

ANNEX IV

Investing in Individual Fundraising

This is an advance version of annex 4, which will later be incorporated in the final version of the management plan

Background – why invest in individual fundraising?

1. Acute hunger is at record levels in today's post-pandemic world, but humanitarian funding has returned to pre-pandemic levels. Worldwide, the gulf between humanitarian needs and the funding available for responding to them has grown to record levels. The challenging funding landscape that affects the entire humanitarian sector in 2024 has forced WFP – and many other humanitarian actors to scale back assistance and refocus their efforts on addressing the most severe needs while seeking new sources of funding. Funds from individuals are a proven source of diversified funding for WFP. To harness the potential of individual fundraising, an investment of USD 20 million is sought for 2025 as the first tranche of a multi-year investment of USD 100 million for the period from 2025 to 2030.
2. The generosity of individual donors has proved to be a critical source of funding for humanitarian actors,¹ and WFP's private sector partnerships and fundraising strategy for 2020–2025² aims to unlock the transformative potential of diversified sources of funding from the individuals and the private sector. Since 2020, WFP has invested in building a unique model for raising funds directly from the public, using mainly digital channels. The model has delivered more than USD 460 million in the period from 2020 to 2024 and has the potential to raise an additional USD 1.3 billion between 2025 and 2030.
3. Investment in individual fundraising is a key strategic shift for WFP, enabling the organization to significantly diversify its donor base and increase the proportion of flexible funding it receives. At least 30 percent of contributions from individuals *are fully flexible*, which is a significantly higher percentage than that of contributions from WFP's traditional donors.³ The investment will accelerate social media presence for key country offices, producing dynamic content from WFP field operations that drives financial returns.

Why does WFP need to invest now?

4. WFP's individual fundraising programme is approaching a critical juncture. In the absence of new investment, growth will plateau and the programme will generate an estimated USD 714 million between 2025 and 2030. However, with the global market for individual fundraising currently expanding,⁴ an investment of USD 100 million between 2025 and 2030, starting with USD 20 million in 2025, could generate an additional USD 602 million, bringing the total cumulative income from individual fundraising to USD 1.3 billion in the period from

¹ In 2023, the United Nations Children's Fund (UNICEF) raised USD 2.5 billion from individuals, and the Office of the United Nations High Commissioner for Refugees (UNHCR) USD 734 million.

² "Private-sector partnerships and fundraising strategy (2020–2025): Cooperation with the private sector, foundations and individuals for the achievement of zero hunger" (WFP/EB.2/2019/4-A/Rev.1).

³ WFP. 2022. *Annual Report on Impact of Flexible Resources: Flexible Funding 2022*.

⁴ Geneva Graduate Institute. 2021. *Paying for Multilateralism: Taking Stock on the Financing of International Organisations in Geneva, 2000–2020*.

