM's total unearmarked contributions from Member States	Unearmarked contribution as a % of donor's total contribution to IOM
Netherlands, the	7,500,000	53,695,578	25.0	12.2
Sweden	7,459,846	15,039,606	24.8	33.1
United Kingdom of Great Britain and Nothern Ireland	5,256,242	77,392,356	17.5	6.3
Denmark	3,811,557	3,598,011	12.7	51.4
United States of America	2,345,938	448,176,664	7.8	0.5
Norway	1,756,235	17,838,872	5.8	8.9
Belgium	1,157,407	8,798,794	3.9	11.6
Switzerland	502,008	20,025,593	1.7	2.4
Portugal	227,531	1,385,510	0.7	14.1
Austria	39,600	3,172,756	0.1	1.2
Total 2018	30,056,364			

Proportionally, Denmark has been IOM's most flexible donor, with 51 per cent of Denmark's total voluntary contributions to the Organization being unearmarked in 2018. Denmark is closely followed by Sweden which provided IOM with a total of USD 22,499,452 in 2018, of which 33 per cent was unearmarked. Over 2017 and 2018, Sweden has been IOM's top donor of unearmarked funding with a total of USD 13,766,607 provided for those two years.

Unearmarked funding, as reported in the IOM Annual Financial Report, includes both contributions that do not have any restrictions on their use as well as contributions that include a geographic or thematic scope expressed by their donor.

THE TIMING OF UNEARMARKED FUNDING

In 2018, IOM and Denmark signed a multi-year agreement for unearmarked funding. This new agreement as well as the one signed by IOM with the United Kingdom in 2017 are strong examples of multi-year commitments by donors to provide IOM with unearmarked funding. Such agreements are particularly valuable as they ensure much needed predictability and continuity to invest in longer-term strategic undertakings. Predictability in the dates of disbursement is also essential to enable planning of multiyear initiatives.

IOM needs more multi-year, predictable, unearmarked funding to implement strategic reforms that will strengthen its core capacities and help the Organization respond more effectively to the shifting dynamics of migration over the coming years.

In 2018, disbursements by donors of unearmarked contributions mostly took place during the second half of the year, with over 61 per cent of contributions (USD 18.5million) pledged for the year 2018 being disbursed during the fourth quarter and beyond.

Flexibility in the implementation period is a valuable parameter of unearmarked contributions as it allows IOM to carry funds over to the following calendar year, as needed, and ensures a smooth continuation of activities, particularly when funds are disbursed mid-year or later.



ALLOCATIONS THROUGH THE MIRAC

The provision of unearmarked contributions is anchored in a strong partnership between IOM and its donors, in which donors trust the mechanisms in place within the Organization to allocate and manage these funds. Indeed, flexibility in funding is not opposed to the projectized nature of the Organization.

In 2017, IOM established the Migration Resource Allocation Committee (MIRAC) to support the allocation of unearmarked contributions to various priorities within the Organization. The MIRAC, comprised of IOM's top management at Headquarters and Regional level, provides funding recommendations to the Director General, monitors the implementation of allocations and ensures adequate reporting mechanisms are in place. While flexible funding enables IOM to implement strategic initiatives, strong control and monitoring mechanisms remain in place once the funding has been internally allocated, thus ensuring the highest level of accountability.

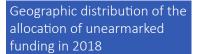
All allocations recommended by the MIRAC were in line with internal priorities and aligned with any thematic or geographic guidance expressed by specific donors.

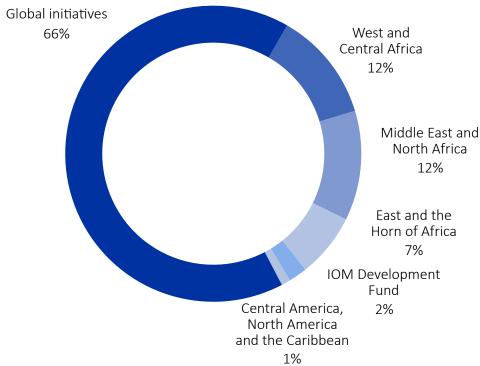


THE USE OF UNEARMARKED FUNDING IN 2018

In 2018, IOM received just over USD 30 million in total unearmarked contributions up from USD 14.9 million the year before. The MIRAC made recommendations to the Director General for the allocation of unearmarked contributions amounting to USD 26.5 million in 2018.

