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| Global Humanitarian  
Assistance



# global humanitarian assistance report 2017

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report 2017**

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## Sudan

2016

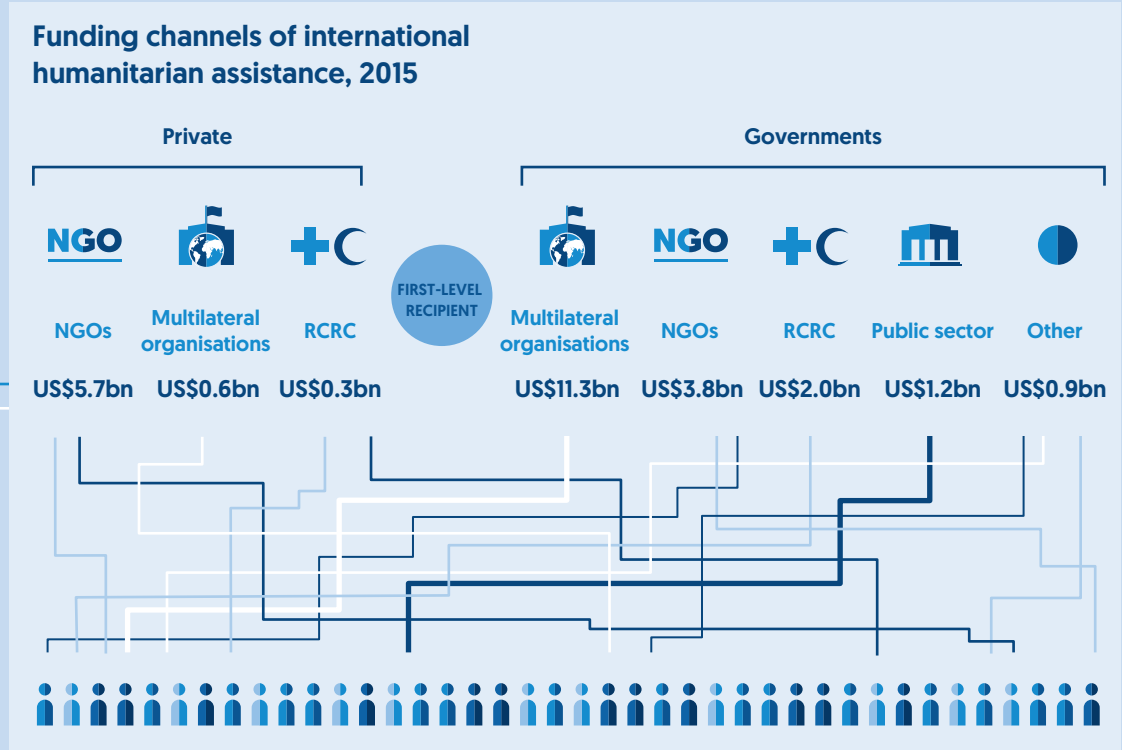
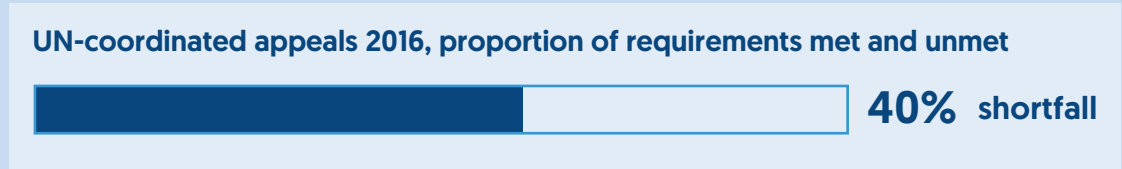
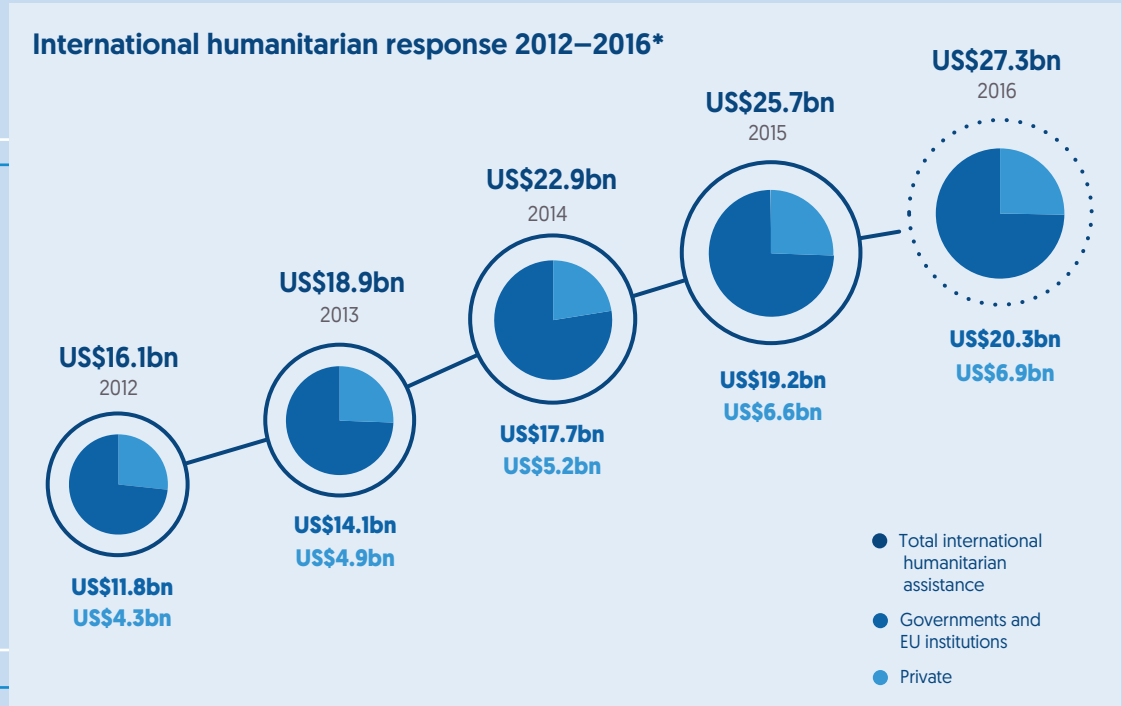
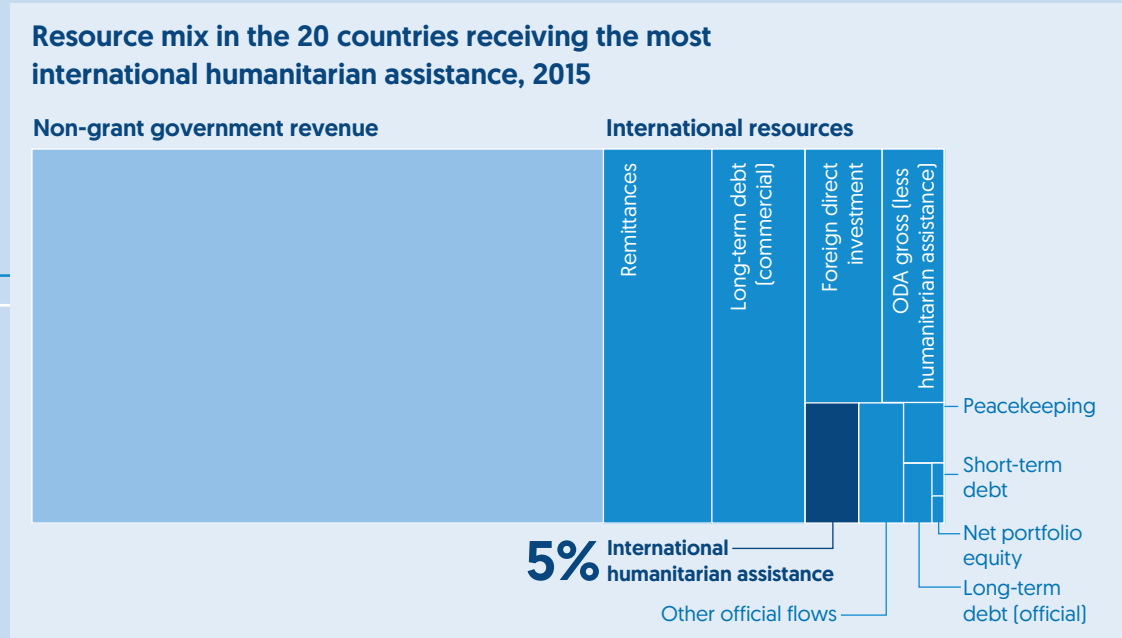
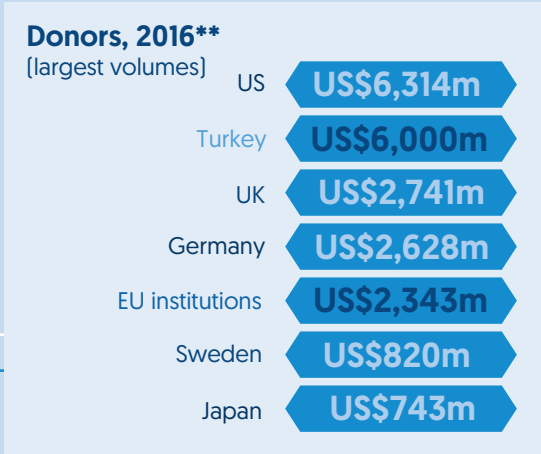
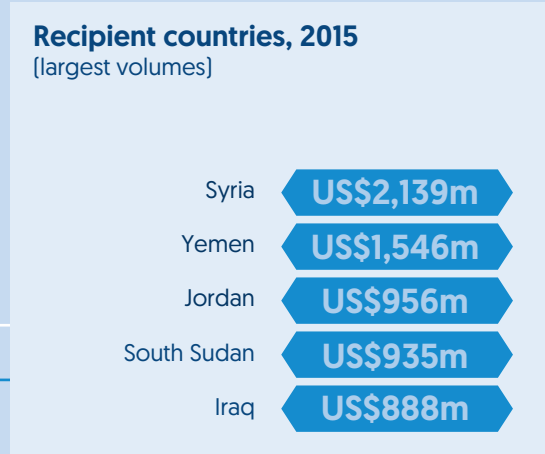
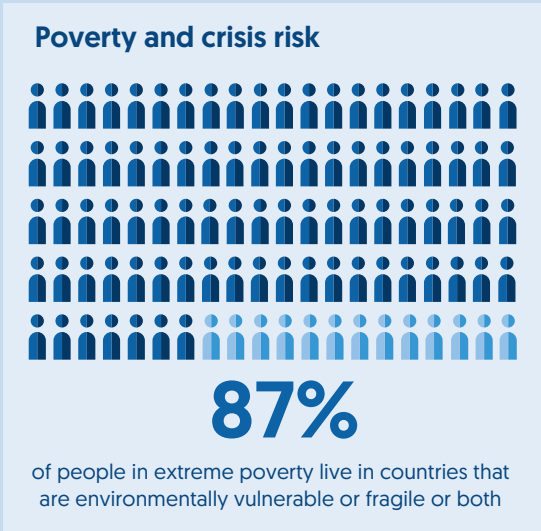
Women from internally displaced and host communities in Sudan develop new livelihoods approaches, such as how to make and sell cheese.

Credit: © UNDP South Sudan



# executive summary

# humanitarian assistance in numbers



For sources and full notes see Figures 1.8, 2.1, 2.2, 2.6, 3.1, 4.1 and 5.1.  
Notes: \*Data consists only of humanitarian assistance directed internationally by donors. \*\*Contributions of EU member states include an imputed amount of the EU institutions' expenditure. EU institutions are also included separately for comparison and are shaded differently to distinguish from government donors.

Turkey is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely comprised of expenditure on hosting Syrian refugees within Turkey so is not strictly comparable with the international humanitarian assistance totals from other donors in this figure. Data for 2016 is preliminary.



## executive summary

Ongoing and new crises left an estimated 164.2 million people in 47 countries in need of international humanitarian assistance in 2016. Over a quarter of people in need were in just three countries – Yemen, Syria and Iraq. Most countries requiring international assistance were affected by multiple crisis types – with many conflict-affected countries also hosting refugees and experiencing disasters associated with natural hazards. The number of people forced into displacement by conflict or violence reached 65.6 million by the end of 2016, the highest recorded total to date. Nearly two-thirds of these people were internally displaced.

Poverty, vulnerability and crisis are clearly linked. At the latest count, an estimated 87% of those living in extreme poverty – at least 661 million people – were in countries affected by fragility, environmental vulnerability or both. Yet the real number, including people in vulnerable countries where poverty data is missing, is likely to be much higher. While global levels of extreme poverty fell, the proportion of extremely poor people in high-risk settings increased since the previous count, prompting fresh commitments for joined-up humanitarian, development and peacebuilding approaches.

In response to complex needs, a varied landscape of financing mechanisms is emerging. Domestic revenues are critical for preventing, responding to and rebuilding after crises, as are other international resources beyond humanitarian and development assistance. Funding instruments and investments – from contingency financing to concessional loans – offer potential as part of a comprehensive approach to reduce the risks and impacts of crises and achieve the Sustainable Development Goals, but are not fully active nor appropriate everywhere.

While small in volume compared with other resource flows, international humanitarian assistance fulfils a specific and vital function for people affected by crises. In 2016, the estimated global total increased for the fourth year running, reaching a new high of US\$27.3 billion. However, the 6% rise from 2015 was significantly lower than increases in recent years, indicating a slowdown in the pace of growth.

The amount of funding going to UN-coordinated appeals rose by 12% in 2016, still leaving a 40% global shortfall. This was felt unevenly across the 43 appeals, with a 95-percentage-point gap between funding levels to the best- and worst-funded appeals.

Most international humanitarian assistance continues to come from a small number of donors. Five government donors together contributed almost two-thirds (65%) of the total in 2016, and one donor (the United States) provided almost a third (31%). While combined contributions from European donors rose by 25%, those from donors in the Middle East and North of Sahara fell by 24%.

As funding from some government donors slowed and shortfalls persisted, the potential of private sources of funding continued to draw attention. However, funding from private donors – individuals, trusts and foundations, and companies – only increased by an estimated 6% in 2016, following a 26% rise in the previous year.

Multilateral development banks are increasingly prominent providers of crisis-related financing. Funding which falls under the humanitarian assistance category<sup>1</sup> is just one of their many wider investments spanning risk reduction to reconstruction, but this alone increased by 65% in 2015 – reaching US\$994 million – and may be set to increase again after recent commitments.



International humanitarian assistance went to 145 countries in 2015 according to data from the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) and UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), though, consistent with previous years, much of it (nearly 60%) went to just 10 countries. For the fourth year running Syria was the single largest recipient in 2015 – receiving 12.5% of country-allocable assistance. UN OCHA FTS data for 2016 shows that more than half (54%) of all crisis-specific humanitarian assistance was concentrated to five crises – Syria, Yemen, Iraq, South Sudan and Ethiopia, all severe crises with some of the largest populations in need.