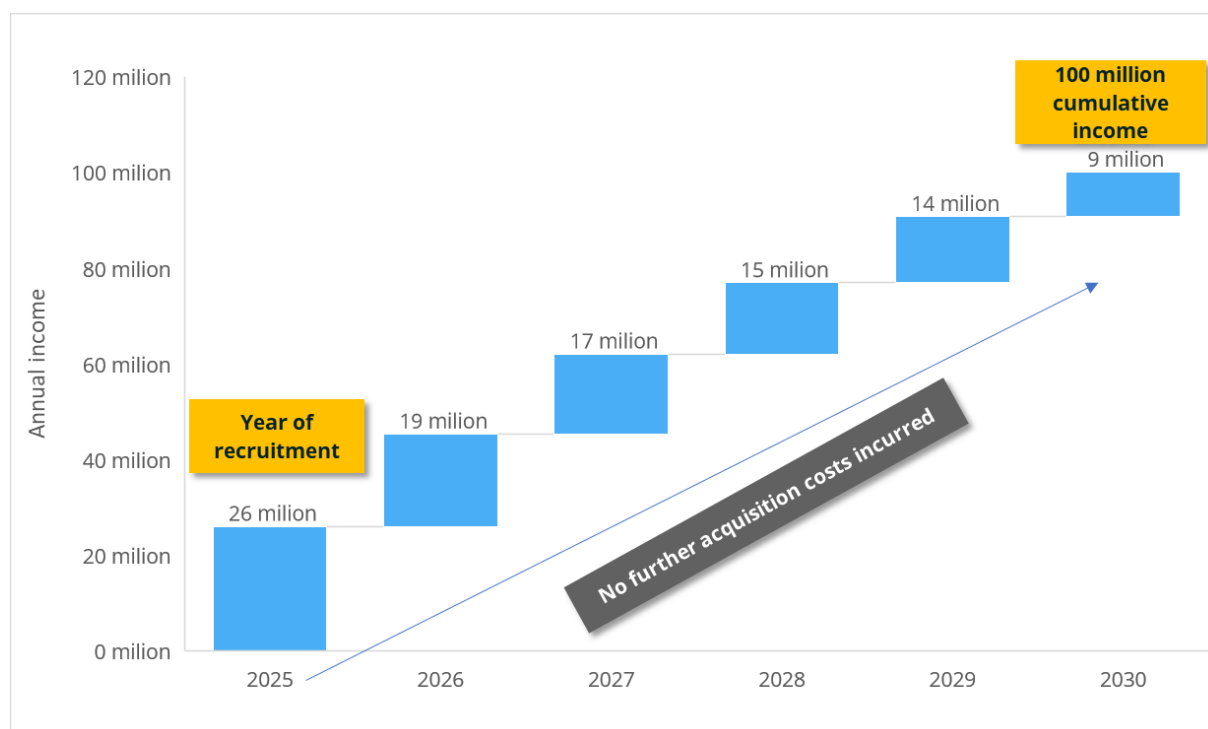
2025 to 2030. The additional income would have a particularly strong impact in country operations, given its high degree of flexibility.

5. Investing in the individual fundraising programme will sustain the programme's momentum and expand WFP's supporter base. It will also enhance future returns and reinvestment capabilities, as a portion of the funds raised will be reinvested in acquiring new donors, thereby creating a continuous cycle of growth.

How sustainable is the investment?

6. The growth of the individual fundraising programme will be sustained by the existing retention mechanism, which reinvests a portion of the funds raised from individuals into future fundraising activities:
 - WFP reinvests up to 29 percent of each donation from an individual in future marketing and operational costs. The increased income from individual fundraising is therefore expected to increase the funds available for reinvestment from USD 103 million in 2025 to USD 217 million in 2030.
 - Through this reinvestment mechanism, the programme benefits from a multiplier effect, with each donation that supports WFP's operations also partly financing the recruitment of an additional individual supporter.