The remainder of this report relates to the funds allocated by the Director General based on recommendations by the MIRAC. Recommendations for funding allocations were made based on organizational priorities, including global initiatives, internal governance undertakings and strategic priorities at the regional and country level. Allocation decisions also strictly complied with any priority areas, thematic or geographic, stated by specific donors.





Global Initiatives

Global initiatives received 66 per cent, or USD 17.5 million, of IOM's 2018 unearmarked funding allocated through the MIRAC. Such initiatives are led by IOM's Headquarters and support the Organization's work worldwide by strengthening IOM's capacity to effectively implement projects in the field.

Under this umbrella category, IOM allocated unearmarked funding to strengthen its policymaking role in a number of areas. In 2018, IOM invested in areas including Migration, Environment and Climate change to ensure that governance, policy and practice reflect the significance of environmental, disaster and climate change factors on human mobility. With this support, IOM was able to pursue its advocacy work for the recognition of the migration, environment and climate change nexus in key global policy processes, such as the United Nations Framework Convention on Climate Change, the development of the Global Compact for Safe, Orderly and Regular Migration and the Sendai Framework for Disaster Risk Reduction.

Following the designation of IOM as the Coordinator and Secretariat of the UN Network on Migration, IOM also allocated unearmarked resources received at the end of 2018 to ensure the establishment of the Secretariat for the UN Network on Migration whose responsibilities include supporting UN country teams and IOM regional offices in establishing migration coordination mechanisms; supporting the cofacilitators leading negotiations on the modalities for the International Migration Review Forum on the implementation, follow-up and review of the Global Compact for Migration.



Similarly, IOM allocated unearmarked resources received at the end of 2018 to support the establishment of a Policy Hub tasked with overseeing the ambitious process of consolidating and systematizing the way knowledge and data are managed and shared across IOM and with its partners. The Hub will have a key role in helping the Organization to better serve both its beneficiaries and its benefactors by helping to generate a learning culture, enhancing coherence within IOM and consolidating and strengthening its migration policy capacity.

Unearmarked funding was allocated to strengthen IOM's capacity to implement the Sustainable Development Goals and advance these initiatives with key partners and Member States. Unearmarked resources were used to elaborate an institutional strategy, anchored in the 2030 Agenda, on migration and Sustainable Development and to support governments in integrating migration into their SDG implementation efforts. IOM's flagship publication Migration and the 2030 Agenda: A guide for practitioners was elaborated in part thanks to unearmarked resources and was complemented by an internal training package to strengthen internal capacity to align IOM's work to the SDGs and to further promote migration into development cooperation programming.



IOM's humanitarian programming is a vital area of work with over 30 million people reached globally in 2018. IOM responded to a variety of crises including disasters associated with natural hazards and conflicts worldwide. In 2018, unearmarked resources were invested to improve IOM's crisis-related work in various ways. With this funding, IOM was able to improve existing movement management systems resulting in smoother and unified processes, including data analysis and reporting. Furthermore, IOM initiated the process of developing and operationalizing a Protection and Accountability to Affected Populations (AAP) framework in resettlement and movement management in the field to enhance staff capacity and enable specialized protection services.

A significant portion of unearmarked funding was also used to strengthen IOM's core capacity to prepare for and respond to humanitarian crises in a principled, efficient and accountable manner. In line with IOM's engagement in the reform of the UN humanitarian system and protection of the most vulnerable, this funding translated into the strengthening of IOM's field support capacity in key humanitarian response sectors and enabled the Organization's participation in global policies and processes in the areas of transparency, accountability, inter-sectoral needs assessment, cash-based programming and protection.

Unearmarked funding further afforded IOM an opportunity to advance its work on the humanitarian development (and peace) nexus (HDN/HDPN). These efforts were directed towards improving coherence and efficiency of IOM's work as well as supporting partners, for instance, to engage in earlier and more meaningful interventions in fragile and crisis-affected contexts.

Unearmarked funding has also been vital in the realization of IOM's commitment to transparency and accountability. The Organization joined the International Aid Transparency Initiative (IATI) in 2017 and was able to start publishing data in 2018, thanks to the allocation of unearmarked resources through the MIRAC. Advancing IOM's humanitarian relief as well as its development assistance allowed the Organization to make progress towards goals and commitments under the Agenda for Humanity and the Grand Bargain, specifically promoting the New Way of Working, among others.



Highlight

IOM has been actively engaged in tackling all forms of misconduct including fraud and Sexual Exploitation and Abuse (SEA) for many years. With unearmarked resources allocated through the MIRAC in 2018, IOM was able to scale up these efforts and launch the *We Are All In* initiative to address underreporting of SEA cases as well as other misconducts at IOM.

