

chapter 4

effectiveness, efficiency and quality

Humanitarian assistance can be passed through a series of agencies before it reaches the ultimate recipients. In 2016, multilateral organisations (primarily UN agencies) were the first channels of almost half (49%) of all international humanitarian assistance. Total funding to nine UN agencies grew slightly from the previous year to US\$14.6 billion. Trends in funding to individual agencies varied, however, with large percentage increases (in excess of 10%) for the UN Development Programme (UNDP), Food and Agriculture Organization (FAO) and World Food Programme (WFP) but large percentage decreases for the International Organization for Migration (IOM), UN Office for the Coordination of Humanitarian Affairs (OCHA) and UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA).

Pooled funds can deliver flexible, responsive funding. Funding to both the Central Emergency Response Fund (CERF) and the UN's 18 country-based pooled funds (CBPFs) increased in 2017, reaching a record combined total of US\$1.3 billion. Funding to the CERF increased by 18% to US\$505 million in 2017, a large rise in contributions, though still some way short of the ambition to generate US\$1 billion by 2018.¹ Just five countries provided 64% of all resources to UN pooled funds in 2017.

Signatories to the Grand Bargain have committed to make progress in improving the efficiency and effectiveness of humanitarian assistance. With some targets set for 2020, only two years remain to realise these goals. But results are hard to track. Improving transparency through better reporting, dissemination and use of information is important in measuring progress towards these targets.

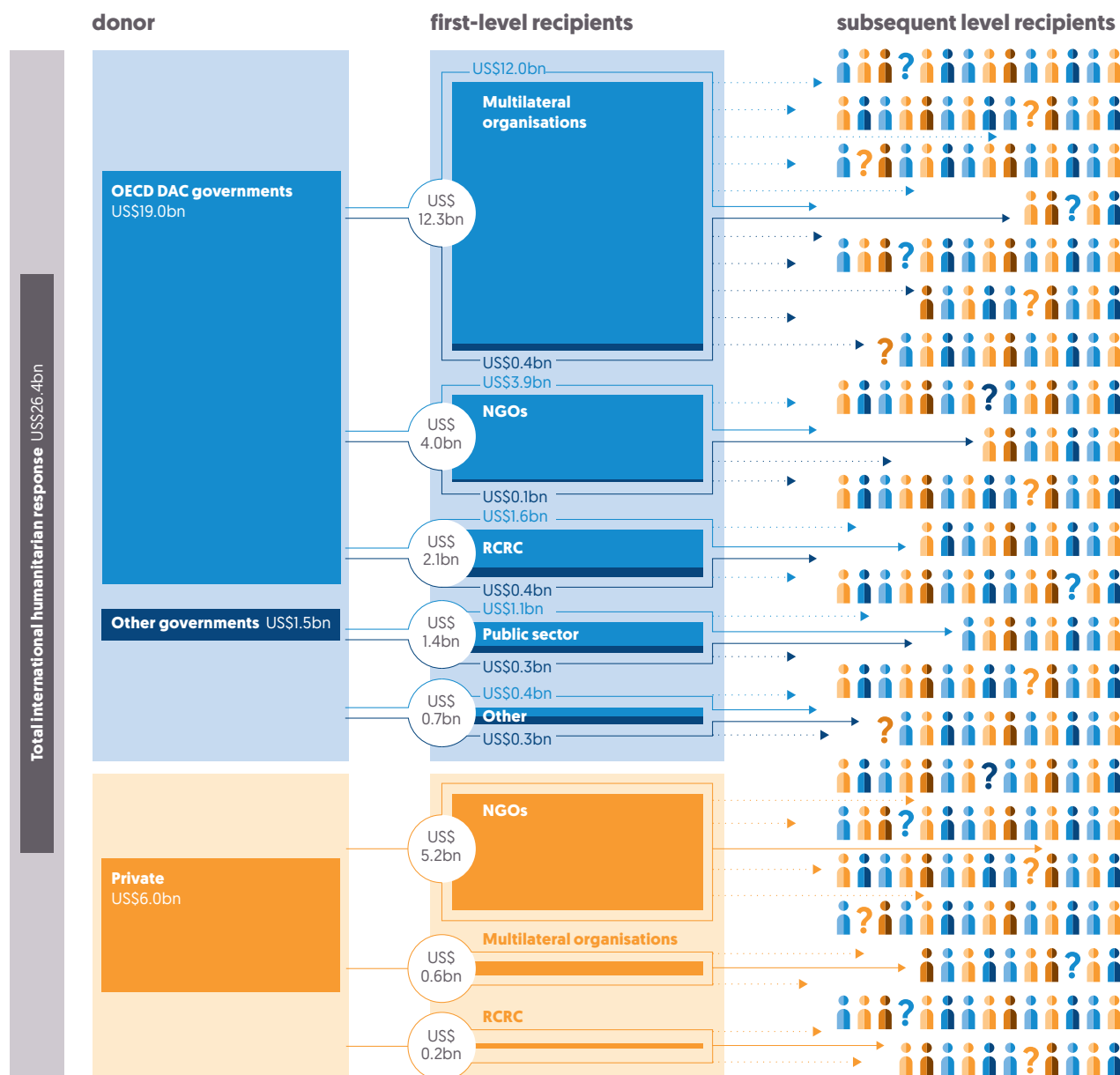
The Grand Bargain sets “a global, aggregated target of at least 25% of humanitarian funding to local and national responders as directly as possible” by 2020. In 2017, funding reported to UN OCHA Financial Tracking Service (FTS) as being channelled directly to local and national non-governmental organisations (NGOs), or delivered through one intermediary, accounted for 3.6% of total humanitarian assistance. This represented an increase from 2.3% in 2016 but suggests much progress remains to be made.

Unearmarked funding can bring greater flexibility and responsiveness to humanitarian action, as well as greater autonomy for responders. Since 2013, self-reported data from UN agencies indicates that volumes of unearmarked funding have increased by 30% to US\$2.6 billion. However, volumes of earmarked funding have grown more rapidly, resulting in a fall over the same period in the proportion of total funding that was unearmarked from 22% to 18%.