An estimated 88% of official humanitarian assistance went to medium- or long-term recipients in 2015. Moreover, of the 20 largest recipients of international humanitarian assistance in 2015, 18 were medium- or long-term recipients facing recurrent or protracted crises. The importance of timely and predictable funding for saving lives, livelihoods and costs is widely accepted. Still there is not yet significant evidence of a major shift towards multi-year humanitarian financing; nor, despite some good practice, is there systematic provision of early financing to mitigate the most severe impacts of recurrent and predictable disasters.

Flexibility of financing is key to improving the effectiveness of humanitarian assistance – a central objective of the Grand Bargain process following the World Humanitarian Summit. Funding channelled through UN-managed pooled funds almost doubled over the past decade, reaching US\$1.2 billion in 2016. Meanwhile the proportion of unearmarked funding to UN agencies has decreased since 2011, accounting for around 14% of the total amount received by eight UN organisations in 2016. Investments in cash-based programming – providing greater choice for recipients and generating potential efficiency gains – amounted to approximately US\$2.0 billion in 2015.

How funding is channelled to people affected by crises matters and better traceability can support improvements in the way it gets there. Almost half (46%) of international humanitarian assistance in 2015 was directed to multilateral organisations in the first instance. Despite commitments to reinforce local and national capacities, data reported to FTS shows that only 2% of international humanitarian assistance in 2016 went directly to local and national responders, and national and local non-governmental organisations (NGOs) received just 0.3% directly. Ongoing efforts aim to ascertain the volume of funds that they accessed indirectly as recipients of funding from international organisations.

Underpinning all commitments to improve crisis financing is the call for increased transparency and better data. Grand Bargain signatories have committed to publish quality data on humanitarian funding, using the International Aid Transparency Initiative (IATI) as the basis for a common standard. Beyond this, other initiatives on data sharing, data literacy and joined-up data have the potential to improve our understanding of who is in need where, and what resources can be best targeted to support them.



## Greece

2016

People displaced from Syria, Iraq and Afghanistan arrive at Idomeni on the Greece–Macedonia border.

Credit: © Natalia Tsoukala/  
Caritas International, January 2016



# foreword



# what's new?

Welcome to the *Global Humanitarian Assistance Report 2017*

In 2016, major conflicts such as in Yemen, Syria, Iraq and South Sudan continued and even escalated, leaving tens of millions of people displaced and in urgent need of humanitarian assistance. Meanwhile the effects of the El Niño and La Niña weather phenomena hit many others. People also continued to suffer due to less high-profile emergencies in countries such as Myanmar, Colombia and Mali.

Yet this year and last have also generated new momentum for change. One year on from the World Humanitarian Summit, the energy that brought people together around the UN Secretary-General's Agenda for Humanity is still palpable.<sup>1</sup> Multiple processes – including the Grand Bargain,<sup>2</sup> the UN Summit for Refugees and Migrants,<sup>3</sup> World Bank meetings and discussions around the 'New Way of Working'<sup>4</sup> – have catalysed efforts to define, implement and measure new ways to address and prevent crises.

This year's Global Humanitarian Assistance (GHA) report should be read against this backdrop. Development Initiatives has been producing the GHA report as a global resource for policymakers and practitioners every year since 2000. While much has changed during this time, the demand for independent and objective analysis on poverty, crises and relevant financial resources remains as strong as ever.

The *GHA Report 2017* provides a comprehensive overview of humanitarian-related funding. In addition to our annual analysis, this year's report introduces new topics to support the reform of financing for crises. For example, our analysis on the links between poverty and crisis, risks and resources contributes to efforts to bridge the humanitarian–development divide and ultimately achieve the Sustainable Development Goals. Similarly, our independent analysis across several of the Grand Bargain commitment areas – such as transparency, localisation, earmarking, cash and multi-year funding – supports official processes established to monitor progress and sustain momentum.

In bringing this evidence base together, the report also reveals some major data gaps. These include the availability of good quality data on the poorest and most crisis-vulnerable people; a transparent overview of all relevant resources going to people affected by crises, including domestic expenditure; and critically, an understanding of how funding reaches people in need. Filling these data gaps would facilitate better identification of those most in need, and ensure that they have access to the right resources at the right time and in the right way.

It is clear that much more work is needed to build a transparent and comprehensive evidence base to inform the best possible responses. The *GHA Report 2017* is one important part of that collective effort. As ever, we welcome your feedback so we can continue to provide better data and analysis on crisis-affected people, and the resources that can protect, assist and support them.

Thank you for your interest.

Harpinder Collacott, Executive Director

# chapter 1

## people

### poverty, risk and crisis

In 2016, as conflicts including in Yemen, South Sudan and Syria escalated and the El Niño and La Niña weather phenomena affected countries across the world, over 164 million people living in 47 countries were estimated to be in need of humanitarian assistance. Over a quarter (27%) of these people were in just three countries – Yemen, Syria and Iraq. Most countries with humanitarian need experienced complex emergencies – a combination of disaster, conflict and refugee flows.

Across the world, there were an estimated 65.6 million displaced people in 2016. Rising numbers of refugees drove up the total to record levels, but nearly two-thirds of displaced people remained within their own countries. In the same year, estimates suggest at least 377 million people were affected by disasters caused by natural hazards but the true figures may be significantly higher.

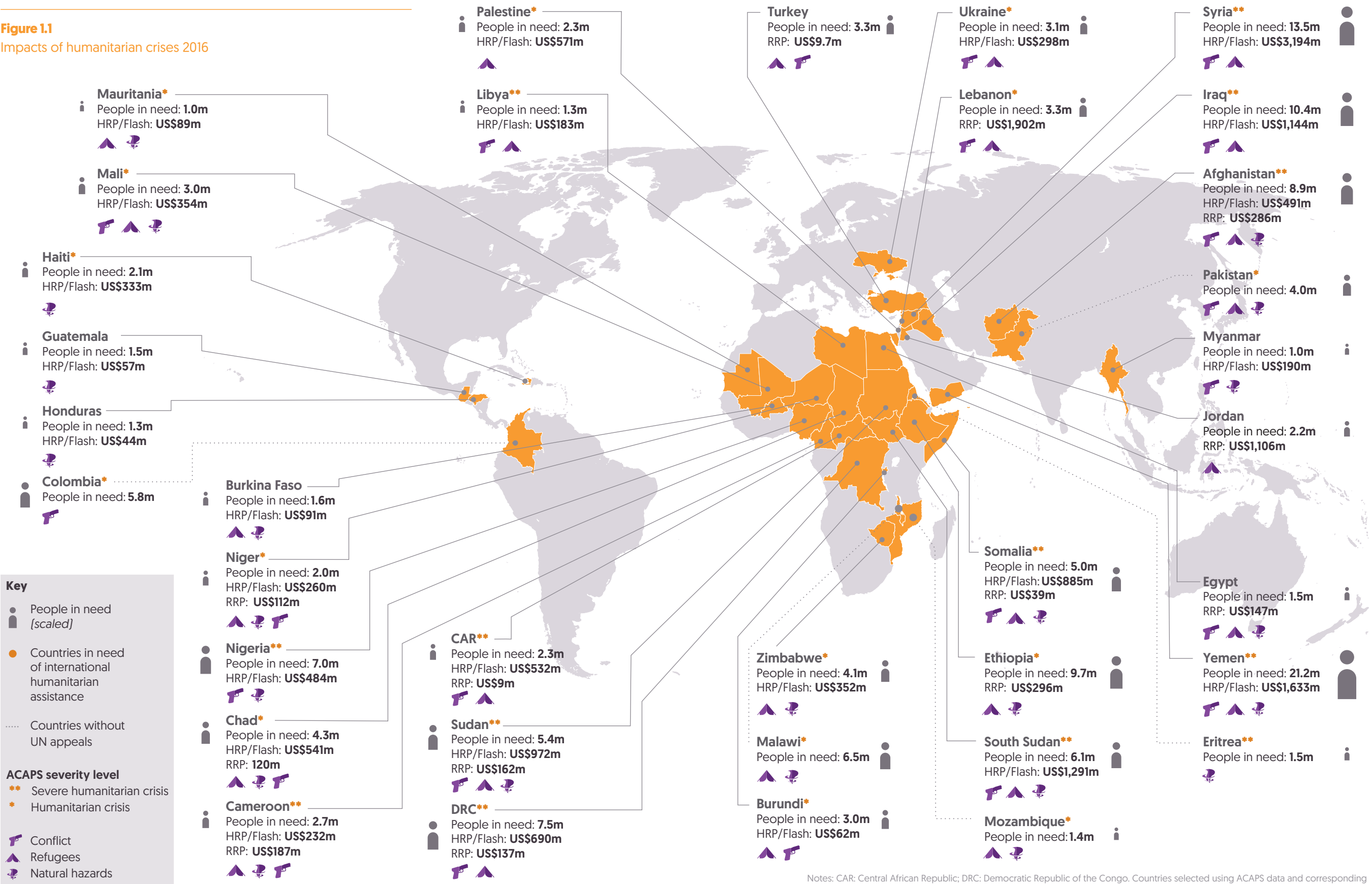
Poverty, crisis and risk are intimately linked and mutually reinforcing. Most of the poorest people in the world are living in contexts where disasters and conflict-related crises are more likely. An estimated 87% of people living in extreme poverty are in countries that are considered fragile, environmentally vulnerable or both.

These countries are also lagging behind in other dimensions of poverty, such as those reflected in the Human Development Index. Low income fragile countries, including in a number of crisis-affected contexts such as South Sudan, have fallen even further behind in recent years. In many high-risk settings, true levels of poverty are simply unknown – an estimated 397 million people are missing from global figures, including those in 10 high-risk disaster or conflict-affected countries. National figures may also miss pockets of subnational crisis.

The World Humanitarian Summit called for a shift from 'delivering aid to ending need' in order to bridge humanitarian and development approaches and simultaneously address poverty, risk and crisis. This joined-up 'New Way of Working' demands more comprehensive, current data from local, national and international agencies to understand the changing situations and needs of affected populations – as well as the resources available to address them.

Impacts of humanitarian crises

Figure 1.1  
Impacts of humanitarian crises 2016



Source: Development Initiatives based on ACAPS, Food and Agriculture Organization, UN OCHA, UN High Commissioner for Refugees (UNHCR), UN Relief and Works Agency for Palestine Refugees in the Near East, Centre for Research on the Epidemiology of Disasters, and INFORM Index for Risk Management data.

Notes: CAR: Central African Republic; DRC: Democratic Republic of the Congo. Countries selected using ACAPS data and corresponding estimates of people in need. Other countries with UN appeal requirements in 2016 are also included, with their estimates of people in need. Countries with fewer than one million people in need are not shown. Country requirements under the Sahel appeal have been counted as humanitarian response plans, so are not included as regional appeal requirements. For Iraq, both Iraqi population in need in-country as identified by ACAPS and population in need from the Syria 3RP document have been included. For further information on coding crisis types see *Methodology and Definitions*. Data is in current prices.

In 2016, a number of crises hit multiple countries. Conflicts – including in Yemen, Syria, Iraq and South Sudan – caused large-scale suffering within their borders as well as regional refugee crises. The El Niño and La Niña phenomena caused floods, droughts and landslides that hit communities as far apart as El Salvador and Malawi.

In 2016, an estimated 164.2 million people living in 47 countries were in need of international humanitarian assistance, according to data compiled from UN-coordinated response plans and from ACAPS<sup>1</sup> [see Figure 1.1]. However, there is no single agreed definition for ‘people in need’, so there is variation between crises as to who is counted and how.

Over a quarter (27%) of the estimated total were in just three countries – Yemen (21.2 million people), Syria (13.5 million) and Iraq (10.4 million) – the same three crises that received some of the largest amounts of international humanitarian assistance in 2016<sup>2</sup> [see Chapter 4]. Close to half (47%) of people in need were in a total of seven countries (Yemen, Syria, Iraq, Ethiopia, Afghanistan, Nigeria and Malawi). The group of countries worst hit by the El Niño phenomenon saw an estimated 38.2 million people in need.<sup>3</sup> Meanwhile those affected by the Syria conflict, including those who fled to neighbouring countries and some of their host communities, amounted to around 24.2 million within Syria and the immediate region alone.<sup>4</sup>

These global estimates include people identified in the humanitarian needs overviews for the UN-coordinated appeals, as well as in countries where such appeals were not raised.<sup>5</sup> In 2015, UN-coordinated appeals identified 124.7 million people in need of assistance globally.<sup>6</sup> By the end of 2016, this had risen to 128.6 million.<sup>7</sup>

Most countries requiring international humanitarian assistance were affected by multiple crisis types – with many conflict-affected countries also hosting refugees and simultaneously experiencing disasters associated with natural hazards. Conflict and conflict-related displacement were the common drivers of need. Only nine of the 53 countries identified in our analysis as requiring international assistance experienced disasters alone,<sup>8</sup> and all except one of these were states experiencing extreme fragility<sup>9</sup> [see also Figure 1.8].