Under this flagship initiative, an innovative platform was developed to simplify misconduct reporting for staff and external stakeholders and to offer a one-entry-door place for learning and awareness-raising with the goal of increasing knowledge on IOM's standards of conduct as well as its new internal justice system, and better reducing future wrongdoings. The launch of the platform is to be supported by a communication campaign, tailored to local contexts, to communicate more effectively on these sensitive issues with very varied stakeholders.

The We Are All In initiative also included the revamping of IOM's PSEA training package to raise awareness on the organization's stronger approach to tackling SEA and misconducts. Thanks to unearmarked funds, the new training was rolled out across 12 countries in the Middle East and North Africa region for IOM staff and implementing partners working along the Central Mediterranean Route with vulnerable migrants.







WEAREALLIN.IOM.INT

A significant portion of Global Initiatives undertaken with unearmarked funding aimed at strengthening IOM's core support functions, including audit, legal services and financial management and control tools. While some unearmarked funding was allocated to these strategic undertakings in 2018, this is continuing work that requires further investment. In view of IOM's rapid growth over the past five years, it is critical to ensure that IOM's governance architecture remains suited to the achievement of the Organization's mandate and objectives. While IOM operations and expenditures continue to expand, the organization intends to remain an effective partner at the service of its Member states and migrants worldwide. In 2018, IOM invested unearmarked resources to introduce a new Gender Marker tool to improve reporting on gender-related results, strengthen results-based management, and support the development and roll out of the new flagship Project Information and Management Application (PRIMA) across the Organization. IOM has also allocated unearmarked resources to enhance financial risk and compliance monitoring tools and, for instance, roll out an online platform to automate coordination and case management on financial matters between IOM's country offices, regional offices, administrative centres and Headquarters.

In 2018, IOM also used unearmarked resources to build capacity and develop a more comprehensive approach to risk management by investing in a Risk Management Information system to streamline the input and analysis of risk information across the Organization. With this new system in place for further implementation in 2019, IOM will now be capable of generating heat maps to show the distribution of risks, generate reports and provide targeted information to the Risk Management Steering Committee, the Director General, Heads of Departments about trends, red flags and strategic risks which may require their intervention.

Unearmarked funding was also directed to strengthening IOM's procurement and supply chain to foster scaled synergies, boost procurement and supply chain efficiency, while adhering to ethical and standard codes of conduct, and preventing fraud and corruption.



West and Central Africa

As per the specifications of certain unearmarked contributions received in 2018, IOM allocated 12 per cent, or USD 3.1 million, of unearmarked resources to the West and Central Africa region. Migration in West Africa is fuelled by a range of factors including urbanization, burgeoning youth population, high levels of unemployment, environmental and food crisis, political instability, cross-border conflicts and tensions with linkages to violent extremism as well as the search for better economic opportunities. Mixed migration flows are defined by the multiplicity of factors driving the movement as well as the varying profiles and protection and humanitarian assistance needs of the persons involved. Mixed migration flows are defined by the multiplicity of factors driving the movement as well as the varying profiles and protection and humanitarian assistance needs of the persons involved. 'Mixed' shall be understood as movements in which there is at minimum a strong presumption that persons in need of international protection move along with migrants.

Using unearmarked funds, IOM convened experts from Western and Northern Africa, including Nigeria, Senegal, Togo, Benin, Ghana, Morocco, Egypt and Sudan, to propose a roadmap for addressing mixed migration flows in the region and to better capture the key needs, profiles and motivations these flows are bringing about. This sharing of expertise also brought strategic recommendations for policies attempting to respond to mixed migration flows. This knowledge, shared with ECOWAS Mixed Migration Focal Points, has been used in the preparation of the ECOWAS Regional Mixed Migration Strategy.

"Much of the funding allocated by the MIRAC to our region was intended for the Central Mediterranean Route (CMR). Of all the thematic areas, the largest allocation was directed to health and psychosocial support to vulnerable migrants and others, thus allowing a targeted response in a field where the needs and gaps are immense in our region. Beyond the CMR, unearmarked funding has provided invaluable support to innovative programming in the region in areas such as migration data management and ethical recruitment. The funds have also proven to have been a successful investment as it has led to further funding in support to addressing cross-border challenges related to changing transhumance mobility patterns in the region."

