

International Issues News # 25 (February 2013): The finances of the Amnesty International movement.¹

Introduction

Fundraising is part of the work of all parts of AI. National sections raise money both to fund their own work and to fund the international budget. This international budget, for which the AI Secretary General is ultimately responsible, covers the costs of the International Secretariat, as well as supporting those national AI entities that cannot cover their own costs. It is also used for strategic investments to grow key sections (e.g., AI Japan) and to invest in areas where AI has little presence.

Two recent documents provide an overview of AI's finances: the *International Secretariat 2013 budget information pack* summarises the international budget; and the *Global management accounts Sept 2012* summarises the aggregate income and expenditure of the IS with the 14 largest national sections which, between them, account for about 95% of AI's worldwide income (with the five largest sections - Australia, Germany, Netherlands, UK, USA - contributing half of the income to the international budget).²

Income

The international budget income for 2013 is scheduled to be £59.8m, leading to a surplus of £1.5m. This will be used to replenish reserves. The main source of income (£46.5m) is assessments from national sections; two sections (Ireland, USA) will be unable to meet their full assessments in 2013 and this is reflected in the budget. The remaining income is from sections making "additional voluntary contributions" (AVCs) to the international budget (£4.9m), a large donation (£5m) from the Norwegian national Telethon,³ international fundraising (£3m), and other sources (£0.3m).

A new assessment scheme for contributions by national sections to the international budget was agreed in by the 2011 International Council Meeting (ICM) and was implemented from 1st January 2012. This aims to increase the amount of money AI spends internationally from 30% of total income to 40% of total income. However, because the increase in sections contributions embedded in this scheme will be phased in slowly over the period 2012-2021, it has a small impact on the 2013 budget.

The global management accounts (which report the income of the IS and AI's 14 biggest sections, accounting for 95% of the movement's income) show that regular donors – including members – are the biggest source of income (60%), followed by non-regular donors (10%), legacies and bequests (6%) and trusts and foundations (5%). Overall, AI's fundraising generates 3.3 times as much money as it costs, and 61% of fundraising income is from automatic payments (e.g., automated monthly or annual membership fees). The total income of AI worldwide in the year to Sept 2012 was €133m: this was 1.6% below budget, mostly due to a drop in non-regular donations.

Expenditure

The international budget expenditure can be analysed in several different ways, all of which go back to the International Strategic Plan (ISP) which was agreed by the ICM in 2009: this sets out the overall framework for the work of all parts of AI in 2010-2016.⁴ This overall framework was then used to draw up a set of movement-wide priorities, embedded in the second Global Priority Statement (GPS2).⁵ This still proved too vague to really focus resources, so a set of 12 Critical Pathways (also sometimes called "Critical Paths") were agreed in 2011: eleven of these are about specific areas of human rights, and the final one is concerned with "operational enablers", i.e., the steps AI needs to take to strengthen its operations.⁶ They cover AI's main human rights

¹ This article is mainly based on *International Secretariat 2013 Budget Information Pack for the Movement* (December 2012, FIN 40/009/2012) and *Amnesty International Global Management Accounts, 30 September 2012* (January 2013, FIN 40/001/2013).

² Note that the international budget is in GBP (£) whereas the global management accounts are in euros (€).

³ This is the first instalment of what is expected to be about £20m from the telethon, held on 21st October 2012: see www.amnesty.org/en/news/norwegian-telethon-scoops-more-30m-amnesty-international-2012-10-22

⁴ See 2009 ICM Circular 45: *ISP 2010-2016* (ORG 52/004/2009).

⁵ See *GPS2 for 2012-13* (POL 50/009/2011).

⁶ The best overview of the critical paths is a letter to the movement introducing the first draft documents: see *Letter from Claudio Cordone: Critical Pathways* (August 2011, POL 50/008/2011).

goals, describing both what AI wants to achieve and how it will go about this. Expenditure is therefore reported against these critical pathways.