The principles of humanity and impartiality demand that assistance is needs based, but agreeing how many people are in what kind of need is challenging – especially in complex, hard to reach and rapidly changing situations, and with multiple responders each assessing different kinds of need. Though needs assessment methods, tools and technologies have evolved, the Grand Bargain called for further progress to ensure “impartial, unbiased, comprehensive, context specific, timely and up-to-date” needs assessments that provide a “sound evidence base” for response.<sup>10</sup>

Donors and implementing organisations also need to objectively assess the relative severity of crises to inform decisions on prioritisation and scale of response. A group of experts is developing a severity methodology, and the composite measure developed by ACAPS<sup>11</sup> [shown in Figure 1.1] is feeding into the process. According to this measure, only five of those countries ranked as most severe were among the largest 10 recipients of humanitarian assistance in 2016.<sup>12</sup>

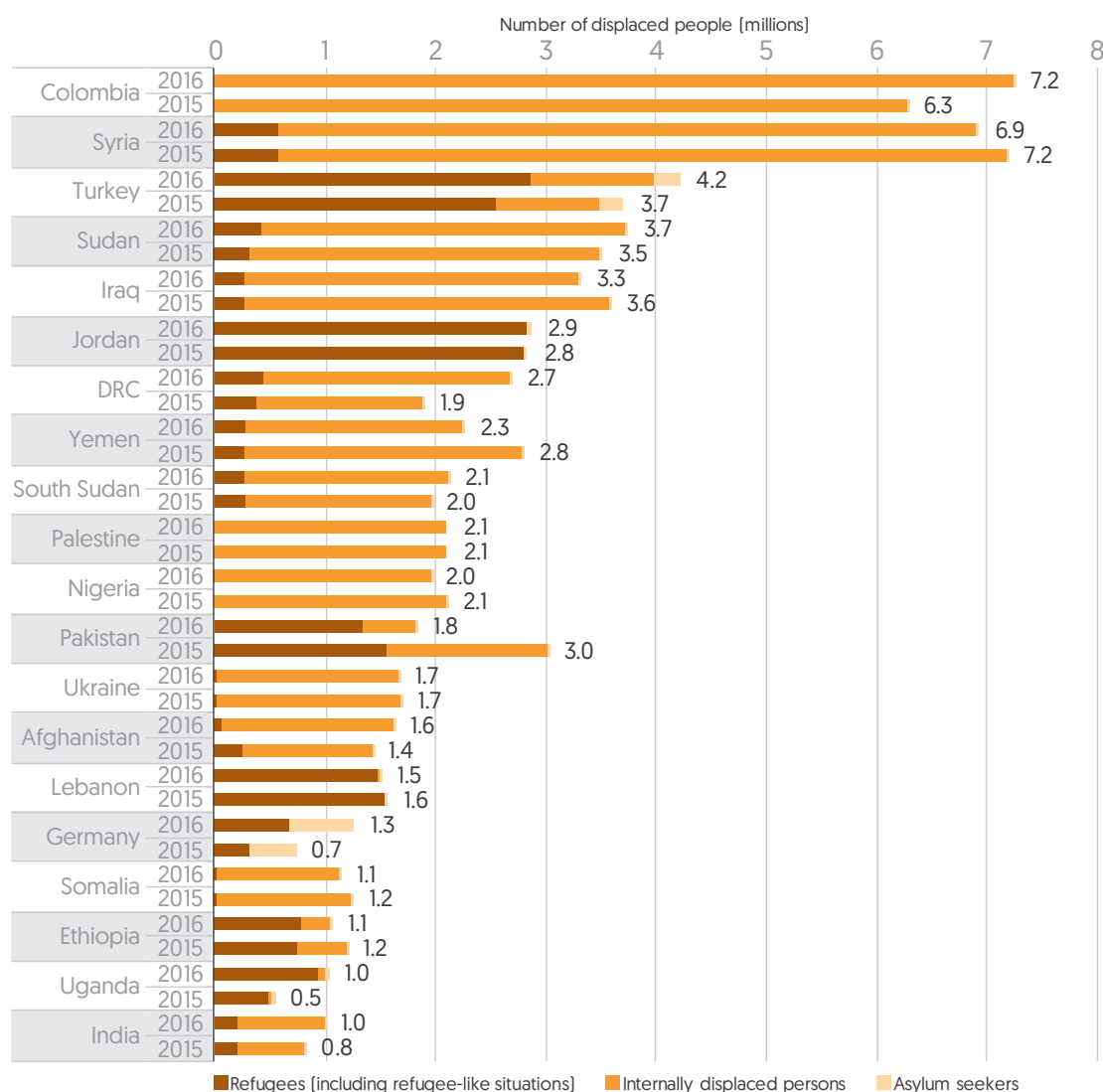


## Forced displacement

In 2016, there were an estimated 65.6 million displaced people who had been forced to flee within or outside their own countries due to conflict, violence or persecution.<sup>13</sup> Driven by a rise in the number of refugees, this was the highest recorded total to date, approximately 0.3 million more people than in 2015 and the fifth consecutive annual increase.

**Figure 1.2**

20 countries with the largest displaced populations, 2015 and 2016



Source: Development Initiatives based on UN High Commissioner for Refugees (UNHCR), UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and Internal Displacement Monitoring Centre (IDMC) data.

Notes: The 20 countries are selected based on the number of displaced people in 2016. 'Displaced people' includes refugees and people in refugee-like situations, internally displaced persons (IDPs) and asylum seekers. IDP figures include the total number of IDPs at the end of the given year as reported by the IDMC. Data is organised according to UNHCR's definitions of country/territory of asylum. According to data provided by UNRWA, Palestinian registered refugees are included as refugees (including refugee-like situations) for Jordan, Lebanon, and Syria, and as IDPs for Palestine. As 2015 is the latest year for which data is available for UNRWA, these values are used as proxy for 2016.

Nearly two-thirds of displaced people (65%) remained in their own countries, rather than crossing international borders. Despite 6.9 million new incidences of internal displacement due to conflict and violence in 2016,<sup>14</sup> by the end of the year the total number of people reported to be living in internal displacement had fallen slightly (by 1%) from the previous year's record high.<sup>15</sup>

Many people were repeatedly displaced, including in the Democratic Republic of the Congo (DRC) and Syria, which saw the largest numbers of new incidences of internal displacement in 2016. As conflicts and displacement patterns changed and estimates were revised, the largest decreases in the numbers of internally displaced persons (IDPs) from 2015 to 2016 were seen in Pakistan (down 1 million) and Yemen (down 0.54 million), and the largest rises in Colombia (up 0.98 million) and DRC (up 0.73 million).

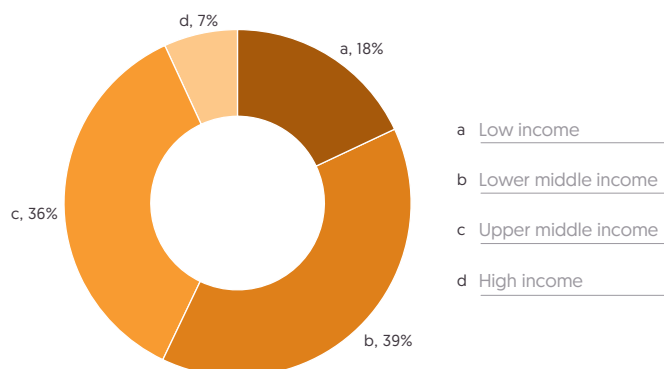
At the same time, the number of refugees<sup>16</sup> rose by 6% (from 19.3 million people in 2015 to 20.4 million in 2016) to account for nearly a third (31%) of people displaced by violence and conflict in 2016. As Figure 1.2 shows, the largest numbers of refugees were in three countries neighbouring Syria: Turkey (host to approximately 2.87 million refugees), Jordan (2.83 million) and Lebanon (1.47 million). Uganda saw the largest rise (up 0.46 million) in numbers of refugees in 2016, largely due to the conflict in South Sudan (see also *Joining up data*, page 25), while Turkey and Germany saw respective increases of 0.33 million and 0.35 million people. Pakistan, once the largest refugee-hosting country<sup>17</sup> due to the conflict in neighbouring Afghanistan, saw a decrease of 0.21 million refugees, while internal displacement in Afghanistan rose by 0.38 million people.

In 2016, 93% of displaced people (IDPs, refugees and asylum seekers) were hosted in low or middle income countries, with the largest proportions in lower middle income countries (39%) and upper middle income countries (36%) (Figure 1.3). This picture shifts when looking at refugees and asylum seekers only, with increased proportions in upper middle income countries (45%), including Turkey, Lebanon and Jordan, and in high income countries (18%) (Figure 1.4).

While these income groups may be a crude indicator of a specific country's capacity to host refugees (see also Figure 3.11), they have historically been a factor in determining their access to aid, with many middle income countries previously ineligible for World Bank concessional loans. However, as Chapter 2 shows, the Syria crisis prompted the creation of a new financing facility – first for the region and now with a global reach – to provide concessional financing to middle income countries hosting large, protracted refugee populations.

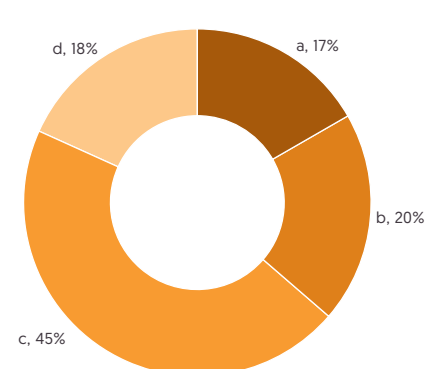
**Figure 1.3**

Total displaced people, by income group of host country, 2016



**Figure 1.4**

Refugees and asylum seekers, by income group of host country, 2016



Source: Development Initiatives based on the UNHCR, UN Relief and Works Agency for Palestine Refugees in the Near East and Internal Displacement Monitoring Centre and World Bank data.

## Impacts of disasters

In 2016, estimates from the Centre for the Epidemiology of Disasters (CRED) suggest that over 377 million people were affected by disasters associated with natural hazards. This is an increase of nearly 267 million people on the previous year's estimate, and 236 million people more than the estimate in 2014 – the years of the Ebola virus disease outbreak and the Nepal earthquake.

However, counting people affected by disasters is far from an exact science, hampered by methodological, political and access issues; and the CRED estimates may show a skewed picture due to partial figures. According to this dataset, nearly 90% of the 2016 global total (331 million people) were in India, primarily affected by droughts caused by heatwaves after a weak monsoon season. Conversely, many millions of people affected by disasters elsewhere are not captured in the data, including those affected by droughts and flooding in Ethiopia, Somalia and Malawi.

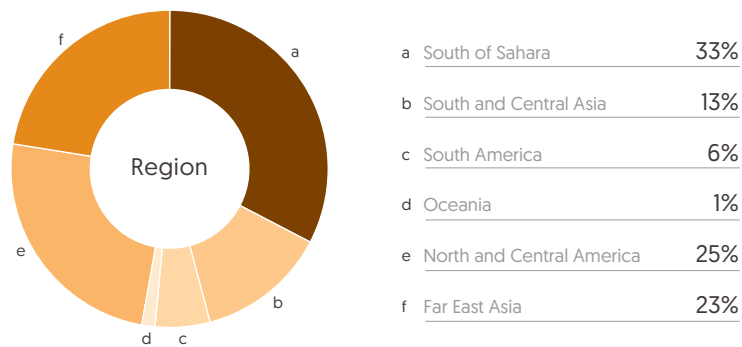
Not all countries affected by disasters require international assistance, as Chapter 3 explores. States have the primary responsibility and often the resources to respond. However, as Figure 1.8 shows, there is a strong overlap between countries experiencing high levels of poverty and environmental vulnerability. What tips a disaster into a crisis that requires an international humanitarian response is the severity of the crisis relative to the country's capacity to cope. For instance, according to the INFORM Index for Risk Management, India (as a middle income country with established disaster management structures), has an above average coping capacity and did not require emergency assistance. Conversely, South Sudan and Haiti score very low on coping capacity and consequently called for substantial international support.

Looking at the disaster-affected countries that called for international assistance gives an indication of where severity outstripped coping capacities. In 2016, the International Federation of Red Cross and Red Crescent Societies (IFRC) raised disaster-related emergency appeals<sup>18</sup> for responses in 24 countries, mostly low and lower middle income countries with below-average levels of coping capacity (see Figure 1.7). These covered a number of disasters not counted in the CRED data, including in El Salvador, Somalia and Mongolia. As Figure 1.5 shows, the largest proportion of affected people (33% or 8.6 million people) were in sub-Saharan Africa, where the El Niño and La Niña phenomena brought floods and droughts; 25% were in North and Central America, driven largely by the impact of Hurricane Matthew in Haiti; and 23% were in Far East Asia, including those affected by Typhoon Haima in the Philippines and by flooding in Vietnam. See also Figure 1.6 for the breakdown by disaster type.

As many disasters are largely predictable and recurrent, and as anticipatory frameworks become more sophisticated, early and predictable finance to mitigate the worst effects should be possible. There is a growing range of innovative tools and financing instruments to respond to the risk of crises (see Figures 2.10 and 2.11) and commitments have also been made to increase the flexibility and predictability of financing. However, these improvements are not yet sufficient (see Chapter 4).

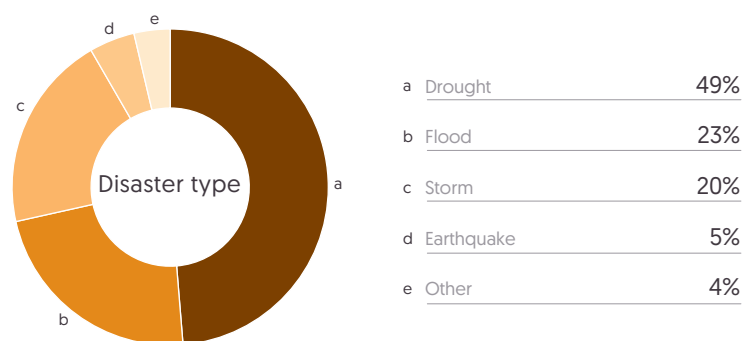
**Figure 1.5**

Population affected by disasters in countries with IFRC emergency appeals 2016, by region



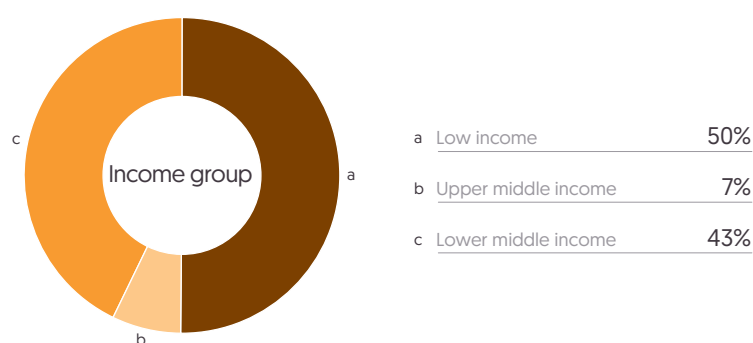
**Figure 1.6**

Population affected by disasters in countries with IFRC emergency appeals 2016, by disaster type



**Figure 1.7**

Population affected by disasters in countries with IFRC emergency appeals 2016, by income group



Source: Development Initiatives based on Centre for Research on the Epidemiology of Disasters (CRED) Emergency Events Database (EM-DAT), International Federation of Red Cross and Red Crescent Societies (IFRC), World Bank and Organisation for Economic Co-operation and Development (OECD) data.

Notes: Countries are selected using IFRC's list of emergency appeals. Data does not show overlaps between populations affected by multiple disasters in a single country. Data from IFRC appeal documents is used for the four countries that did not have CRED data on the number of people affected by disasters (Somalia, El Salvador, Mongolia, Paraguay).

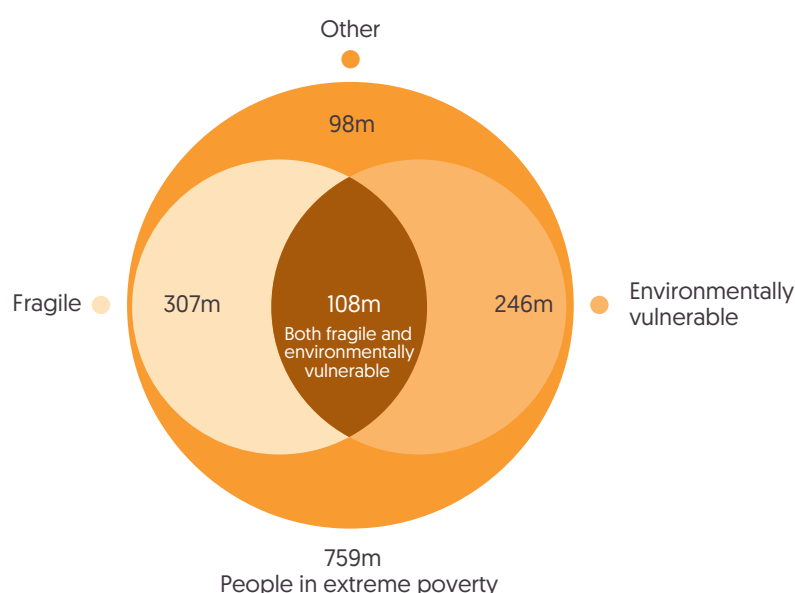
## Poverty and crisis risk

Poverty, vulnerability and crisis are clearly interlinked. If a person is extremely poor, they will have fewer resources to deal with risks and shocks and may be hardest hit by crises and most in need of humanitarian assistance. At the same time, conflict and disasters deplete people's assets and livelihoods, driving them into, or deepening, poverty. The Sustainable Development Goals (SDGs) recognise that conflict, fragility and environmental vulnerability jeopardise achieving the end of poverty and may cause many people to be 'left behind'.