- Richard Danziger, IOM Regional Director for West and Central Africa

The Central Mediterranean Route remains one of the most active and dangerous migration routes to Europe. IOM, through its Missions in West, Central and North Africa, has been engaged in ensuring that governments and migrants receive support to curb challenges and dangers associated with irregular migration. In the Niger, IOM used unearmarked funding to support health authorities and care providers in desert towns bordering Algeria to better respond to the needs of migrants and local communities. By providing new health equipment and sanitary installations at border crossing points, IOM supported the Government's health authorities to address emergency health concerns linked to migration flows.

Countries in the Sahel have received a large influx of returnees, most of whom having been exposed to difficult travel or detention conditions. Unearmarked resources in Burkina Faso, Côte d'Ivoire, the Gambia and Nigeria were also used to strengthen the capacities of over one hundred governmental and civil society stakeholders to respond to the psychosocial needs of returning migrants.

Unearmarked funds received at the end of 2018 are also being used to address migrant trafficking and abuse in the region. IOM is strengthening prevention and protection mechanisms in Côte d'Ivoire and facilitating a binational exchange of best practices between stakeholders in Tunisia and Côte d'Ivoire to address high levels of migrant trafficking in the Côte d'Ivoire—Tunisia corridor. IOM is using unearmarked resources to strengthen counter-trafficking efforts in Mauritania through the provision of assistance to Victims of Trafficking and persons subjected to smuggling particularly towards the Gulf countries. Unearmarked funds are also being used to promote responsible recruitment practices of West African migrant workers in order to reduce instances of trafficking and exploitation also towards the Gulf region.

IOM is finally investing unearmarked resources to improve data analysis and information management on pastoral movements in the region by increasing the capacities of the main pastoralists' organization network in West and Central Africa. This will enable the network to contribute to better managed mobility, provide data on transhumance corridors' dynamics and alert stakeholders in case of emerging conflicts.

As the funding supporting these activities was received at the end of 2018, some of these initiatives are still ongoing at the time of publication of this report.



Middle East and North Africa

As per the specifications of certain unearmarked contributions received in 2018, IOM allocated just over 12 per cent, or USD 3.2 million, of the unearmarked funding received in 2018 to the Middle East and North Africa region. Resources were allocated to further the reach of IOM's strong engagement on the Prevention of Sexual Abuse and Exploitation by providing tailored training to IOM staff and implementing partners working with vulnerable migrants in twelve countries within the region and along the Central Mediterranean Route, including Algeria, Burkina Faso, Cameroon, Chad, Egypt, Libya, Mali, Mauritania, Morocco, Tunisia, the Niger and Sudan.

In Libya, IOM dedicated unearmarked resources to strengthen coordination and linkages between health and border authorities for improved disease surveillance and population mobility management along the country's borders with the Niger, Algeria and Tunisia. Unearmarked funds were used to pilot cross-border disease surveillance, support the establishment of early warning systems and ensure adequate health equipment at border posts. By building the capacity of local authorities in the Niger, Libya, Algeria and Tunisia on health, border and mobility management, IOM is supporting the prevention, detection and response to the spread of diseases along the mobility continuum where migrants and mobile populations interact with stationary, local communities.

In line with IOM's mandate, the Organization also invested unearmarked resources to engage Member States and regional partners, including the League of Arab States, in discussions and consultations on migration governance to support the formulation of sound migration policies, in line the 2030 Sustainable Development Goals and the Global Compact for Migration.

"The MIRAC funding for the Middle East and North Africa (MENA) has come at a critical time in history, with the historic adoption of the Global Compact for Safe, Orderly and Regular Migration, the UN Reform, the full integration of Migration into the Sustainable Development Goals, in the backdrop of a negative rhetoric on migration. Following these developments, MIRAC funds have enabled the flexibility and creativity to work towards their achievement at both an operational and policy level. MIRAC funding has enabled country missions as well as at the regional level to provide consolidated efforts of capacity-building and creating space for dialogue amongst countries. In line with the Objectives of the Global Compact for Migration and Goals of the 2030 Agenda, prioritization has been given to strengthening evidenced-based policies, safe, regular and orderly migration, policy dialogue, addressing trafficking, smuggling and border management along the different migration routes and the Prevention of Sexual Exploitation and Abuse."

- Carmela Godeau, IOM Regional Director for the Middle East and North Africa

Unearmarked funds received in 2018 were also allocated to strengthen capacities to assist victims of trafficking in Jordan and Lebanon, combat migrant smuggling along the Côte d'Ivoire—Tunisia corridor and support border authorities in Egypt with trainings on migration management and migrant protection. With these funds, IOM is also carrying out research on recruitment practices in Jordan, Egypt, Morocco to address worker exploitation and human rights violations through IOM's IRIS (International Recruitment Integrity System) and CREST (Corporate Responsibility for Eliminating Slavery and Trafficking) programmes.