Cash-transfer programming (CTP) can provide choice and empower recipients of humanitarian assistance. Estimates suggest that volumes of assistance provided through CTP are growing rapidly to US\$2.8 billion, up from US\$2.0 billion in 2015, an increase of 40%. Improvements have been made in tracking CTP but reporting systems need to develop mechanisms to track it at sufficiently disaggregated levels.

Channels of delivery

Figure 4.1
Funding channels of international humanitarian assistance, 2016



Source: Development Initiatives based on Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) and UN Central Emergency Response Fund (CERF) data and Development Initiatives' unique dataset for private contributions.

Notes: RCRC: International Red Cross and Red Crescent Movement. Our first-level recipient data from government donors and EU institutions uses OECD DAC Creditor Reporting System (CRS), UN CERF and UN OCHA FTS data. The figures in our calculations for total humanitarian assistance from OECD DAC donors use data from OECD DAC Tables 1, 2a and 'Members' total use of the multilateral system', so totals may differ. 'Public sector' refers both to the OECD definition and reporting to the FTS. OECD DAC CRS codes 'other', 'to be defined' and 'public-private partnerships' are merged to 'other'. Private funding figures use our unique dataset on private contributions for humanitarian assistance. This figure cannot be cross referenced with Figure 4.7, which uses data from UN OCHA FTS only. The data used in Figures 2.4 and 2.5 is sourced bilaterally from International Committee of the Red Cross and International Federation of Red Cross and Red Crescent Societies' reports and therefore differs from the data shown above, which is based on OECD DAC and UN OCHA FTS. Data is in constant 2016 prices.

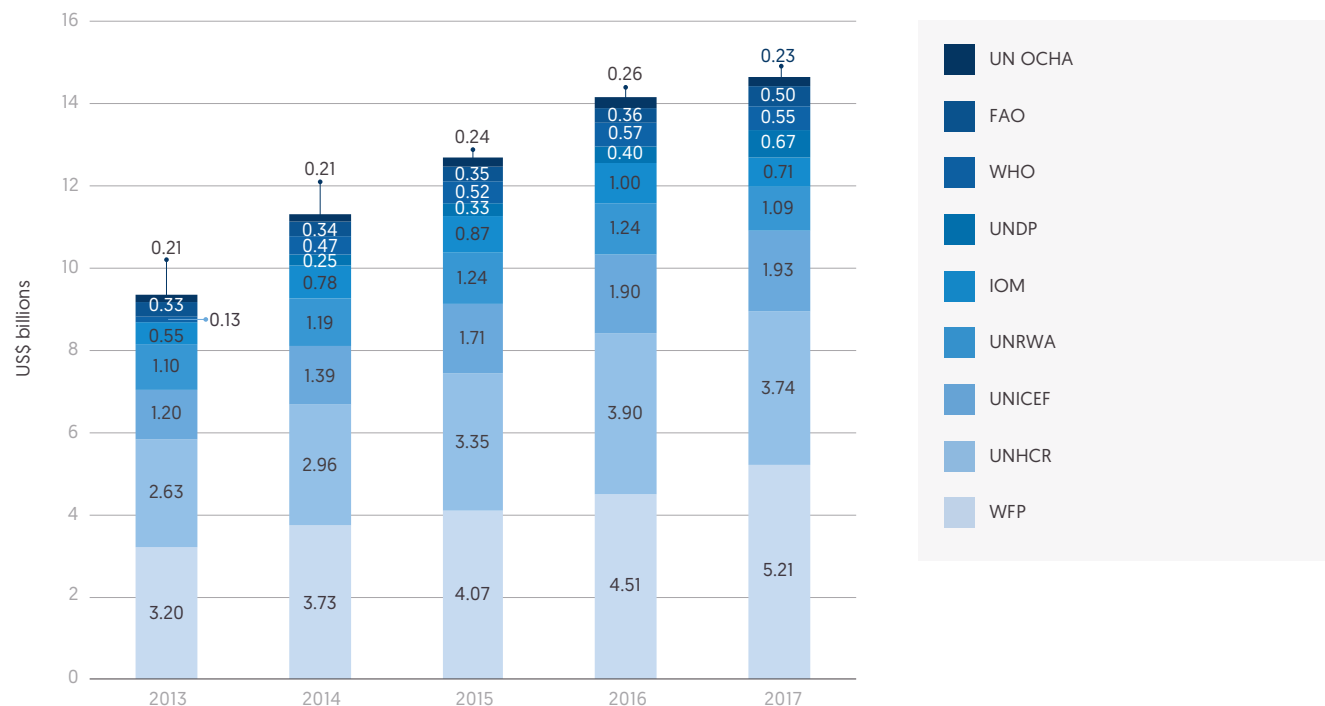
Funding for humanitarian assistance is channelled from donors through a variety of organisations to get to the location of the crisis. It often passes through one or more levels of recipients before reaching people affected by crisis.

- In 2016, multilateral organisations (primarily UN agencies) continued to receive the most government funding (60% or US\$12.3 billion), the same proportion as in 2015.
- 87% of private contributions were directed to NGOs, with 10% going to multilateral organisations, and 3% to the International Red Cross and Red Crescent Movement [RCRC], largely in line with averages over the past five years.
- The volume of direct funding to NGOs decreased for the first time in four years (falling by US\$666 million to US\$9.2 billion in 2016),² largely driven by a 15% fall in private donor contributions.
- Funding to NGOs as a proportion of total international humanitarian assistance decreased from 38% in 2015 to 35% in 2016.

UN agencies

Figure 4.2

Humanitarian-related contributions to nine UN agencies, 2013–2017



UN agencies, including WFP, UNHCR, UN International Children's Emergency Fund [UNICEF], UNRWA, IOM, UNDP, WHO, FAO and UN OCHA, play key roles in humanitarian coordination and response.

- These nine UN agencies directly received US\$14.6 billion in 2017, a 3% increase from 2016.
- This overall slight increase in funding from 2016 masks significant differences in the patterns of funding to individual agencies in 2017.
- Three UN agencies saw large percentage increases in their levels of funding, with allocations to UNDP growing by 68% (US\$273 million), to FAO by 36% (US\$133 million) and to WFP by 16% (US\$704 million).
- Conversely, levels of assistance reduced to IOM [29% decrease, US\$293 million], UN OCHA [11%, US\$30 million]³ and UNRWA [12%, US\$150 million].
- Overall volumes of funding to different agencies also varied markedly, with two bodies accounting for 61% of all funding directed to the nine UN agencies in 2017 – WFP, which received US\$5.2 billion [36% of funding to these UN agencies] and UNHCR, which received US\$3.7 billion [26% of UN funding]. This matched the proportions of funding to these two bodies in 2016.
- The total amount received by these nine UN agencies has increased by 29% since 2014, from US\$11.3 billion to US\$14.6 billion. Excluding UNDP, for which no 2013 data is available, the increase in humanitarian-related contributions to the remaining eight UN agencies was 49%, up from US\$9.4 billion in 2013 to US\$14.0 billion in 2017.