At least 87% – 661 million people – of all people living in extreme poverty (equivalent to below \$1.90<sup>19</sup> per day) were in countries affected by fragility [40%],<sup>20</sup> environmental vulnerability [32%] or both [14%] (see Figure 1.8). This same group of countries includes most of those most in need of international humanitarian assistance for crises in 2016 (see Figure 1.1).

**Figure 1.8**

Number of people living in extreme poverty in environmentally vulnerable and fragile countries



Source: Development Initiatives based on World Bank PovcalNet, World Bank World Development Indicators, OECD, INFORM Index for Risk Management.

Notes: Chart not to scale. Poverty estimates use World Bank PovcalNet modelled 2013 data. Regional estimates are used for 21 countries with no poverty data. Eight Middle East and North Africa countries are excluded due to lack of national or regional representative data. Fragile states defined according to 2016 OECD report on *States of Fragility*; and environmental vulnerability defined using INFORM's 2017 index, selecting countries scoring very high and high on 'natural hazard' indicator, and very high, high and medium on 'lack of coping capacity'.

The proportion of the world's poor people living at this precarious intersection of extreme poverty and high risk has actually risen since last year's count – despite a fall of 114 million in the number of people living in extreme poverty worldwide. While the largest gains in poverty reduction were in China (accounting for over 62 million of the global fall) the largest increases in estimates of extreme poverty were in two countries experiencing protracted conflict and complex crises – the Democratic Republic of Congo and South Sudan. And these are likely underestimates as recent poverty impacts of the crises are not captured in partial and out-of-date surveys.

It is hard to project precisely what this will mean for the global picture of extreme poverty in 2030, the year the SDGs must be achieved. Poverty projections tend to be based on previous growth, amplifying the effect of the data gaps for those 'missing' high-risk countries, while failing to factor in the impact of potential future shocks. The volatility inherent in political and environmental risks also makes it hard to project. In 2016 alone, 25 countries were newly classed as fragile or environmentally vulnerable, while 16 others were declassified from these categories.

However, the broad direction of an increased concentration of poverty in high-risk settings is apparent and clearly shaping the approach of some major donors and institutions. Analyses by the World Bank<sup>21</sup> and the Organisation for Economic Co-operation and Development (OECD)<sup>22</sup> project that while numbers of people living in extreme poverty will fall globally, they are set to rise in fragile settings. World Bank projections suggest an additional 100 million people will be pushed into poverty by climate change and a doubling of the numbers of people living in extreme poverty in fragile and conflict-affected situations, driving the rationale for an increased World Bank focus on fragility [see Chapter 3].

## Data poverty

Knowing who is living in extreme poverty and where they are is essential to best target resources and track the progress and barriers to reducing poverty and vulnerability.<sup>23</sup> However, even at the level of top-line poverty estimates, there is no data available for 29 mostly middle or low income countries – meaning that many millions of people may be missing from the totals in Figure 1.8. The missing countries include six affected by both fragility and environmental vulnerability (Afghanistan, North Korea, Iraq, Myanmar, Somalia and Syria) and four countries affected by fragility (Egypt, Eritrea, Libya and Yemen). At the latest count, that is over 291 million people for whom poverty levels are unknown.

Poverty data is also missing in most of the countries with the largest humanitarian responses. In 9 of the 10 countries that received the largest amounts of international humanitarian assistance over the last decade, there is no reliable up-to-date poverty data. This includes all of the five largest recipients in 2015 – Syria, Yemen, Jordan, South Sudan and Iraq [see Chapter 4].

Knowing that these millions are missing from global poverty estimates is important, but at the same time data can be gathered, joined up and used at the national and subnational levels to inform a coherent response to poverty, crisis and risk [see *Joining up data*, page 25]. For example, in Yemen, where the crisis has left 69% of the population in humanitarian need, and poverty may have doubled to 62% from 2015 to 2016,<sup>24</sup> a Humanitarian-Development-Peace platform<sup>25</sup> aims to bring data together to inform a joint understanding of the situation and support progress towards shared outcomes.

## Development progress and risk

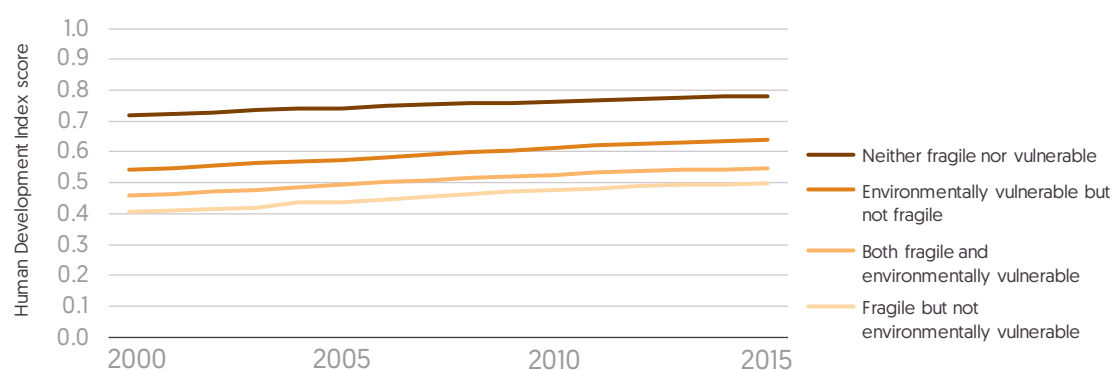
Countries that are fragile or environmentally vulnerable lag behind in development progress, according to Human Development Index scores. Poverty is multidimensional and the composite score goes some way to reflect this by bringing together measures of income, education and life expectancy and so goes wider than an income-based view of poverty.

While countries that were neither environmentally vulnerable nor fragile averaged 0.78 out of a possible score of 1.0 in 2015, environmentally vulnerable countries averaged 0.64 (Figure 1.9). Fragile countries remained behind with a score of just under 0.5. The impact of conflict is evident for many in this group with, for example, Syria, Libya and Yemen all showing notable falls in their Index scores.

Fragility is also reflected in significant differences between countries in the same income group (Figure 1.10). There was a significant (0.14) gap between the Human Development Index score of fragile middle income countries and their non-fragile peers. The gap between low income fragile and non-fragile countries was smaller, but fragile low income countries alone have seen a fall in their score year-on-year since 2013, including in conflict-affected countries such as Burundi, Central African Republic and South Sudan.

**Figure 1.9**

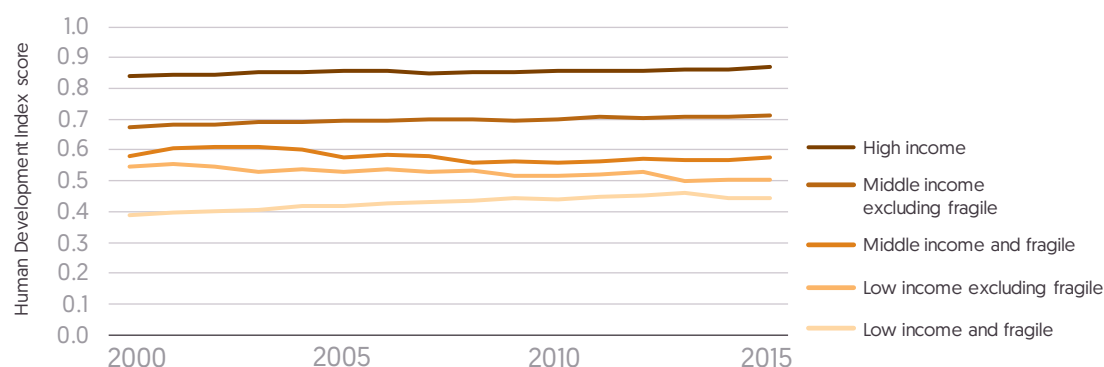
Human Development Index scores of fragile and environmentally vulnerable countries, 2000–2015



For full notes and sources, see Figure 1.10.

**Figure 1.10**

Human Development Index scores of fragile countries by income level, 2000–2015



Source: Development Initiatives based on INFORM Index for Risk Management, OECD, World Bank and UN Development Programme data. Notes: Average Human Development Index scores are based on country categorisation as fragile, environmentally vulnerable, both or neither, based on most recent data. See Figure 1.8 for more details on country categorisation. The categories are mutually exclusive. Middle income countries include both lower and upper income groups.



While national averages can give an overview of poverty and risk, in fact levels of crisis, risk and poverty often differ greatly within countries. Pockets of insecurity can exist in otherwise stable countries, specific areas and communities can have heightened disaster risks, and extremely poor and vulnerable populations still live in middle income countries.

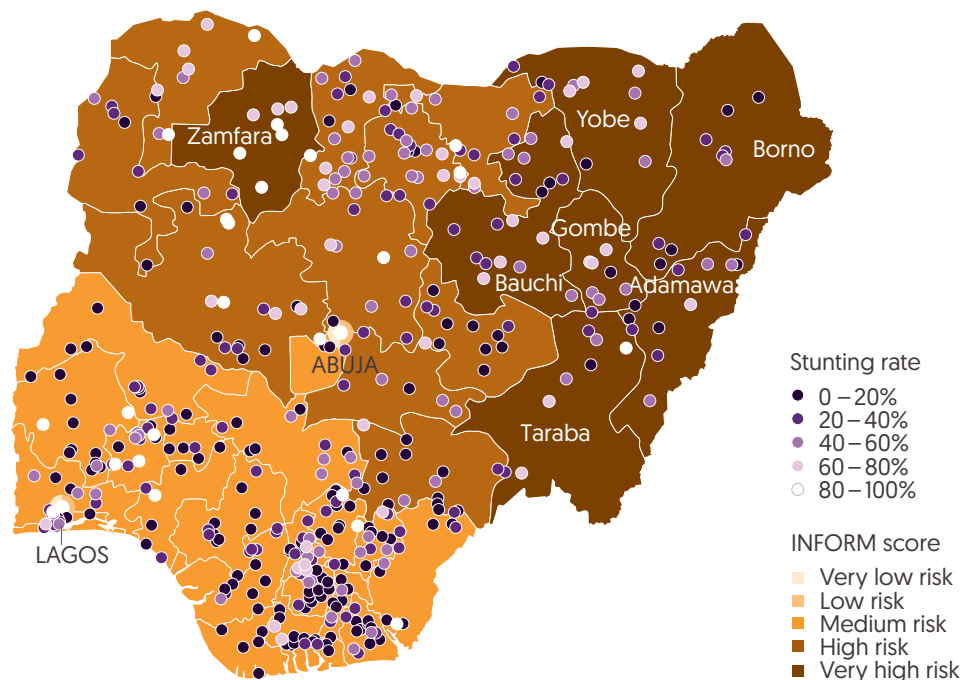
In Nigeria, for example, a middle income country, the Boko Haram-related armed conflict is concentrated in the north-east of the country as well as spilling into neighbouring countries. By the end of 2016, 1.8 million people had been displaced and 14 million were in need of humanitarian assistance in the six most affected states.<sup>26</sup> Violence also disrupted agriculture and markets, causing a food and nutrition crisis.

Figure 1.11 shows survey data on stunting – an important measure of wellbeing. Even allowing for low survey coverage, the data shows that stunting is generally more prevalent in northern Nigeria, which is subject to high risk of conflict and hazards, than in the lower risk south.

Insecurity means that some of the most severely affected crisis areas of north-east Nigeria cannot be reached, with parts of Borno State still inaccessible for the provision of humanitarian aid. The lack of available subnational data clearly reflects this inaccessibility. The points on Figure 1.11 show the locations of household surveys in Nigeria in 2016. Data collection in high-risk Northern areas is considerably less than in the South. In addition, compared with the 2010 survey, coverage in the Boko Haram-affected states was significantly reduced as insecurity prevented surveyors from reaching many households.

**Figure 1.11**

Crisis risk and levels of stunting in Nigeria, 2016



Source: Development Initiatives based on INFORM Index for Risk Management 2016 and Nigeria's General Household Survey 2015–2016.

Notes: INFORM scores are based on the INFORM Sahel model for 2016. Each region uses different criteria for calculating subnational risk. Stunting is calculated by Development Initiatives using the World Health Organization Growth Guidelines for children under 5 in the General Household Survey. The stunting rate is calculated for children at each distinct longitude and latitude in the data.

Map © d-maps.com

## Joining up data

To best respond to people's multidimensional needs, data needs to be brought together on the different risks, vulnerabilities and needs they experience, as well as the resources available to them (see *Transparency*, Chapter 5). The UN Secretary-General stated that “data and joint evidence must become the bedrock of our action and are the starting point for moving from a supply-driven approach to one informed by the greatest risks and the needs of the most vulnerable”.<sup>27,28</sup> This does not just mean conducting new joint assessments; it means ensuring that existing datasets – from national censuses to World Bank surveys and humanitarian assessments – can be easily accessed and combined.

Joined-up data means gathering together data from different sources in a machine-readable format. For this to be possible, each organisation needs to publish its data to the same technical standard, making sure it is findable, accessible, interoperable and re-usable (‘FAIR’).<sup>29</sup> This idea is now widely accepted. The Addis Ababa Action Agenda<sup>30</sup> recognises the importance of interoperable and comparable data in achieving the SDGs and a new collaboration for data interoperability for the SDGs<sup>31</sup> was recently established. The relevance of this for bridging the humanitarian–development nexus and delivering a New Way of Working towards collective outcomes is clear – the starting point of joined-up action has to be joined-up data.

Uganda, host to over a million refugees, provides a good example of where joining up existing data could not only support efforts for a coherent approach by national, international, humanitarian and development actors, but also highlight gaps where better information is needed.

The Government of Uganda's development plan sets out a refugee strategy, supported by a joint World Bank and UN Refugee and Host Population Empowerment (‘ReHOPE’) framework. The UN High Commissioner for Refugees (UNHCR)-led South Sudan Regional Response Plan also commits to working with national and local authorities.

Yet, while policies are in place for coherent operations, the evidence base is not yet fully comprehensive and aligned, and disparate data sources are available for the districts hosting the largest numbers of refugees. UNHCR publishes data on refugee numbers and, together with the Ugandan Office of the Prime Minister, operates a data portal that includes data on sectoral indicators in refugee settlements. However, it does not yet provide a full overview – lacking, for example, data collected by agencies implementing the UNHCR-led South Sudan Regional Response Plan. From the development side, data on host communities was last gathered in the 2014 census but is not yet accessible. The Ugandan government also operates a data portal on national statistics, but the latest data on indicators such as poverty, education and safe water is from 2006 and 2007.