As the funding supporting these activities was received at the end of 2018, some of these initiatives are still ongoing at the time of publication of this report.

East and Horn of Africa

As per the specifications of certain unearmarked contributions received in 2018, IOM allocated 7 per cent, or USD 1.7 million, of its 2018 unearmarked funding to the East and Horn of Africa region to strengthen the Organization's capacity to respond to the needs of vulnerable migrants in Migration Response Centres (MRCs). In 2018, IOM estimates that a total of 160,000 migrants arrived in Yemen from the Horn of Africa. These trends confirm that large numbers of individuals continue to resort to irregular migration to, from and within the Horn of Africa for varied reasons despite numerous risks and serious protection concerns. Working collaboratively, MRCs bring together key partners to facilitate the identification of migrants in vulnerable situations, and ensure that they receive appropriate, immediate and longer-term support. Situated along key migration routes, MRCs provide direct assistance, including food, temporary shelter and service referrals to migrants. The services provided by each MRC vary based on location and needs. Five MRCs are currently operational in the Horn of Africa: Hargeisa and Bosasso since 2009, Djibouti since 2011 and Semera and Metema since 2014. Data collected by MRCs operated by IOM, national governments and other partners in the Horn of Africa provides important insight into the profiles of migrants in the region. By allocating unearmarked resources to MRCs, IOM is dedicated to strengthening the capacity of MRCs to deliver services, with a specific focus on vulnerable children and migrants with psychosocial and mental health needs. This funding is also being used to enhance mixed migration data collection and management to better inform programming and policy on migration management.

As the funding supporting these activities was received at the end of 2018, these initiatives are still ongoing at the time of publication of this report.



IOM Development Fund

In 2018, IOM allocated USD 574,713 in 2018 flexible funding to the IOM Development Fund, in addition to the regular and established IOM Development Fund funding mechanism. This Fund provides a unique global resource aimed at supporting developing Member States in their efforts to strengthen their migration management capacity. In 2018, the Fund supported 52 capacity-building projects in the areas of migration policy, labour migration; migration and development; counter trafficking; migration health; migration profiles, immigration and border management; and, migration, the environment and climate change. As in previous years, the distribution of allocations to each region was closely aligned with the representation of eligible Member States in those regions. For more information on the IOM Development fund please visit: https://developmentfund.iom.int/.

Central America, North America and the Caribbean

As requested by Member States, IOM is committed to broaden its donor base and diversity its sources of funding. To achieve this IOM has allocated just under 1 per cent, or USD 200,000, of its 2018 unearmarked resources to strengthen its engagement with the private sector and raise its profile and visibility among the general public and non-traditional donors. This initiative is managed by the IOM office in Washington D.C.

As the funding supporting these activities was received at the end of 2018, these initiatives are still ongoing at the time of publication of this report.



ASSESSING THE EFFECTIVENESS OF THE MIRAC

The MIRAC is a recent allocation mechanism as unearmarked contributions, up until 2018, represented a relatively limited source of funding for IOM. 2018 marks the second year during which unearmarked contributions have been channeled through the MIRAC. As this mechanism matures and the impact of MIRAC initiatives becomes more measurable, IOM will consider undertaking an internal review on the effectiveness of this instrument as an entry point for unearmarked contributions.

VISIBILITY AND RECOGNITION

IOM is striving to provide donors of unearmarked funding with the recognition they deserve. While unearmarked funding is a relatively new form of contribution to the Organization and the overall amounts received remain modest compared to other organizations and partners, IOM has started to communicate more systematically on such contributions via social media platforms.

This first annual report on the use of IOM's unearmarked funding is also a testament to IOM's commitment to recognize the importance of such contributions and the impact this funding has made. Transparency is a key concern and IOM seeks to show its donors, and their constituents, how these funds have benefited the governments and migrants that IOM serves.

IOM will endeavor to continue strengthening its partnership and collaboration with the donors that have entrusted the Organization with unearmarked funding.



IOM wishes to express its thanks and appreciation to the below donors who are paving the way towards more flexibility in funding to IOM



The Netherlands, Sweden, United Kingdom of Great Britain and Northern Ireland, Denmark, United States of America, Norway, Belgium, Switzerland, Portugal and Austria



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