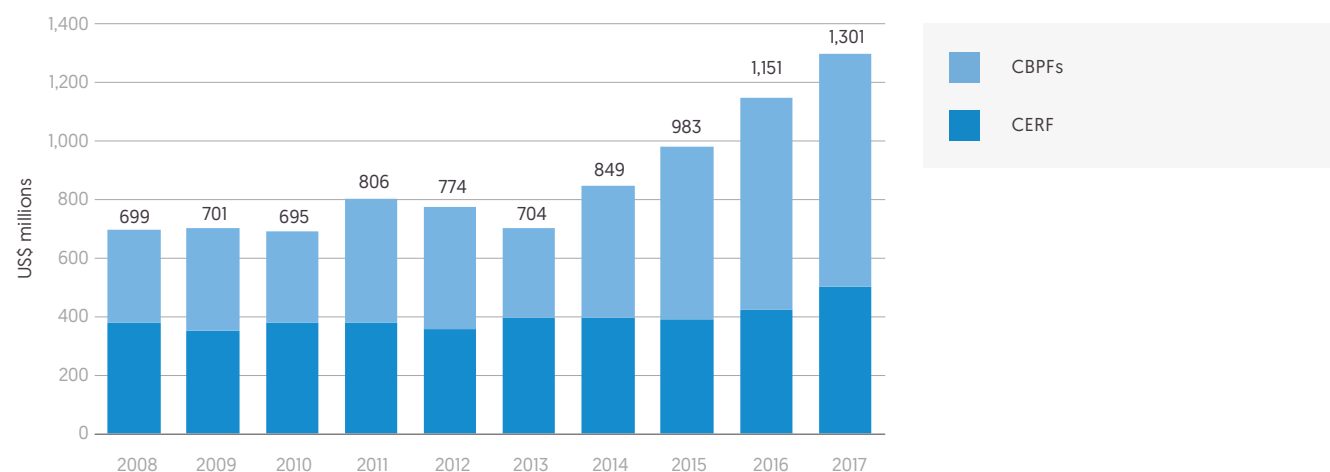
Source: Development Initiatives based on data provided bilaterally by UN agencies.

Notes: The calculations comprise humanitarian and humanitarian-related contributions given to the Food and Agriculture Organization (FAO), International Organization for Migration (IOM), UN Development Programme (UNDP), UN High Commissioner for Refugees (UNHCR), UN International Children's Emergency Fund (UNICEF), UN OCHA, UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), World Food Programme (WFP) and the World Health Organization (WHO). UNDP data is not included for 2013. For all agencies, 2017 data is preliminary and may be revised. The data used in this analysis differs from data used in Figure 4.1. Data is in constant 2016 prices.

Pooled funds

Figure 4.3

Total funding to UN-managed humanitarian pooled funds, 2008–2017



Pooled funds can provide flexible funding that is responsive to changing need and gaps in resourcing. They allow donors to contribute to collective humanitarian responses and can provide rapid assistance as emergencies develop. Such funds – UN – and NGO-led – operate at the global and country levels.

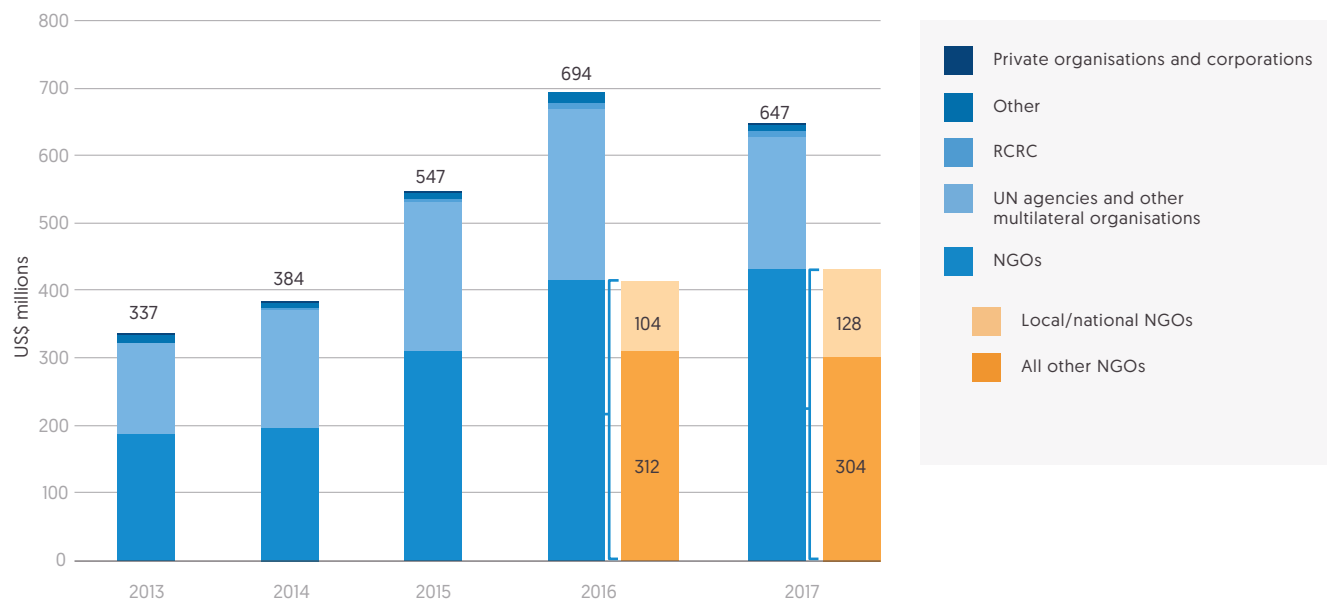
- UN pooled funds continued to attract growing volumes of funding in 2017, reaching a new record, for the fifth consecutive year, of US\$1.3 billion, a 13% increase from 2016.
- Funding for both the CERF and the 18 CBPFs grew in 2017, by 18% and 10%, respectively.
- The 18% growth in contributions to the CERF – up from US\$426 to US\$505 in 2017 – was the highest increase, by volume and proportion, since its creation.
- This growth marks significant progress towards its target of US\$1 billion by 2018, though with much still to do.⁴
- Between 2013 and 2017, five countries provided two-thirds of total contributions to pooled funds: the UK (US\$1.5 billion), Sweden (US\$721 million), Netherlands (US\$553 million), Germany (US\$532 million), and Norway (US\$368 million).
- Significant increases in contributions to the CERF from the UK (rising US\$37 million) and Germany (up US\$24 million), and to CBPFs by Germany (rising US\$130 million), substantially drove the overall growth in allocations to pooled funds.