As the needs of refugees and host communities become increasingly intertwined and vulnerable to the same demographic, economic and climate-related pressures on resources, improving and joining up the data is vital for planning, implementing and monitoring a coherent response.



## Chad

2017

Chad now hosts over half a million refugees and returnees – families such as Yongou's, displaced by conflicts in neighbouring countries and the ensuing crisis in the region.

Credit: © UNDP Chad/Aurélia Rusek



# chapter 2

## crisis financing

### volumes, trends and types

In response to crises around the world, the volume of international humanitarian assistance increased for the fourth year running in 2016, reaching a total of US\$27.3 billion. The pace of growth has slowed, however, with an increase of just 6% between 2015 and 2016, compared with annual increases of between 12 and 21% in the previous three years.

The amount requested through UN-coordinated appeals also increased in 2016, though only marginally, to US\$20.5 billion. Large appeals continued to dominate appeal requirements. The five largest appeals combined accounted for 57% of the full amount requested, and the two Syria crisis-related appeals alone accounted for 38%.

Funding provided in response to these appeals also increased in 2016 to US\$12.4 billion, but still left a gap of US\$8.2 billion – 40% of the total requested. There were major differences between appeals. At one end of the spectrum, Burundi received 99% of its requested amount, while at the other end Gambia received just 4%.

Though smaller than UN-coordinated appeals, requests from the International Red Cross and Red Crescent Movement were relatively better met. In 2016, the International Committee of the Red Cross saw around 93% of its requirements met, while appeals from the International Federation of Red Cross and Red Crescent Societies were 82% funded.

Even in the 20 countries receiving the most international humanitarian assistance in 2015, it accounted for just 5% of all international resources. Considering international humanitarian assistance in the context of other resources provides some perspective on their relative significance. Domestic revenues are critical for preventing, responding to and rebuilding after crises. So too are other international resources beyond humanitarian assistance, including development assistance, remittances and foreign direct investment.

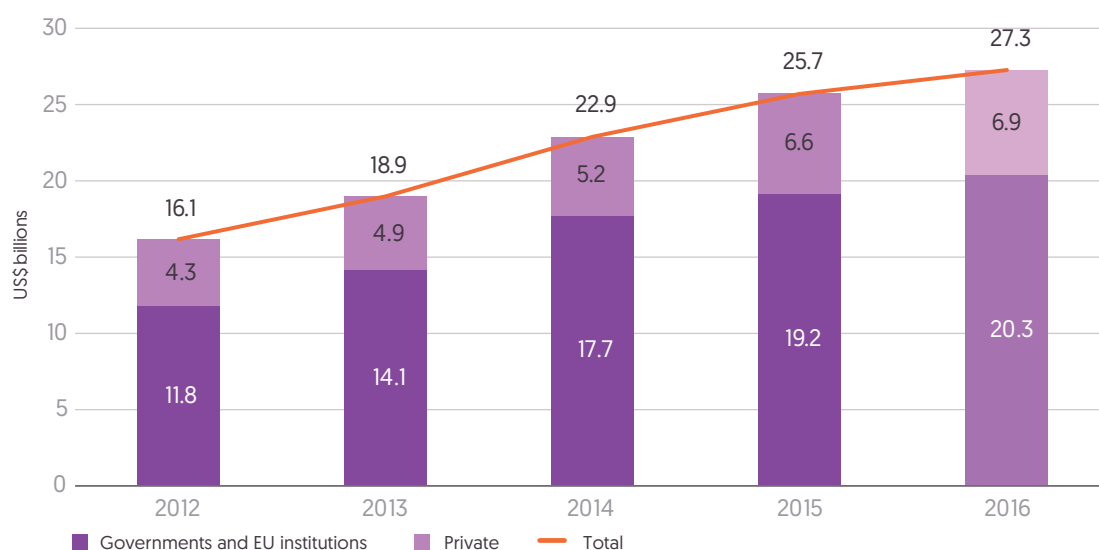
Financing in crisis settings is delivered through a complex set of mechanisms, and the portfolio of financing products is becoming increasingly varied – beyond grant-based funds and including risk financing and concessional loans. Disaster settings typically allow for more diverse and innovative financing, but new products are also emerging in conflict and refugee contexts. Not all financing mechanisms work in every situation. Combining them effectively requires an understanding of their comparative advantage, scale and scope in any given context.



## International humanitarian assistance

**Figure 2.1**

International humanitarian assistance, 2012–2016



Source: Development Initiatives (DI) 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 DI's unique dataset for private contributions.

Notes: Figures for 2016 are preliminary estimates. Totals for previous years differ from those reported in previous Global Humanitarian Assistance reports due to deflation and updated data and methodology (see *Methodology and definitions*). Data is in constant 2015 prices.

International humanitarian assistance increased for the fourth year running in 2016, reaching a new high of an estimated US\$27.3 billion. This was a rise of US\$1.5 billion on the previous year's total and an increase of US\$11.2 billion, or nearly 70%, on the amount provided in 2012 (Figure 2.1).<sup>1</sup>

This total combines funding reported by government donors and European Union (EU) institutions, and an estimate for private donors (see *Methodology and definitions* for an in-depth explanation). As Chapter 3 explores, funding from both groups – institutional and private donors – increased in 2016.

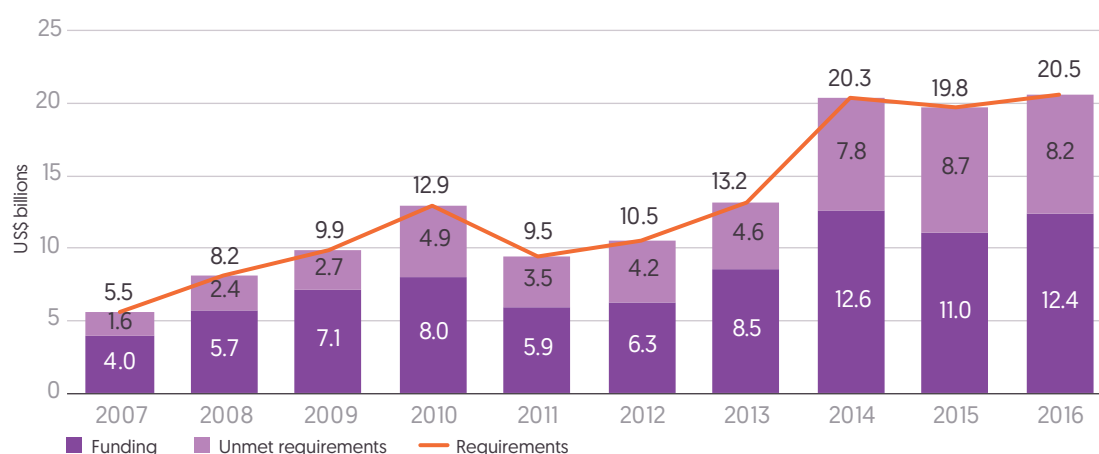
While these international donors continued to find additional resources to respond to humanitarian needs – including in response to escalations in conflict and displacement in a number of countries and the impacts of the El Niño weather phenomenon – the increase in 2016 was considerably less than in previous years. International humanitarian assistance grew by just 6% between 2015 and 2016, compared with increases of 12%, 21% and 18% respectively in the previous three years.

The slowdown in growth of international humanitarian assistance cannot be easily explained. A number of factors are likely to have contributed, including changing priorities and availability of funding, as well as the types of crisis that occurred in 2016. Sudden-onset emergencies, such as Typhoon Haiyan and the Nepal earthquake, as well as the outbreak of the Ebola virus disease, mobilised international attention in previous years in a way that many slower onset emergencies in 2016 – including some ongoing conflicts, worsening food crises and the effects of El Niño – did not.

## UN-coordinated appeals

**Figure 2.2**

Funding and requirements, UN-coordinated appeals, 2007–2016



Source: Development Initiatives based on UN OCHA FTS and UN High Commissioner for Refugees (UNHCR) data.

Notes: To avoid double counting regional appeals and country appeals, in 2015 the Burundi Regional Refugee Response Plan does not include the Democratic Republic of the Congo component; the Central African Republic (CAR) Regional Refugee Response Plan only includes the Republic of Congo component; and country components of the Nigeria Regional Refugee Response Plan are not included. 2016 data does not include regional appeals coordinated by UNHCR (South Sudan, Burundi, CAR, Nigeria and Yemen). 2015 data does not include the Yemen Regional Refugee and Migrant Response Plan, which was not tracked in the FTS. The 2012 data includes the Syria Regional Response Plan 2012 coordinated and tracked by UNHCR. Data is in current prices.

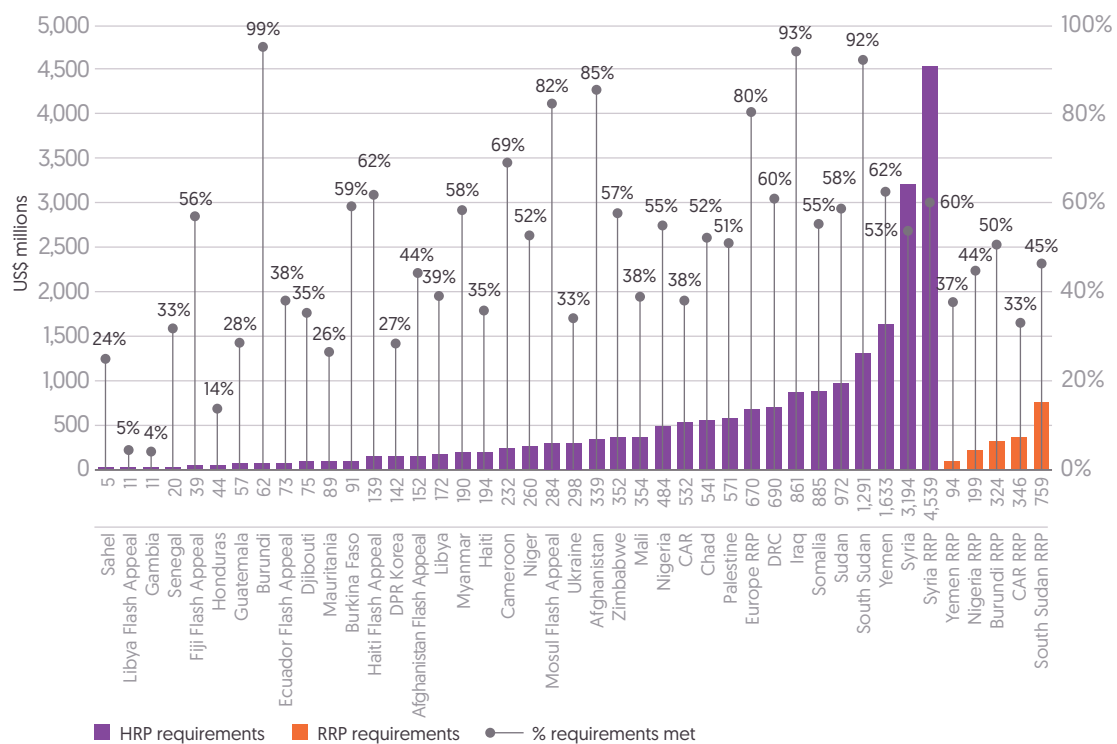
UN-coordinated appeals summarise the impact of many major crises and present a shared vision of the humanitarian response. As such, they go some way towards indicating the amount of international assistance required in many of the most urgent emergency settings – bearing in mind that not all crises are included and not all organisations participate.

2016 saw a slight increase in the amount requested through UN-coordinated appeals, with a total request of US\$20.5 billion (Figure 2.2).<sup>2</sup> The increase of around 4% for 2016 puts the total in line with the amount requested in 2014 (US\$20.3 billion), after a slight decrease in requested funding for 2015.

The amount of funding received for UN-coordinated appeals also increased in 2016, rising to US\$12.4 billion – up 12% on the amount received in 2015. However, this still left a shortfall of US\$8.2 billion, or 40%. Though lower than the funding gap in the previous year, it was above the average shortfall of 36% over the past decade. While relatively stable for the past three years, requirements have increased almost four-fold since 2007 and funding has more than trebled in the same period.

**Figure 2.3**

Requirements and proportion of UN-coordinated appeals requirements met, 2016



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

Notes: CAR: Central African Republic; DPR Korea: Democratic People's Republic of Korea; DRC: Democratic Republic of the Congo. The five 2016 regional refugee response plans (RRPs) are shaded in orange to avoid double counting with country humanitarian response plan (HRPs), which may include the same requirements or funding received. There is no double counting of requirements in country HRPs for the Syria RRP. The Sahel appeal refers to its regional component only; this is tracked separately in FTS from its country components, which are represented by each country's HRP. Data is in current prices.

Overall totals mask clear differences between individual appeals. In 2016, there were 43 separate appeals – the largest number of UN-coordinated appeals in any single year. These ranged in size from the regional plan for Syria, requesting over US\$4.5 billion, to the 'Libya - Sirte' flash appeal, requesting just US\$11 million (Figure 2.3).

Large appeals continued to account for the bulk of appeal requirements in 2016. The five largest appeals combined requested 57% of the total amount, similar to levels in the previous two years; and the two Syria-related appeals<sup>3</sup> alone accounted for 38% of the total.

There were major disparities in the proportions of requirements met between appeals. Burundi – with 99% of its US\$62 million requirements met for violence, displacement and a deteriorating socioeconomic context – was the best-funded appeal in 2016. Meanwhile funding for Gambia, though only appealing for US\$11 million for ongoing food insecurity, reached just 4% – making it the worst-funded UN-coordinated appeal for the second year running. Varying levels of funding between appeals are not unusual. However, a difference of 95 percentage points between the best- and worst-funded appeals in 2016 is considerably higher than the 76-percentage-point difference in 2015.