The overall international budget expenditure is £58.3m. This is a 5% increase on 2012. It is allocated to human rights work (£30.8m), fundraising, support and governance (£13.4m), grants to sections and structures (£8.7m), the Global Transition Programme (£3.0m) and other costs (£2.4m, mostly depreciation). The main change from last year is the 26% increase in grants to selected sections and structures in line with AI's strategy of increased investment in the Global South.

The £30.8m on human rights work divides into £2.1m on criminal justice, £2.0m on freedom of expression, £1.6m on slums, £1.0m on discrimination, and also on security with human rights, £0.9m each on armed conflict and on refugees and migrants. The other critical pathways (corporate accountability, maternal health, control arms, death penalty, international justice) are each allocated smaller amounts. In addition, £12.3m is allocated across critical paths and £5.9m on operational enablers for the human rights work.

These figures highlight the fact that because there is so much overlap between different types of expenditure, it is difficult to give an exact answer to questions such as "How much does AI spend on death penalty work?" For example, researchers often work across several countries and themes, as do campaigners and members of advocacy teams. Furthermore, in spite of the efforts AI has invested in recent years in agreeing priorities, only 10% of this human rights budget of £30.8 is going on activities identified as priorities in GPS2. Looking at the spending of the IS and the 14 largest sections together, the global management accounts show that €25m went directly on critical pathways work, €4m in non-critical pathway work, €3m on unique country work, and the remainder (€27m) on operational enablers and other support for human rights work.

Other spending

The international budget for 2013 includes £8.7m for grants to sections and structures, a 26% increase on 2012. These grants are based on section plans and budgets, country priorities and thematic priorities. They range from large new investments in Brazil (£1.3m), Kenya (£0.4m) and South Africa (£0.5m), to much smaller grants of £6,000 for work with strategic partners in Timor Leste, Cambodia and Haiti. In between, there are section-support grants such as those to Mexico (£0.2m), the Philippines (£0.2m) and Israel (£0.4m).

The Global Transition Programme (GTP) is the programme of restructuring the IS from a mainly London-based organisation to one distributed across several global regional hubs. The estimated total cost of the GTP is £11.5m over four years, of which £3.5m is budgeted for 2013. This year's spending will include set-up costs for Hong Kong and Africa, as well as some redundancy, recruitment and relocation costs. The openings of the Mexico City and Bangkok hubs have been delayed from 2013 to 2014 so their costs will appear in next year's budget.

Reserves

The budgeted surplus for the international budget in 2013 is £1.5m (arising from £59.8m income and £58.3m expenditure). This will help to restore reserves levels after a budgeted deficit in 2012 of £1.5m. However, the consolidated results of the largest 14 sections show a deficit of €9.4m in the year ending Sept 2012. Although this is €0.8m better than the budget figures, several of AI's largest sections are used parts of their reserves to fund activities in 2012, and this is unsustainable in the long term. As a result, several of AI's largest sections are looking to make significant cost savings.

Looking ahead

The international budget pack includes some forecasts for the period to 2017. It notes that AI's spend on resources based in the global south will rise from 21% in 2012 to 64% by 2017, moving resources to where human rights abuses are the greatest, while keeping the central base in London. This increase will include double grants to the relevant sections and structures, substantially increasing spending in countries such as Brazil, India, Nigeria, Indonesia and Egypt, where AI has had little presence despite the significance of these countries in human rights terms and as emerging global powers. Investment in human rights work will increase by 23% from 2012 (£31.7) to 2017 (£39.0m), enabling AI to have more research, campaigning, advocacy and movement building capacity distributed primarily across the new regional hubs in the global south.

International Issues News is put together to spread updates on AI's international focus to a wider audience worldwide, encouraging more members become engaged with the issues. The articles are summaries of internal papers which we aim to condense without offering our opinions on the original documents.

We welcome any comments, questions or suggestions on our choice of documents, the accuracy of the summaries, and how the newsletter could be more usefully developed. **Please write to iinews@aivol.org**

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Note on original documents

These articles are taken from internal AI documents from the Weekly Mailings sent out by the International Secretariat. AI sections vary in their practice with respect to making these available to members. If you are interested in finding the original document please investigate within your own Section but feel free to let us know if you are having problems.