Source: Development Initiatives based on UN OCHA FTS and UN CERF data.

Notes: CBPFs: country-based pooled funds. Data is in constant 2016 prices.

Figure 4.4

UN-managed humanitarian country-based pooled funding by recipient type, 2013–2017



While the CERF can only make direct allocations to UN agencies, the CBPFs can fund NGOs (both international and national or local) directly.

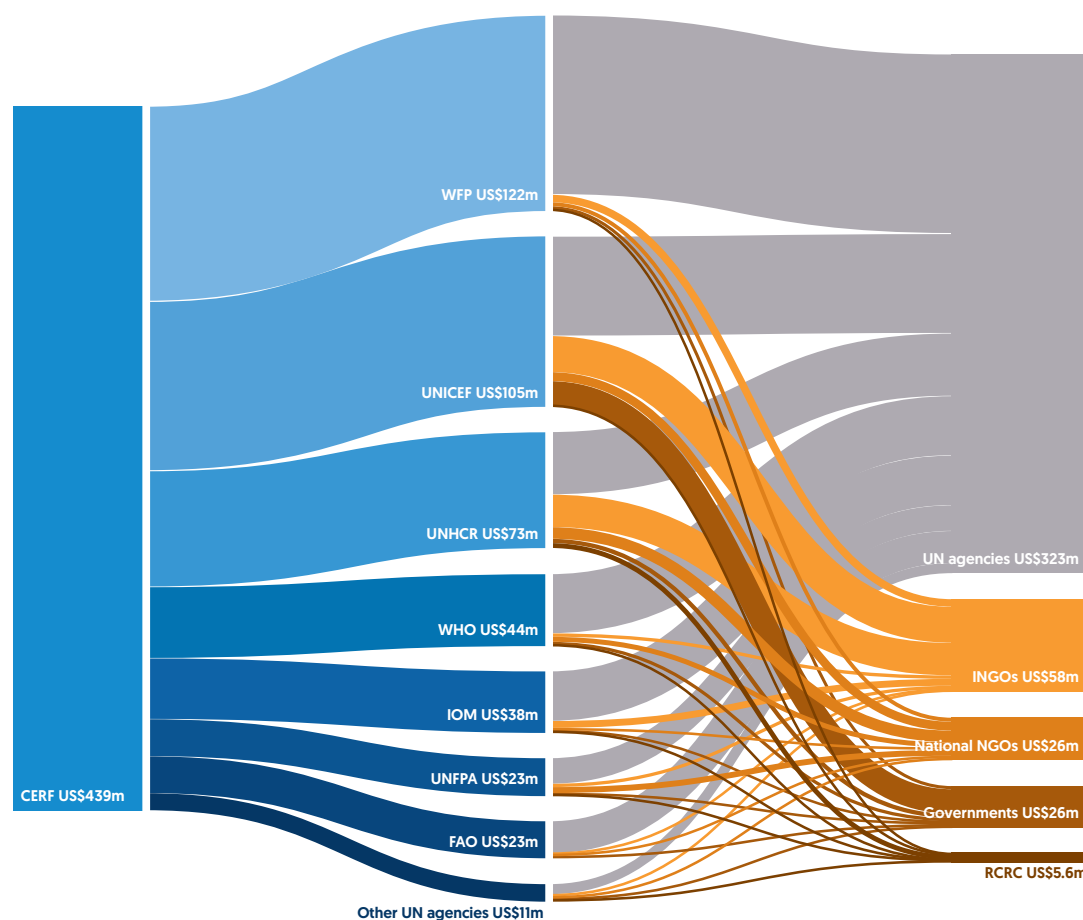
- Allocations from CBPFs to NGOs continued to grow, though the rate of growth is slowing, down from 58% in 2015 and 34% in 2016 to just 4% in 2017.
- The share of total CBPF allocations received by NGOs was 67%, the highest proportion for five years.
- International NGOs (INGOs) received the largest share of CBPF allocations to NGOs, at 67%, with 30% provided to national or local NGOs and 3% to southern INGOs.

Source: Development Initiatives based on UN OCHA FTS data and UN OCHA's Country-based pooled fund (CBPF) Grant Management System (GMS).

Notes: RCRC: International Red Cross and Red Crescent Movement. 'Other' includes: national governments; foundations; unspecified organisations; think tanks, academia and research institutions. Coding of organisations in receipt of funding from Turkey's CBPF in 2016 and 2017 is based on definitions used by CBPF GMS. For DI's organisation coding methodology, see our online *Methodology and definitions*. Data is in constant 2016 prices.

Figure 4.5

First- and second-level recipients of CERF funding, 2016



The CERF only provides funding directly to UN agencies; however, it is possible to trace this funding to first- and second-level recipients. CERF data from 2016 – the year World Humanitarian Summit commitments were made – provides a baseline to monitor future progress, particularly in relation to Grand Bargain localisation commitments to increase “as directly as possible” funding to local and national actors.⁵

- In 2016, almost half of CERF funds (48%) were allocated for procuring relief supplies, with remaining funds split between direct implementation by UN agencies (25%) and sub-grants by UN agencies to implementing partners (26%).
- As second-level recipients, INGOs received 13% of all CERF grants, 6% went to national NGOs and a further 6% to national governments, with Red Cross and Red Crescent receiving 1%.⁶
- In 2016, as in 2015, the largest providers of sub-grants (to governments, INGOs, national NGOs or the RCRC) were UNICEF (US\$44 million) and UNHCR (US\$33 million).