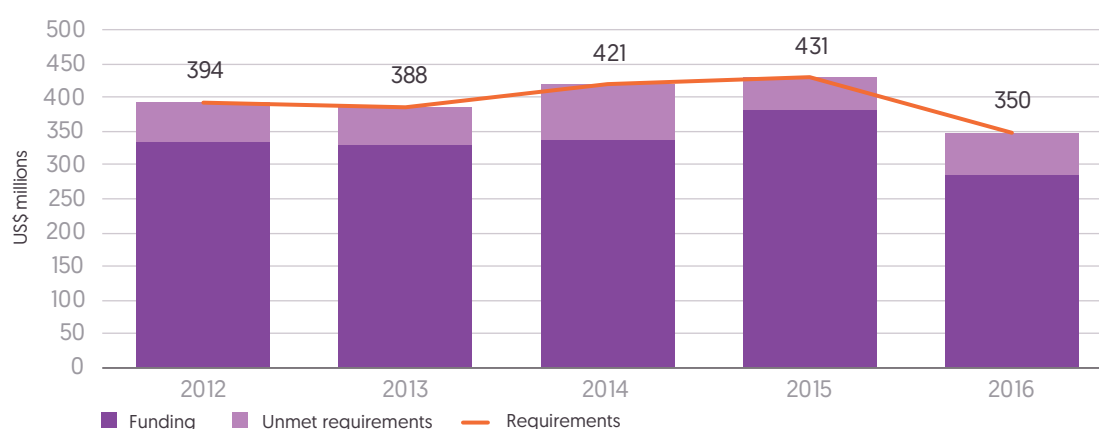
The UN system continues to look for ways to improve its response plans to make the best possible use of scarce financial resources. This includes improving costing of appeals, aligning response plans with post-World Humanitarian Summit commitments such as multi-year planning, and grounding appeal requirements in joint needs assessment and analysis (see also Chapter 1).<sup>4</sup>



## International Red Cross and Red Crescent Movement appeals

**Figure 2.4**

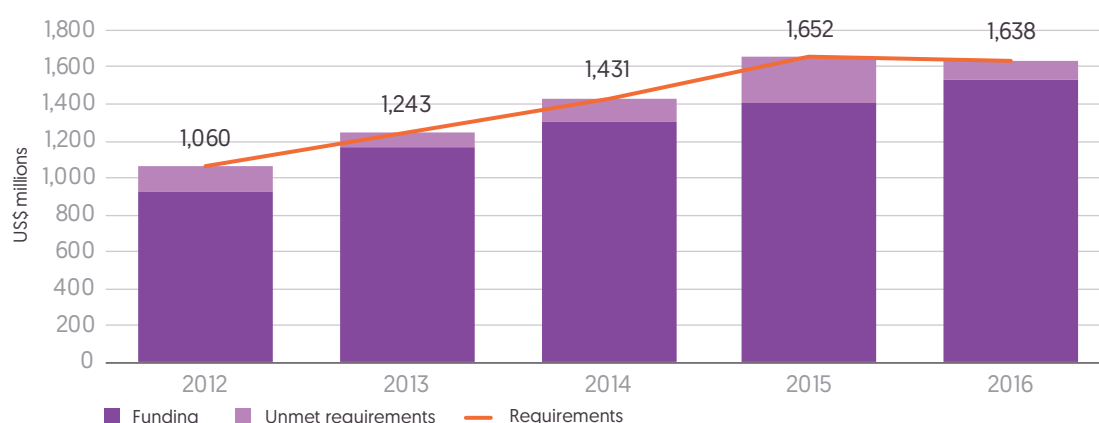
IFRC appeals requirements and funding, 2012–2016



For full notes and sources, see Figure 2.5.

**Figure 2.5**

ICRC appeals requirements and funding, 2012–2016



Source: Development Initiatives based on data provided bilaterally from the International Federation of Red Cross and Red Crescent Societies (IFRC), International Committee of the Red Cross (ICRC) and OECD DAC.

Notes: IFRC figures show revised annual budgets and financing for all emergency appeals and thematic programmes and may differ from previous years' reports. ICRC figures represent total budgets and contributions for all field operations. Due to currency fluctuations, 2016 budget figures are decreasing when converted from CHF to US\$; requirements have however increased in the original currency. CHF, Swiss Francs amounts have been converted to US\$ based on OECD exchange rates. Data is in current prices.

The International Red Cross and Red Crescent Movement (RCRC) set out its requirements separately, maintaining independence from the UN-coordinated appeals.

In 2016, the International Committee of the Red Cross (ICRC) requested US\$1.6 billion, predominantly for responses in conflict-related situations – the first decrease in requirements since 2012. The amount received in 2016 increased by 9% from the previous year, however, reaching US\$1.5 billion (93% of requirements) – ICRC's highest volume of requirements met to date (Figure 2.5).

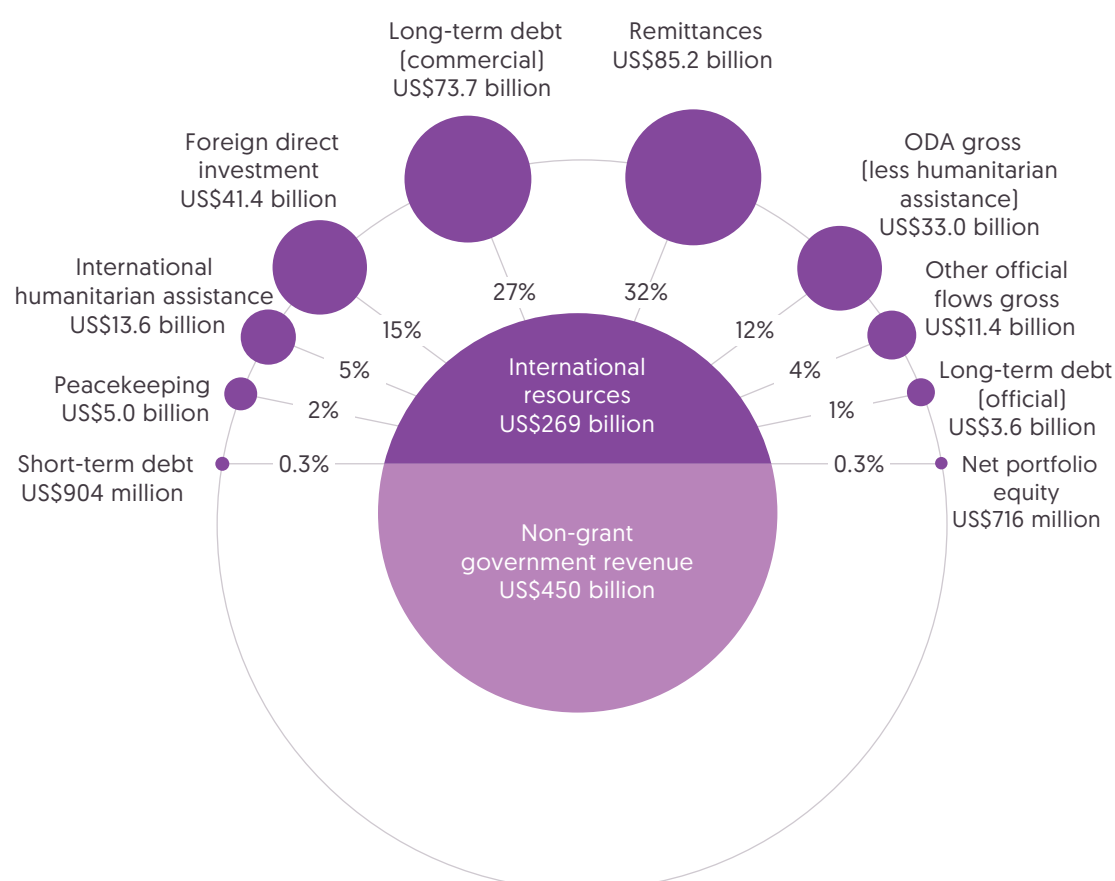
Appeals from the International Federation of Red Cross and Red Crescent Societies (IFRC), mainly for disasters associated with natural hazards, required funding of US\$350 million in 2016 – a 19% decrease on 2015 requirements.<sup>5</sup> In response, donors provided US\$287 million or 82% of requirements, compared with 2015 when 89% of IFRC requirements were met (Figure 2.4).

## The financing context

International humanitarian assistance is only one of many different resource types available in countries in crisis. While not all resources are directly intended to prevent and respond to crises, an overview of the domestic and international financing landscape is an important starting point for understanding the relative significance of different funding streams and to inform better targeting and complementarity.

**Figure 2.6**

Resource mix in the 20 countries receiving the most international humanitarian assistance, 2015



Source: Development Initiatives based on OECD, UN OCHA FTS, UN CERF, UN Conference on Trade and Development, World Bank, International Monetary Fund and Stockholm International Peace Research Institute data.

Notes: ODA: official development assistance. ODA includes gross disbursements from DAC, multilateral and other government donors. Humanitarian assistance includes official humanitarian assistance and humanitarian aid from other government donors as reported in OECD DAC Table 2a. Negative flows for net portfolio equity, short-term debt and foreign direct investment have been set to zero at the country level. Data is in constant 2015 prices.

In crisis contexts, humanitarian funding is a critical support to the people worst affected. However, as Figure 2.6 shows, even in countries receiving large amounts of international humanitarian assistance, it accounts for just a small proportion of the overall mix of resources. In 2015, international humanitarian assistance accounted for just 5% of all international resources to the 20 largest recipients of humanitarian funding, compared with 0.2% in other developing countries.

In contrast, for most countries, including in many crisis contexts, domestic public revenue and expenditure is the largest resource. However, this represents all domestic revenues in these countries and not specifically those directed to addressing crises. In aggregate, domestic revenues represent 63% of total resources available in the 20 largest recipients of international humanitarian assistance, compared with 79% in other developing countries.

There are other significant differences between sets of countries. For example, commercial flows combined accounted for less than half (43%) of all international resources to the largest humanitarian recipient countries in 2015, compared with 70% to other developing countries. In contrast, remittances accounted for almost a third (32%) of all international resources in the largest recipients of humanitarian assistance, compared with 21% in other developing countries. Differences can also be seen in amounts of official development assistance (ODA) (see *ODA to crisis-affected countries*, page 35).

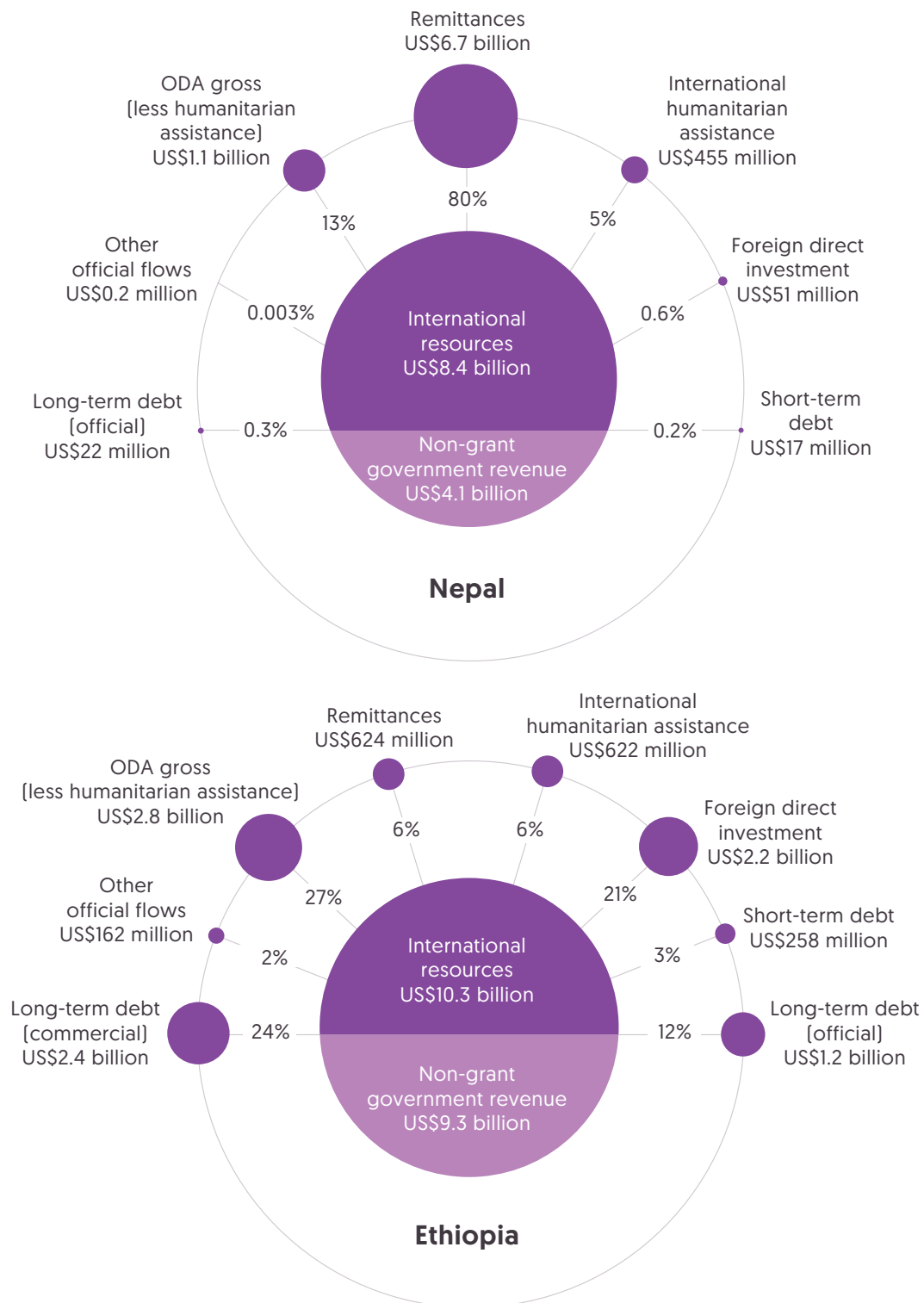
Even in the group receiving the most international humanitarian assistance, aggregates conceal considerable differences between countries (and even regions within countries). As Figure 2.7 shows, Ethiopia and Nepal – both considered low income countries according to World Bank measures – received markedly different mixes of international resources in 2015.

Ethiopia, suffering the effects of drought, persistent disease outbreaks and food insecurity<sup>6</sup> is still able to rely on a relatively diverse set of international resources compared with Nepal. Several factors, including a stronger track record in growth and public investment, mean that Ethiopia has fared much better in attracting foreign direct investment (FDI) – amounting to around 21% of international inflows in 2015 – compared with Nepal, at just 0.6%.

Conversely, remittances dominated international inflows to Nepal in 2015, accounting for 80% of all international resources, compared with just 6% in Ethiopia for the same year. The mix of resources in Nepal does not appear to have changed substantially as a result of the 2015 earthquake. Remittances did increase in volume by 10% from US\$6.1 billion to US\$6.7 billion between 2014 and 2015, but decreased as a share of total international inflows from 85% to 80%. This was mainly due to a 22-fold increase in international humanitarian assistance following the earthquake.

**Figure 2.7**

Resource mix in Ethiopia and Nepal, 2015



Source: Development Initiatives based on OECD, UN OCHA FTS, UN CERF, UN Conference on Trade and Development, World Bank, International Monetary Fund and Stockholm International Peace Research Institute data.

Notes: ODA includes gross disbursements from DAC, multilateral and non-DAC donors and excludes official humanitarian assistance and non-DAC humanitarian aid as reported in OECD DAC Table 2a. Flows that do not appear in the international flows breakdown are flows for which data is not available. Data is in constant 2015 prices.

## ODA to crisis-affected countries

ODA has grown year on year since 2012, and in 2016 reached a record high of US\$143 billion [or US\$124 billion excluding official humanitarian assistance]. Though what can be included as ODA and how this is measured is under discussion,<sup>7</sup> there is consensus on its critical role in addressing the longer-term causes and consequences of crisis. As Chapter 1 notes, recent commitments to a New Way of Working,<sup>8</sup> bringing together humanitarian and development efforts, reiterate the need for predictable and sufficient development assistance to “shrink humanitarian needs”<sup>9</sup> and meet the Sustainable Development Goals in crisis-affected contexts.