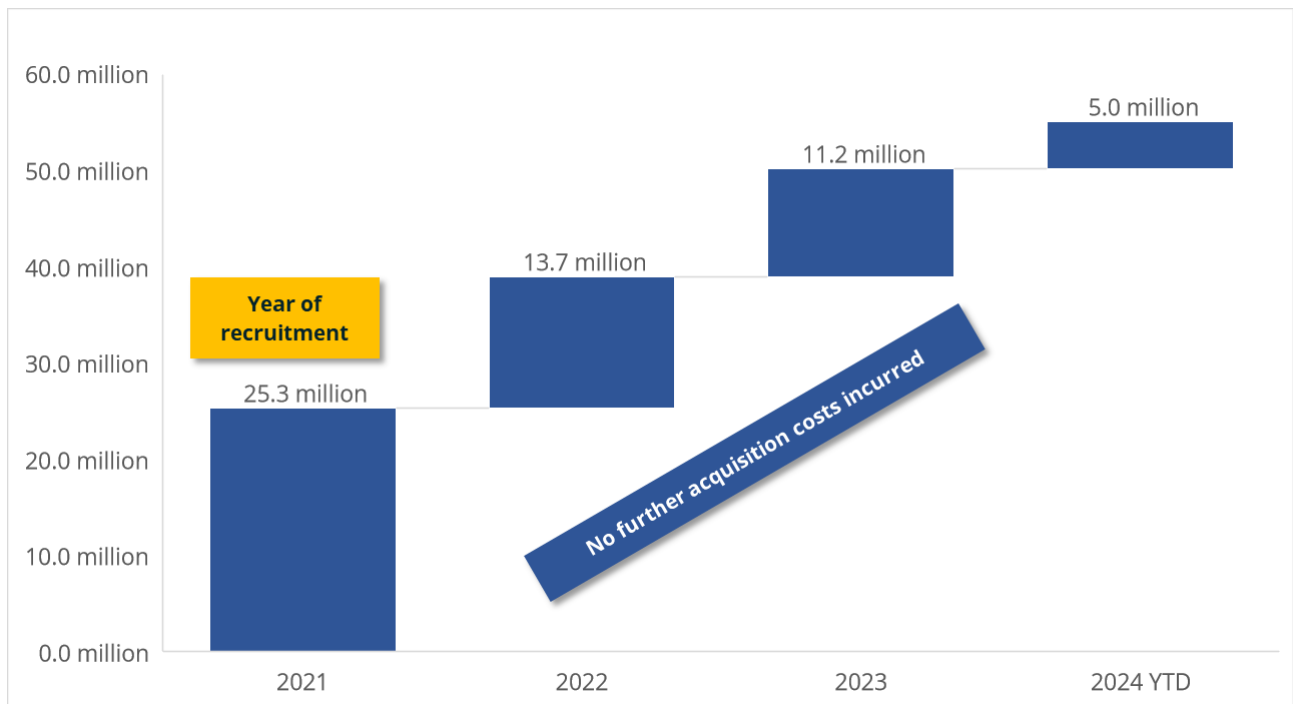
Figure A.IV.1: Estimate of lifetime value of supporters recruited through the USD 20 million investment in 2025 (USD)



7. Once recruited, a supporter's "lifetime value" – the total amount that an individual contributes while supporting WFP – grows significantly over several years, with acquisition costs incurred only in the first year.

8. For example, the supporters recruited under the investment made in 2025 could generate a consolidated amount of up to USD 100 million by 2030 by donating money over several years.

Figure A.IV.2: Actual year to date value of supporters recruited through the investment in 2021 through June 2024



9. This trend in increasing value from each supporter is reflected in historical data, demonstrating that the value of an investment extends well beyond the year in which the investment was made. For instance, supporters recruited through an investment of USD 16.7 million made in 2021 have donated USD 55.1 million to date, demonstrating that WFP's supporters continue to contribute over many years.

Budget

10. Most of the investment requested will be allocated to strengthening the proven global digital model through investments in commercial advertising, with a focus on major advertising campaigns during key giving seasons, such as Christmas and Ramadan.
11. The remainder of the investment will be invested in four growth areas: markets and channels, products and technology, innovation, and partnerships.
12. The investment will strengthen the diversification of WFP's funding streams, generate flexible and long-term income and may unlock additional innovative funding streams.

TABLE A.IV.1: BUDGET OVERVIEW, 2025–2030 (USD million)						
	2025	2026	2027	2028	2029	2030
Total investment	20	20	20	15	15	10
Operating budget (including staff costs)	2	2	2	2	2	1
Revenue-generating budget (non-staff costs)	18	18	18	13	13	9