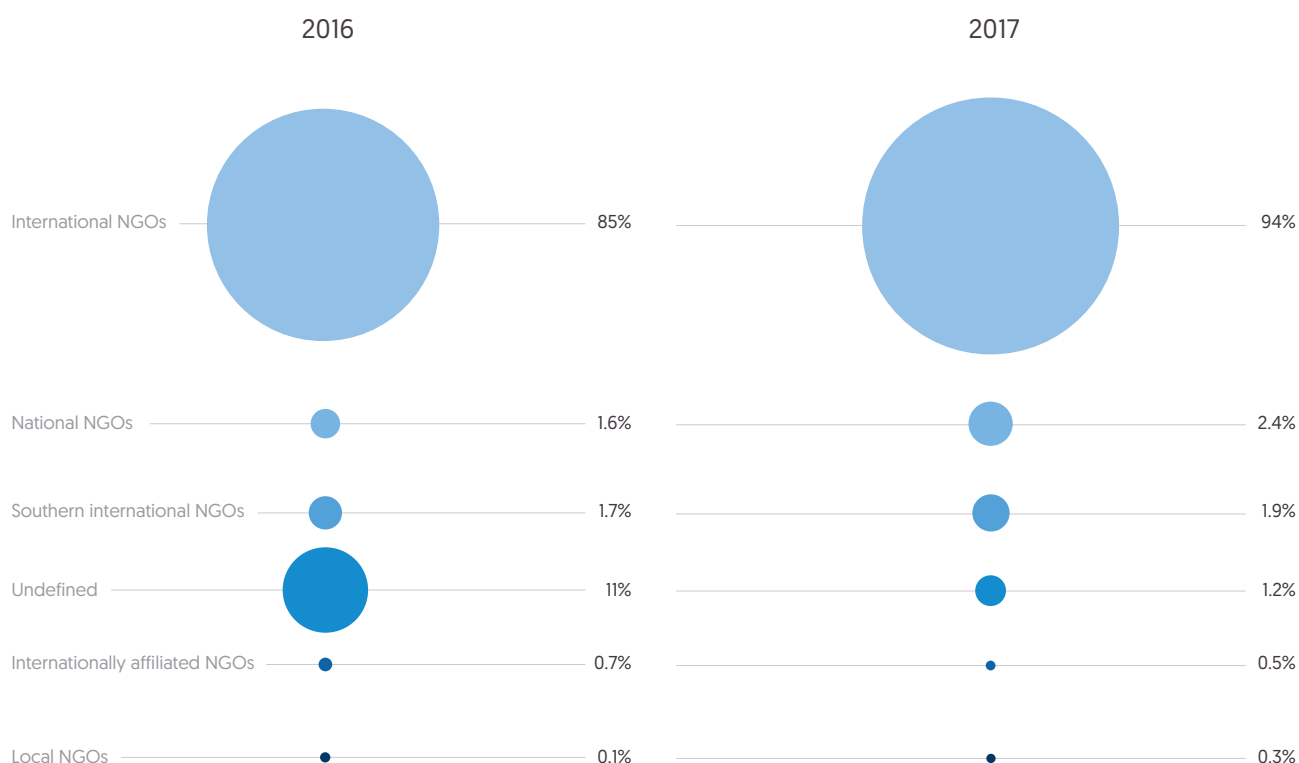
Source: Development Initiatives based on UN CERF data.

Notes: FAO: Food and Agriculture Organization; INGO: international non-governmental organisation; IOM: International Organization for Migration; RCRC: International Red Cross and Red Crescent Movement; UNDP: UN Development Programme; UNHCR: UN High Commissioner for Refugees; UNICEF: UN International Children's Emergency Fund; UNRWA: UN Relief and Works Agency for Palestinian Refugees in the Near East; WFP: World Food Programme; WHO: the World Health Organization. 'Other UN agencies' includes: UNDP, UN Human Settlements Programme (UN Habitat), UN Entity for Gender Equality and the Empowerment of Women (UN Women), UN Office for Project Services (UNOPS) and UN High Commissioner for Human Rights (UNHCR). The UN agencies' own classification of organisations, collated by CERF, is used for this analysis and differs from DI's methodology in Figures 4.6 and 4.7. Data is in current prices.

Funding for local and national responders

Figure 4.6

International humanitarian assistance channelled directly to NGOs, by category, 2016 and 2017



Overall funding to all NGOs combined has decreased from 19% of total funding reported to FTS in 2016, to 15% in 2017. The figure above shows how this funding is distributed between different types of NGOs.