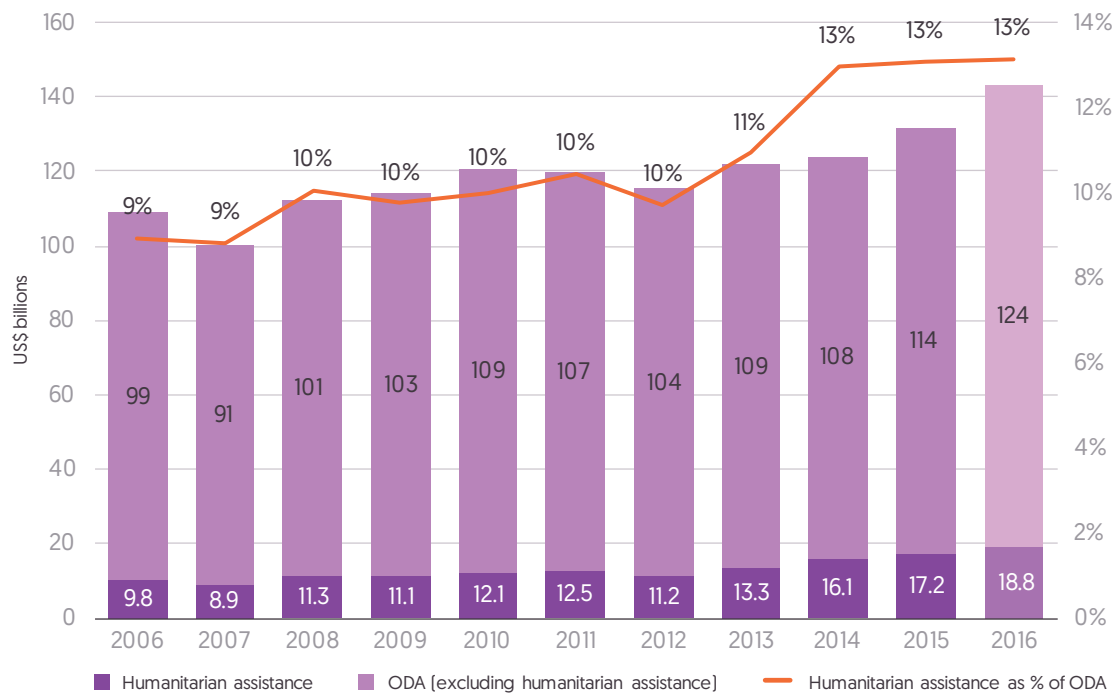
For the group of countries most affected by crisis and where other forms of international investment may be limited, ODA [excluding humanitarian assistance] represents a sizable resource flow – as Figure 2.6 shows. In aggregate, ODA [excluding humanitarian assistance] to the 20 largest recipient countries of international humanitarian assistance has fluctuated during the past decade, except for the period 2012 to 2014 when it grew steadily to US\$28.9 billion (Figure 2.9).

However, growth has not been steady or predictable for all crisis-affected countries within this group. Of the 20 countries that received the most international humanitarian assistance, Afghanistan and Pakistan were the largest recipients of ODA in 2015. But while ODA [excluding humanitarian assistance] to Pakistan grew substantially year on year [from US\$2.1 billion in 2012 to US\$4.0 billion in 2015], non-humanitarian ODA to Afghanistan did the opposite – declining from US\$5.5 billion to US\$3.8 billion – despite commitments by some donors to maintain levels of support during the ‘transformation decade’.<sup>10</sup> Elsewhere, Somalia saw a significant increase in ODA [excluding humanitarian assistance] following its ‘New Deal’ agreement in 2014, and volumes also spiked in Ebola-affected Sierra Leone and Liberia [see also *GHA Report 2016*], while simultaneously falling in South Sudan.

Globally, humanitarian assistance has accounted for around 11% of total ODA over the past decade, increasing from 9% in 2006 to 13% by 2016 (Figure 2.8). For the group of 20 recipients of the most international humanitarian assistance, this proportion is clearly much higher and has followed an upward trend during the time to reach well over a quarter (29%) of ODA in 2015 (Figure 2.9). This was predominantly driven by crises in the Middle East, which saw an increase from 10% in 2006 to 32% in 2015. Syria received the largest proportion of its ODA as humanitarian assistance in 2015 at 85%. It remains to be seen whether this will change as volumes of development assistance increase (including through the new World Bank mechanisms, see Figure 2.11). High instability has meant that Iraq, South Sudan, Sudan and Yemen all received over 50% of their ODA as humanitarian assistance in 2015; while at the other end of the spectrum, Kenya, Turkey and Pakistan received less than 10% in this form.

**Figure 2.8**

Humanitarian assistance as a proportion of ODA, 2006–2016

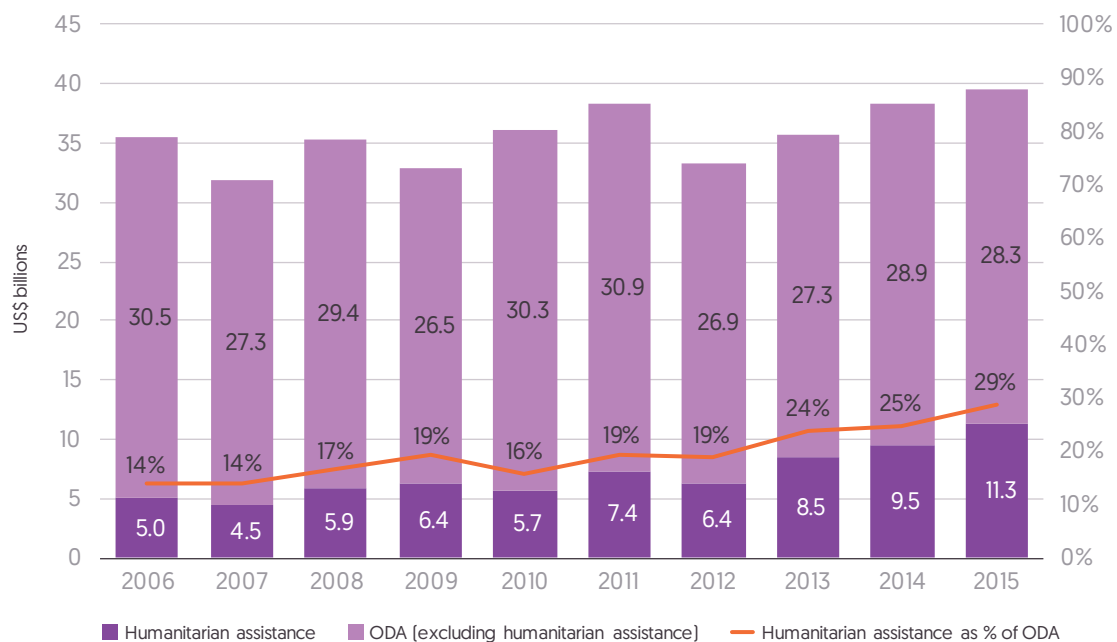


Source: Development Initiatives based on OECD DAC and UN CERF data.

Notes: 2016 OECD DAC data is preliminary. Humanitarian assistance figures refer to official humanitarian assistance only. Data is in constant 2015 prices.

**Figure 2.9**

Humanitarian assistance as a proportion of ODA to the largest 20 humanitarian recipients, 2006–2015



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

Notes: Largest 20 recipients are taken from GHA's international humanitarian assistance recipient calculations for 2015, but humanitarian assistance figures include official humanitarian assistance only. Data is in constant 2015 prices.

## Tools for crisis financing

In response to gaps in humanitarian financing, and due to growing recognition of the need for other resources to address the underlying causes of crisis, the portfolio of crisis financing instruments appears to be growing. The UN Secretary-General's report for the World Humanitarian Summit called for a “shift from funding to financing” and a change in the “current aid architecture”.<sup>12</sup> While humanitarian financing has previously been conceived around short-term, grant-based allocations – accounting for an increasing proportion of ODA in many emergency-affected countries [see previous section] – there is now greater awareness of a more complex range of financial products that can be used and combined in crisis settings.

This complexity brings opportunity. It offers a toolkit that can be adapted to different contexts, as well as potential to generate and adapt new mechanisms. But it also brings challenges. With a changing finance landscape, it can be difficult to navigate, compare and understand the comparative advantages of different financing mechanisms, or to know their impact.

Figures 2.10 and 2.11 plot financing mechanisms for four different kinds of challenges: disasters and disease, and conflicts and refugees (bearing in mind that a combination of these challenges often occurs simultaneously in the same setting – see Figure 1.1). Though not a comprehensive mapping, they illustrate the many different types of mechanisms that exist to tackle various aspects and stages of crises.

Disasters associated with natural hazards – largely predictable in nature – demand a different financing approach to conflict situations. Options include climate financing and risk reduction funds to reduce the occurrence and impacts of disasters, as well as risk transfer and risk financing tools to meet needs once they occur. In the case of diseases, there are already well-established and high-profile vertical funds in place, supplemented with new risk financing tools developed following the outbreak of the Ebola virus disease.

In conflict settings, a narrower range of tailored tools is available. However, this looks set to change with growing donor attention on financing in fragile states and an increased determination – including from the World Bank (see Chapter 3), the UN Development Programme and the Organisation for Economic Co-operation and Development (OECD) – to understand and develop the range of applicable tools.

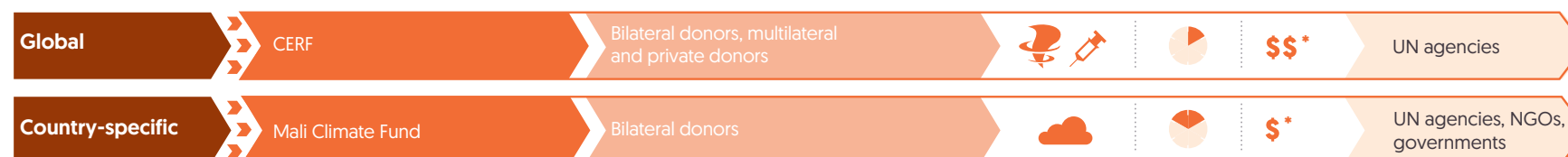
What is clear from an overview of these mechanisms is that they need to be considered, combined and layered as part of context-specific financing strategies. They can be a complement to – but not a substitute for – grant-based humanitarian assistance. Recent studies on insurance mechanisms have shown that many instruments work only under specific conditions and offer only partial solutions alongside other kinds of investment.<sup>13</sup> Moreover, many new innovations, including impact bonds and global facilities for refugees and pandemics, have yet to be fully funded and operate at the full scale of their ambition. Greater transparency – specifically knowing how much funding is being invested through each kind of instrument – is key to understanding their potential impact and the extent to which they add value to existing financing mechanisms.



Type of mechanism	Example					
	Name	Source of financing	Crisis type	Stage of crisis/when used	Volume	Recipient (first level)
<b>Loan</b>						
<b>Emergency lending</b>	Inter-American Development Bank (IDB) Immediate Response Facility for Natural Disasters	MDBs (IDA, IBRD, IDB, ADB)			\$ <sup>††</sup>	Governments
<b>Contingent credit</b>	World Bank IBRD Development Policy Loan with a Catastrophe Drawdown option	MDBs (IBRD)			\$\$ <sup>††</sup>	Governments
<b>Grant</b>						
<b>Response fund</b>	Asia Pacific Disaster Response Fund	MDB (ADB)			\$ <sup>††</sup>	Governments
<b>Trust fund</b>						
<b>Global/ multi-donor</b>	Global Fund for Disaster Risk Reduction	MDB (IBRD), bilateral donors			\$ <sup>*</sup>	Governments, NGOs, UN agencies
	IMF Catastrophe Containment and Relief Trust	International financial institutions (IMF), bilateral donors			\$\$ <sup>**</sup>	Governments
<b>Vertical funds</b>	Gavi (Global Alliance for Vaccines and Immunisation)	Bilateral and private donors (75%), innovative finance (25%)			\$\$\$\$ <sup>†</sup>	Governments, multilaterals, NGOs, private sector
	Global Environment Facility	Bilateral donors			\$\$\$\$ <sup>**</sup>	Governments, multilaterals, NGOs, private sector

**Figure 2.10**  
Financial mechanisms for addressing disasters and disease

## Pooled funds











## Risk transfer/insurance



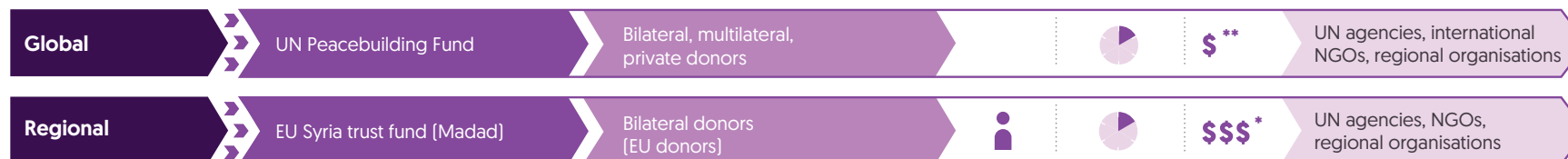
Source: Development Initiatives based on relevant organisation data, annual reports and documents.

Notes: ADB: Asian Development Bank; AfDB: African Development Bank; IBRD: International Bank for Reconstruction and Development; ICRC: International Committee of the Red Cross; IDA: International Development Association; IDB: Inter-American Development Bank; IMF: International Monetary Fund; MDB: multilateral development bank; NGO: non-governmental organisation. Figures 2.10 and 2.11 give examples of financing types rather than a comprehensive mapping of all mechanisms. Financing is scaled relative to the examples given, rather than total funding under the mechanism category. Scale of financing is based on relevant financial reports for the most recent year available. Annual averages are given where only multi-year data is available, and may represent fund size, maximum payment allowance or actual disbursements, depending on available information and denoted as follows: \* = disbursed; \*\* = fund; † = pledged; ‡ = maximum payment.