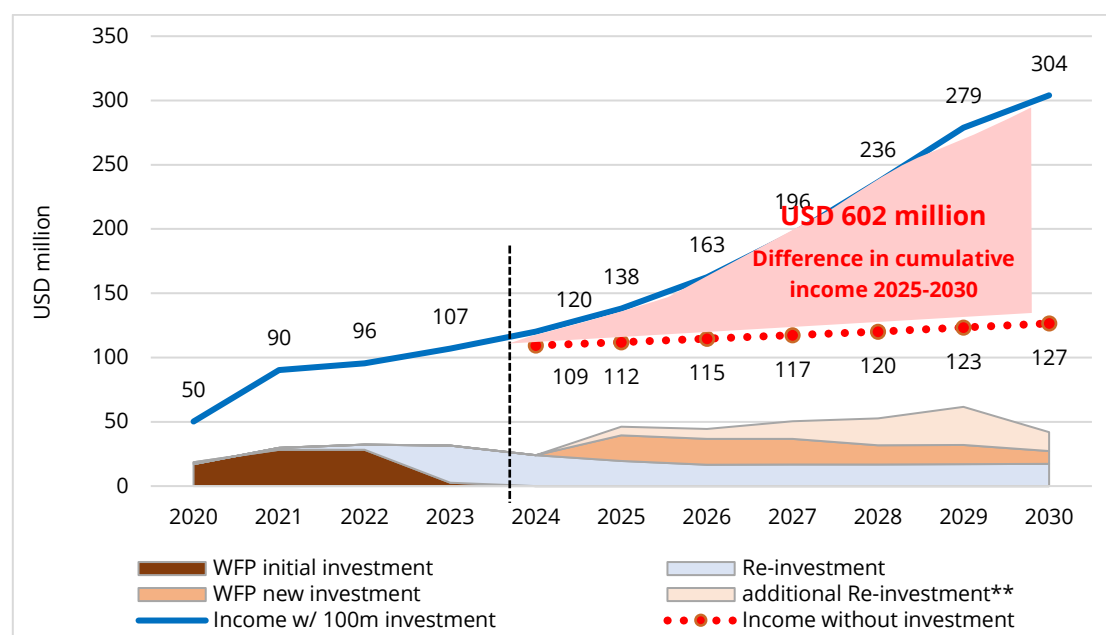
Operating budget: Costs associated with personnel, technology, WFP's relationship with supporters, donor retention, specialist agencies and other administrative expenses.

Revenue-generating budget: Expenditures for media and advertising placements, including digital advertising, and associated costs such as for experts in strategic media placement, and partner agencies.

Return on investment

13. Without the additional investment, the individual fundraising model is projected to generate USD 714 million between 2025 and 2030. Of this amount, over the same period, USD 103 million would be reinvested, USD 44 million would be allocated to indirect support costs, and USD 568 million would be directed towards WFP's programmes; at least 30 percent of contributions coming from individuals are fully flexible.
14. In contrast, with an investment of USD 100 million over the same period, beginning with USD 20 million in 2025, and based on the results of the previous phase of the individual fundraising programme, an additional USD 602 million would be generated, bringing the total income to USD 1.316 billion. Of that total, USD 217 million would be reinvested, USD 80 million would be allocated to indirect support costs, and USD 1.018 billion would be directed to WFP's programmes. With the USD 100 million investment in individual fundraising, the income stream for WFP is expected to stabilize at approximately USD 300 million per year.

Figure A.IV.3: Individual fundraising programme: projected impacts of increased investment versus status quo, 2020–2030



How to measure success?

15. WFP's key performance indicators (KPIs) for the individual fundraising programme focus on the total funds raised each year. These metrics are critical for assessing the effectiveness of WFP's fundraising efforts and the expansion of its supporter base. The requested investment of USD 20 million in 2025, as the initial instalment in a multi-year investment, is projected to generate total income of USD 138 million in the first year. This will be followed by annual revenues of USD 163 million in 2026, USD 196 million in 2027, USD 236 million in 2028, USD 279 million in 2029 and USD 304 million in 2030. Overall, the annual investments are expected to yield more than USD 1 billion during the period from 2026 to 2030. The strategic investment will also help WFP to build a stronger supporter base, establishing a solid and sustainable income stream for future years:
- KPI I: Fundraising income – USD 138 million in 2025.
 - KPI II: Percentage fully flexible funding – at least 30 percent.

TABLE A.IV.2: INDIVIDUAL FUNDRAISING PROGRAMME, KEY PERFORMANCE INDICATOR TARGETS, 2025–2030						
KPI	2025	2026	2027	2028	2029	2030
Income from individual fundraising (<i>USD million</i>)	138	163	196	236	279	304
% of fully flexible funding	30	30	30	30	30	30