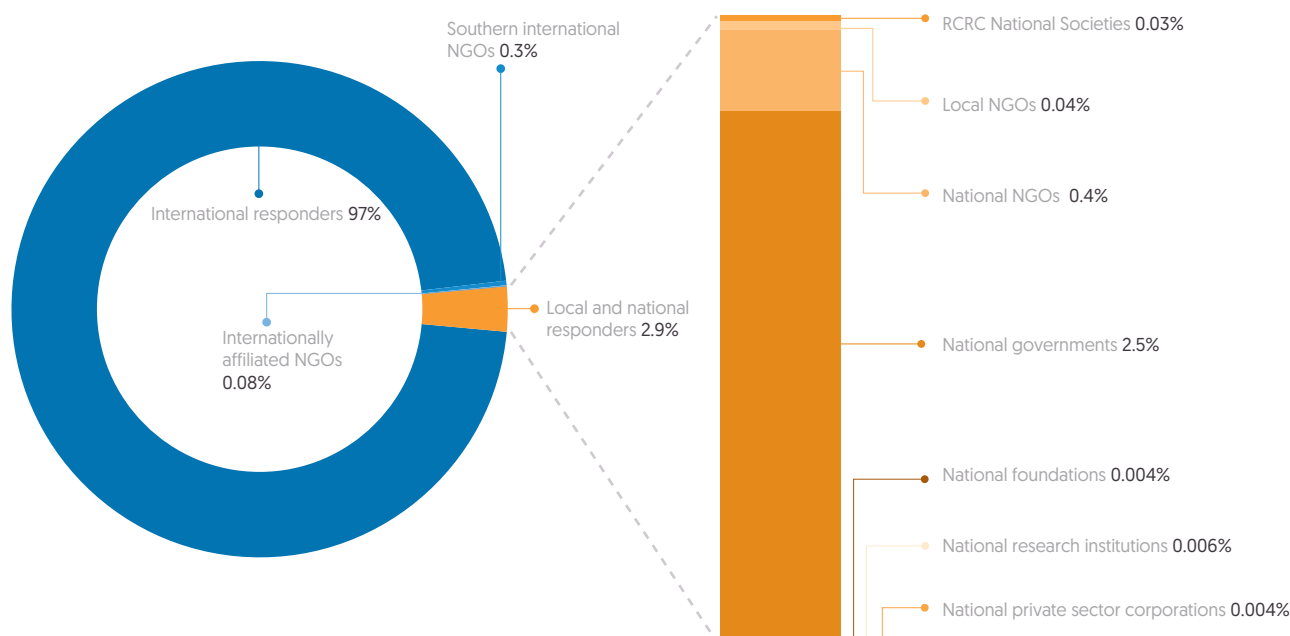
- A greater share of funding was directed to INGOs in 2017 than in 2016, accounting for 94% of all funding to NGOs, rising from 85% in 2016.
- The 10 largest INGO recipients continued to account for just under half [44% in 2017 and 44% in 2016] of all assistance channelled through NGOs on UN OCHA FTS.
- There was an increase in direct funding to national and local NGOs combined, from 1.7% of the total to NGOs to 2.6%.
- The proportional changes seen in 2017 from the previous year could be due to improvements in reporting, illustrated by the sharp decrease, from 11% to 1%, in funding categorised as 'undefined'.

Source: Development Initiatives based on UN OCHA FTS data.

Notes: Figure shows humanitarian assistance to each category of non-governmental organisation (NGO) as a percentage of the total humanitarian assistance channelled through NGOs as reported to FTS only; it does not show funding channelled to categories of NGOs as a percentage of total international humanitarian assistance. Circles are scaled by percentage. For definitions of different NGO types and details of our methodology, see our online [Methodology and definitions](#).

Figure 4.7

Direct funding to local and national responders reporting to UN OCHA FTS, 2017



The Grand Bargain sets “a global, aggregated target of at least 25% of international humanitarian funding to local and national responders as directly as possible” by 2020.⁷

- The share of total international humanitarian assistance provided directly to local and national responders has increased from 2.0% [US\$458 million] in 2016 but remains small at just 2.9% [US\$603 million] in 2017.
- Most direct funding to local and national responders (84%, US\$509 million) continues to be directed to national governments.
- Local and national NGOs combined received 0.4% [US\$85 million] of all international humanitarian assistance reported to UN OCHA FTS in 2017, a rise of 0.1%, or US\$6 million, from 2016.

The outcome of discussions in the Localisation Marker Working Group currently define “as directly as possible funding” as including funding passed through one intermediary – that is, to a second-level recipient:^{8,9}

- Funding provided to local and national responders directly and through one intermediary accounted for 3.6% [US\$736 million] of total international humanitarian assistance reported to FTS in 2017, up from 2.3% [US\$535 million] in 2016.
- In 2017, 2.4% of all funding that can be traced as directed through one intermediary [and up to second-level recipients] went to local and national responders, up from 1.7% in 2016.

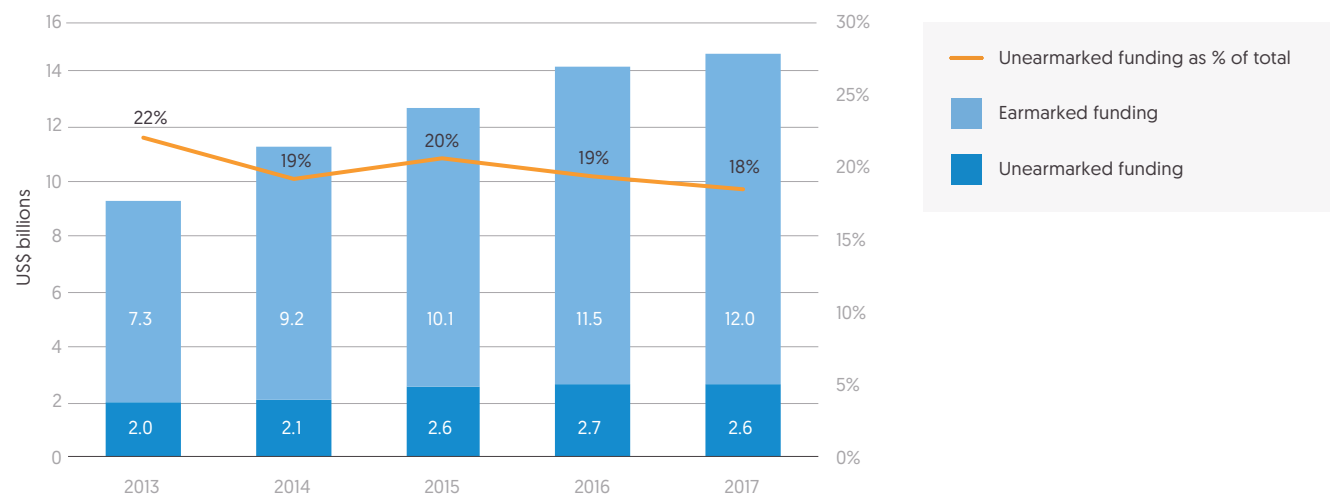
Source: Development Initiatives based on UN OCHA FTS data.

Notes: RCRC: International Red Cross and Red Crescent Movement. Government authorities in Bahamas and Greece are counted as national responders since they received international humanitarian assistance in 2017. RCRC National Societies that received international humanitarian assistance to respond to domestic crises are included. For organisation coding methodology, see our online [Methodology and definitions](#).

Earmarking

Figure 4.8

Earmarked and unearmarked international humanitarian assistance and humanitarian-related contributions to nine UN agencies, 2013–2017



The potential benefits of unearmarked humanitarian-related funding in enabling rapid, flexible response to humanitarian needs, and allowing for greater stability and efficiency in programme planning, procurement and management, are recognised in the Grand Bargain. This seeks to “achieve a global target of 30% of humanitarian contributions that is non-earmarked or softly earmarked by 2020”.¹⁰

- Self-reported data from nine UN agencies indicated that increases in the volumes of unearmarked funding received have been outweighed by greater rises in volumes of earmarked funding.
- Between 2013 and 2017, unearmarked funding to these agencies increased by US\$605 million (30%). However, the US\$4.7 billion growth in earmarked funding meant the unearmarked share of their total funding fell from 22% to 18% over the period.
- Increases in volumes of earmarked funding to three agencies – WFP, UNHCR and UNICEF, rising by US\$2 billion, US\$735 million and US\$700 million, respectively – accounted for three-quarters (74%) of the total rise in earmarked funding between 2013 and 2017.
- The proportion of each agency’s funding that was unearmarked varied markedly. UNWRA and UN OCHA received the highest proportions in unearmarked funding in 2017 and were the only two agencies to see significant increases in the proportions of unearmarked income from 2016 – rising, respectively, from 60% to 67%, and 39% to 55%. In contrast, FAO received 1% of its income unearmarked, while IOM reported that all its funding was earmarked in 2017.

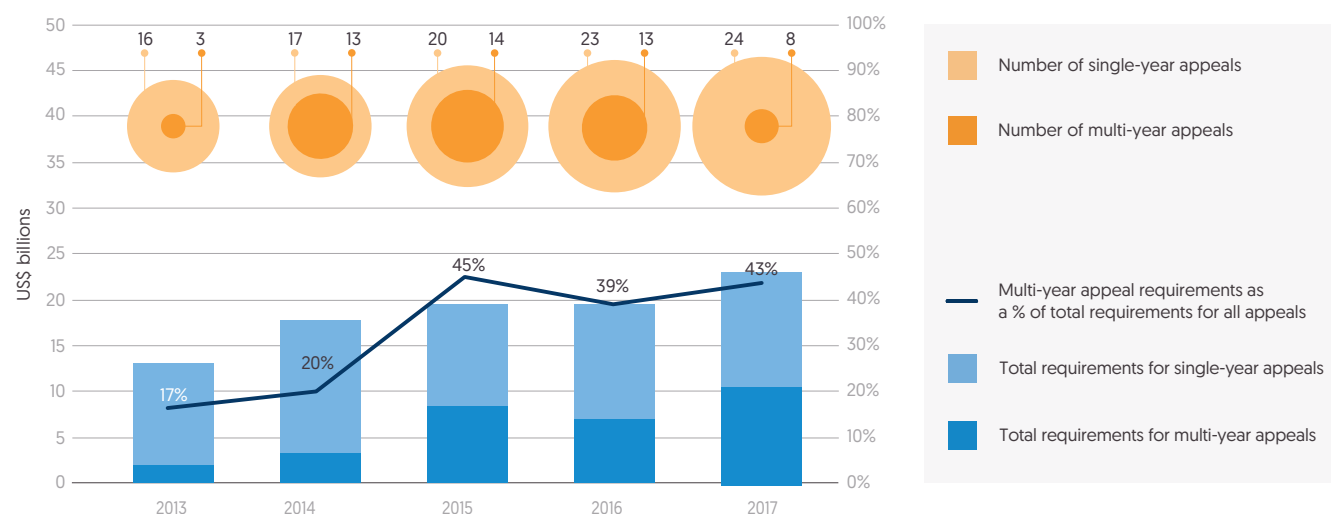
Source: Development Initiatives based on data provided bilaterally by UN agencies.

Notes: The calculations comprise earmarked and unearmarked humanitarian and humanitarian-related contributions given to the Food and Agriculture Organization (FAO), International Organization for Migration (IOM), UN Development Programme (UNDP), UN High Commissioner for Refugees (UNHCR), UN International Children’s Emergency Fund (UNICEF), UN OCHA, UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), World Food Programme (WFP) and the World Health Organization (WHO). 2017 data for all agencies is preliminary and may be revised. The data used in this analysis differs from data used in Figure 4.1. Data for WHO in 2013 is captured as entirely earmarked since a breakdown of earmarked and unearmarked funding is not available for those years. UNDP data is not included for 2013. Data is in constant 2016 prices.

Single-year and multi-year appeals

Figure 4.9

Number and requirements of single- and multi-year appeals, 2013–2017



The Grand Bargain included a commitment to increase collaborative multi-year planning and funding. While the data on multi-year funding is not currently available, a review of UN-coordinated appeals provides a window on multi-year planning.

- Between 2013 and 2015, the number of multi-year appeals grew from three to 14 and their share of total UN appeal requirements increased from 17% to 45%.
- However, 2017 saw a reduction in the number of multi-year appeals, decreasing from 14 to eight.¹¹
- Multi-year appeal requirements have increased to US\$10.2 billion in 2017, the highest recorded value, accounting for 43% of total appeal requirements.
- In 2017, the Syria Regional Refugee and Resilience Plan (3RP) accounted for 55% of total multi-year requirements, with requirements increasing by US\$1 billion from 2016.

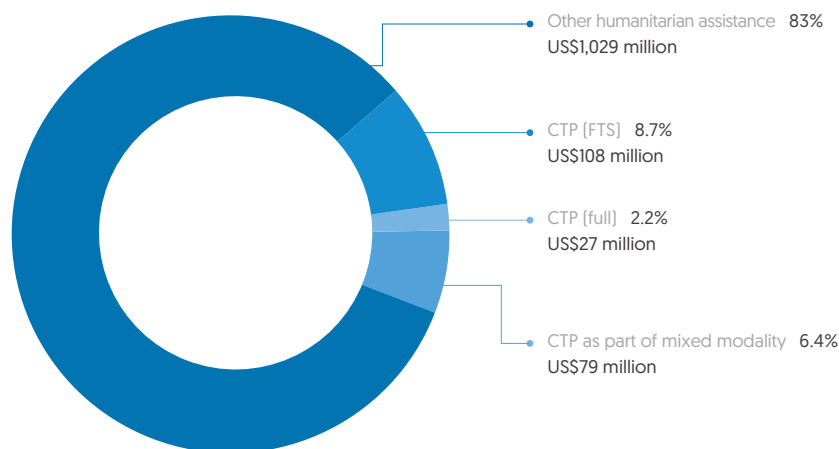
Sources: UN OCHA FTS and appeal documents.

Notes: Data is in current prices.

Cash

Figure 4.10

Cash-transfer programming in Somalia as reported to FTS, 2017



Cash-transfer programming (CTP) can empower recipients of humanitarian assistance to choose how to best meet their needs. Cash transfers can be standalone or an element of other programmes; they can range from unconditional cash to vouchers for particular goods or vendors. Yet accurately tracking cash transfers is challenging.

- An estimated US\$2.8 billion of humanitarian assistance in 2016 was provided in the form of cash and vouchers,¹² a 40% increase from the 2015 estimate (US\$2.0 billion).
- Developments in 2017 to UN OCHA FTS indicate an improving ability to track levels of CTP from 2016 and greater granularity on CTP data is expected in 2018.
- Reporting currently varies considerably by country. In 2017, of countries in receipt of larger amounts of humanitarian assistance as reported to FTS, Ethiopia and Nigeria report 6% and 7% CTP respectively, whereas of those receiving smaller amounts of international humanitarian assistance, Zimbabwe, Dominica and Haiti report 29%, 13% and 11% as CTP.¹³
- Up to 17% of total international humanitarian assistance to Somalia, as reported to FTS, can be identified as containing an element of CTP – identified through reporting of funding modality (cash or traditional aid), project descriptions and keyword search. This share splits into 11% that seems wholly or mostly cash-based and 6% that includes cash among other modalities.

Source: Development Initiatives based on UN OCHA FTS data.

Notes: CTP: Cash-transfer programming. 'CTP (FTS)' captures all 2017 flows to Somalia with CTP reported as funding modality to UN OCHA FTS. The other two CTP categories shown in the graph are additional flows identified through a word search and flow-by-flow sense checks. Data is in current prices.

Transparency

Grand Bargain signatories committed to greater transparency and to publish “timely, transparent, harmonised and open high-quality data”¹⁴ to improve the efficiency and effectiveness of humanitarian response, as well as to enable greater accountability. And progress is being made. At the end of 2017 there were 56 Grand Bargain signatories.

- The International Aid Transparency Initiative (IATI) Standard is a technical publishing framework allowing data to be compared across those agencies publishing and across time.
- At the end of 2017, just under three-quarters (73%) of Grand Bargain signatories (or their members or affiliates) were publishing open data to the IATI Standard; of these, 85% were publishing data on their humanitarian activities. Meanwhile, 9% of Grand Bargain signatories were providing more granular humanitarian data, such as information on humanitarian response plans or clusters.¹⁵
- An updated version of IATI Standard (2.03) was developed in 2017, for launch in early 2018, and will enable organisations to publish data on specific Grand Bargain commitments, such as earmarking, CTP and if funding is channelled via local and national responders.
- The UN OCHA FTS and IATI teams are working with the Centre for Humanitarian Data to pilot “the automated use of published IATI data as a primary data source for FTS”. This aims to reduce the reporting burden for participating organisations and enable faster data processing and analysis by FTS.¹⁶
- Developments in the FTS have been made to identify intermediaries in the financing chain and report on funding modalities (such as CTP) as well as on multi-year allocations.

chapter 4

1. See www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/71/127
2. This figure is higher than that shown in Figure 4.6, which only uses FTS data in order to allow for granular analysis.
3. In 2017, UN OCHA had a decrease of US\$30 million in extra-budgetary requirements.
4. The UN Secretary-General, subsequently endorsed by the UN General Assembly, called for the level of the CERF to increase to US\$1 billion by 2018. See *UN General Assembly Resolution, A/RES/71/127*. Available at: <https://undocs.org/A/RES/71/127>. See also UN CERF, 2017. *Making the case for an investment in the Central Emergency Response Fund*. Available at: www.unocha.org/cerf/sites/default/files/CERF/CERF_BriefingNote_20171108.pdf
5. Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: www.agendaforhumanity.org/initiatives/3861
6. Sub-grants of CERF funding were received by 589 implementing partners, of which 464 went to CERFs national and local partners.
7. Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: www.agendaforhumanity.org/initiatives/3861
8. IASC Humanitarian Financing Task Team, 2018. *Localisation Marker Working Group: Definitions Paper*, Available at: https://interagencystandingcommittee.org/system/files/hfft_localisation_marker_definitions_paper_24_january_2018.pdf. The definitions paper currently defines ‘as directly as possible’ funding as that passed through “a single international aid organisation” but notes that further research and discussion is planned to consider whether other intermediaries should be considered for inclusion.
9. In this analysis, ‘second-level recipients’ refers to all organisations that receive pass-on funding from first-level recipients. The latter are categorised by FTS.
10. Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: www.agendaforhumanity.org/initiatives/3861
11. Nine of the national multi-year response plans active in 2016 were part of the Sahel humanitarian response plan, which lasted from 2014 to 2016, and had regional indicators/targets for each cluster. When this regional appeal ended, only two countries [Cameroon and Chad] carried on with multi-year planning, while the others either did not have a HRP in 2017 [Gambia] or went back to single-year design [Burkina-Faso, Mali, Mauritania, Niger, Nigeria].

12. This figure is from *The State of the World's Cash Report*, published in February 2018 by the Cash Learning Partnership and Accenture Development Partnerships. Available at: www.cashlearning.org/downloads/calp-sowc-report-web.pdf. Its methodology builds on research by Development Initiatives in 2016 for the Overseas Development Institute (ODI): Development Initiatives and ODI [Spencer, A, Parrish, C, Lattimer, C], 2016. *Counting cash: Tracking humanitarian expenditure on cash-based programming*. Available at: www.odi.org/publications/10716-counting-cash-tracking-humanitarian-expenditure-cash-based-programming
13. These percentages describe the percentage of flows on FTS with the modality cash-transfer programming out of the total international humanitarian assistance the respective countries reported to FTS in 2017.
14. Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: www.agendaforhumanity.org/initiatives/3861
15. Based on data collected for Development Initiatives 2018 *Supporting Grand Bargain signatories in meeting the commitments to greater transparency: Progress report 1*. Available at <http://devinit.org/post/grand-bargain-progress-report-1/>
16. Development Initiatives 2018. *Supporting Grand Bargain signatories in meeting the commitments to greater transparency: Progress report 1*. Available at <http://devinit.org/post/grand-bargain-progress-report-1/>