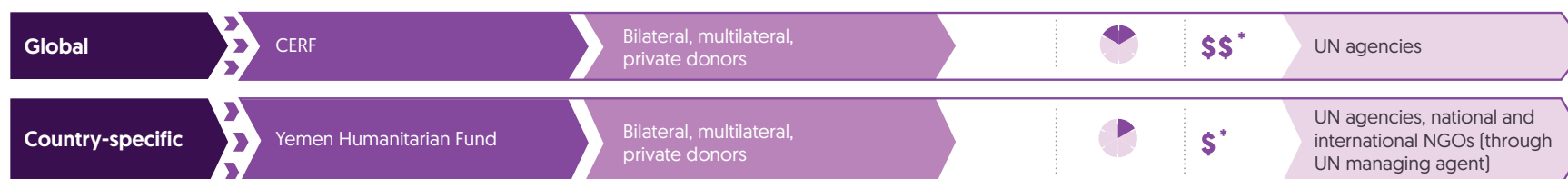
Type of mechanism	Example					
	Name	Source of financing	Refugee specific	Stage of crisis/ when used	Volume	Recipient (first level)
<b>Loan</b>						
<b>Concessional</b>	Refugee sub-window (IDA)	MDBs (IDA)			\$\$\$**	Governments
<b>Emergency lending</b>	IMF Rapid Financing Instrument	International financial institutions (IMF)			\$\$\$\$ <sup>†</sup>	Governments
<b>Contingency fund</b>	IDA Crisis Response Window	MDBs (IDA)			\$\$\$**	Governments
<b>Mixed grant/loan</b>						
<b>Mixed grant/loan</b>	Global Concessional Financing Facility/World Bank/UN	Bilateral donors, MDBs			\$\$ <sup>†</sup>	Governments
<b>Grant</b>						
<b>Grants/technical assistance</b>	African Development Bank (AfDB) Fragile States Facility	MDBs (AfDB)			\$\$*	Governments
<b>Budget support</b>	EU State Building Contracts	Bilateral (EU donors)			\$\$\$\$\$ <sup>†</sup>	Governments

**Figure 2.11**  
Financing mechanisms for addressing conflict, fragility and refugee situations

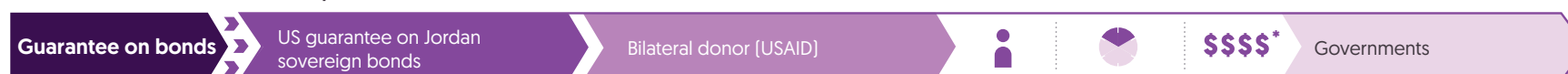
## Trust fund



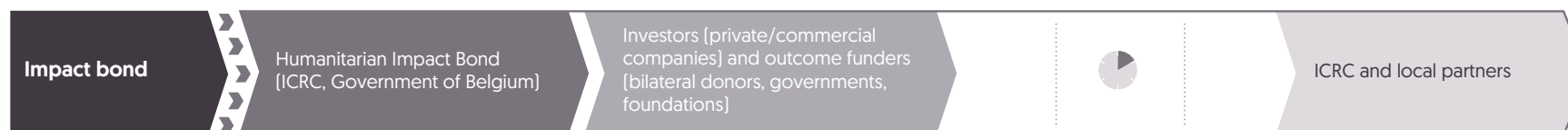
## Pooled funds



## Guarantees on loans/bonds



## Bonds



Source: Development Initiatives based on relevant organisation data, annual reports and documents.

Notes: ADB: Asian Development Bank; AfDB: African Development Bank; IBRD: International Bank for Reconstruction and Development; ICRC: International Committee of the Red Cross; IDA: International Development Association; IDB: Inter-American Development Bank; IMF: International Monetary Fund; MDB: multilateral development bank; NGO: non-governmental organisation. Figures 2.10 and 2.11 give examples of financing types rather than a comprehensive mapping of all mechanisms. Financing is scaled relative to the examples given, rather than total funding under the mechanism category. Scale of financing is based on relevant financial reports for the most recent year available. Annual averages are given where only multi-year data is available, and may represent fund size, maximum payment allowance or actual disbursements, depending on available information and denoted as follows: \* = disbursed; \*\* = fund; † = pledged; †† = maximum payment.





## Nepal

2015

A local relief and recovery effort takes place in Nepal, following the 2015 earthquake.

Credit: © Gavin Gough, courtesy of GlobalGiving

# chapter 3

## donors

### public and private providers

While total international humanitarian assistance increased in 2016, only four of the ten government donors that provided the most in 2015 increased their contributions in 2016. Others significantly decreased theirs, including several Gulf state donors. Following four successive annual increases, contributions from donors in the Middle East and North Africa region decreased by 24% in 2016. Conversely, funding from donors in Europe rose by 25%, accounting for more than half (53%) of all government funding in 2016.

The bulk of international humanitarian assistance continued to come from a small number of donors. The largest five donors provided nearly two-thirds (65%) of all government contributions in 2016; and the United States (US) – the single largest donor – provided almost one-third (31%).

Funding from private donors – individuals, trusts, foundations and corporations – grew more slowly in 2016 (by 6%) than in the previous year (26%). For the second year running, the Syria crisis was the largest recipient of private funding. The European refugee and migrant crisis also attracted significant funding from private donors – 13% of total humanitarian assistance to the crisis.

Most international humanitarian assistance from private donors comes from individuals (70% in 2015), generated through a range of systems, approaches and platforms. There is growing focus on mobilising more funding for humanitarian action through Islamic social financing, and on the ‘leveraging’ potential of private sector financing, though data is limited.

Multilateral development banks play an ever-more-important role in fragile and conflict-affected settings, as well as in disaster risk and response environments, and their range of crisis-related financial tools is expanding. The volume of humanitarian assistance they reported<sup>1</sup> increased by US\$393 million (65%) between 2014 and 2015 and they also made significant other investments in crisis-affected countries.

Not all crises require or receive an international response. Domestic governments have the primary responsibility to respond to risk and needs on their own territories, and often invest significant amounts in refugee-hosting as well as disaster preparedness and response – either without resort to or alongside international assistance.



## International government funding: largest donors

International humanitarian assistance from public donors – including governments and the EU institutions – rose from US\$19.2 billion in 2015 to US\$20.3 billion in 2016, its fourth consecutive annual increase. However, at 6%, growth was significantly lower than in the previous three years, which saw rises of 8%, 26% and 20% respectively.

Most international humanitarian assistance continues to come from a small number of donors. Between them, 20 states contributed 97% [US\$19.6 billion] of all international humanitarian assistance from government donors. Five government donors contributed nearly two-thirds [65%] of the total;<sup>2</sup> and the single largest donor alone, the US, provided almost one-third [31%], giving US\$6.3 billion.

The second largest government contributor shown in Figure 3.1 is Turkey, which reported contributions of US\$6.0 billion as humanitarian assistance in 2016 – an increase of 119% on 2015. Turkey voluntarily reports its aid expenditure to the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) and, unlike other donors, includes its expenditure on hosting Syrian refugees on its territory in its reported humanitarian assistance. In 2016, 99% of Turkish humanitarian assistance was directed to the Syria response<sup>3</sup> and the other 1% to crises elsewhere.

The EU institutions, and in particular the EC's Department of Humanitarian Aid and Civil Protection (ECHO), while not government donors, are also important humanitarian contributors. In 2016, EU institutions disbursed US\$2.3 billion of international humanitarian assistance, an increase of 37% on the year before.<sup>4</sup>

Only four of the ten government donors that provided the most in 2015 increased their contributions again in 2016. Notable increases include Germany, with an additional US\$1.4 billion in 2016 [increase of 109%], Belgium [increase of 58%], Denmark [increase of 51%] and France [increase of 41%].

The largest decrease of international humanitarian assistance was from Japan, whose contributions fell by US\$436 million (37%). Of the Gulf state donors, Kuwait's humanitarian funding decreased by 50% (US\$219 million) and Saudi Arabia's funding also decreased in 2016, by 26% to US\$395 million.

Looking at international humanitarian assistance as a percentage of gross national income (GNI) reveals the significance of humanitarian funding in relation to the size of a donor's economy and its other spending priorities (see Figure 3.2). Measured this way, when Turkey's reported contributions are considered against its GNI, it spent 0.75% of GNI as humanitarian assistance in 2016 (up from 0.35% in 2015); while the US, ranked highest according to volumes of funding, provided international humanitarian assistance equivalent to just 0.03% of its GNI. Gulf state donors feature more prominently in this list, with the United Arab Emirates, Kuwait, Saudi Arabia and Qatar all appearing in the largest 20.

**Figure 3.1**

20 contributors of the largest amounts of humanitarian assistance, governments and EU institutions, 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.

Notes: UAE: United Arab Emirates; UK: United Kingdom; US: United States. Data for 2016 OECD DAC is preliminary. Contributions of EU member states include an imputed amount of their expenditure (see *Methodology and definitions*). EU institutions are included separately for comparison (shaded differently). Turkey is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely comprised of expenditure on hosting Syrian refugees in Turkey, and is not therefore strictly comparable with the international humanitarian assistance from other donors in this figure. Data is in constant 2015 prices.

**Figure 3.2**

20 donors providing the most humanitarian assistance as percentage of GNI, 2016



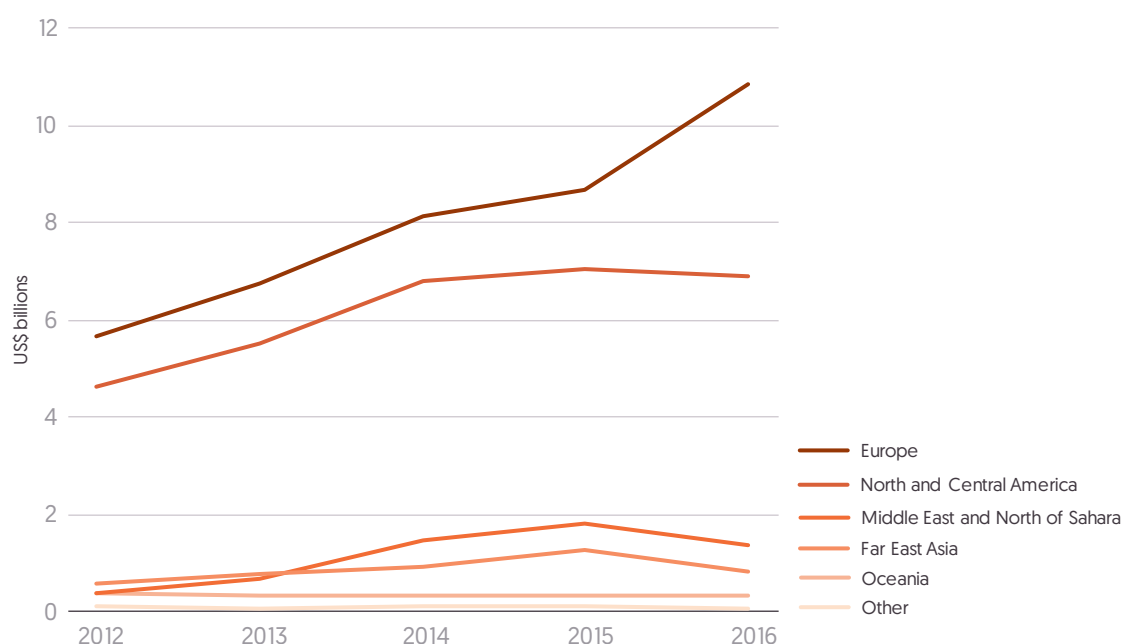
Source: Development Initiatives based on OECD DAC, UN OCHA FTS, UN CERF, World Bank World Development Indicators and International Monetary Fund World Economic Outlook data.

Notes: UAE: United Arab Emirates; UK: United Kingdom; US: United States. Data for 2016 OECD DAC is preliminary. GNI data for 2016 has been estimated using historical data on GNI and real GDP growth rates for 2016. Turkey is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely comprised of expenditure on hosting Syrian refugees in Turkey, and is not therefore strictly comparable with the international humanitarian assistance from other donors in this figure.

## International government funding: donor regions

**Figure 3.3**

International humanitarian assistance from governments by donor region, 2012–2016



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

Notes: OECD DAC data for 2016 is preliminary. Funding from OECD DAC donors includes contributions from EU institutions. OECD country naming has been used for regions, except the Middle East and North of Sahara, which have been combined. 'Other regions' includes the combined total of regions where funding was below US\$1 billion over the 5-year period. Calculations only include humanitarian assistance spent internationally, not in-country. See *Methodology and definitions*. Data is in constant 2015 prices.

More than half (53%) of funding from government donors came from countries in Europe in 2016. Their contributions increased by 25% from the previous year and almost doubled in the five years between 2012 and 2016 [see Figure 3.3]. Data from UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) suggests that growth from European governments was driven by large increases to countries such as Iraq, Syria, Nigeria and Ethiopia.

Conversely, funding from governments in the Middle East and North of Sahara region decreased by 24% in 2016. This follows successive increases in funding from donors in the Middle East over the previous four years. In 2016, the region's contributions accounted for around 7% of total government funding (compared with 9% the previous year). Decreases were largely driven by a 50% reduction in contributions from the Government of Kuwait and reduced funding from Qatar (down 57%) and Saudi Arabia (down 26%). FTS data shows that funding from Middle East donors to many countries in the region fell, with Yemen experiencing a particularly sharp drop, as well as funding to Lebanon, Turkey and Jordan.

Government donor funding in the Far East Asia region was also down by 35% from 2015 to 2016. Relatively steady compared with other regions, contributions from donors in North and Central America (almost entirely from the US and Canada) decreased by 2% – the first fall in the last five years. These accounted for approximately 34% of funding from government donors in 2016.

## Multilateral development banks

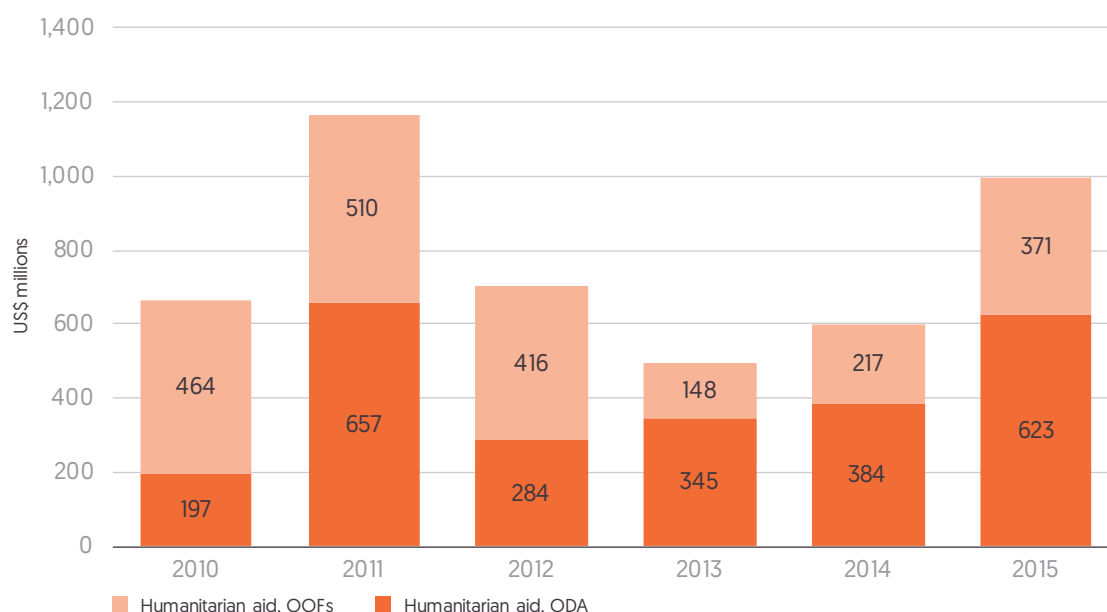
Multilateral development banks (MDBs) are increasingly prominent in crisis financing, building on a portfolio of well-established engagement and instruments. For example, in 2009, the Asian Development Bank launched its Disaster Response Fund, the Inter-American Development Bank set up the Contingent Credit Facility for Natural Disasters and in the same year, the World Bank agreed the facility that later became the Crisis Response Window.

In 2016, new momentum generated a scale up in volumes of financing and the range of MDB mechanisms to tackle crisis risk, response and recovery. MDBs stated their commitments on protracted displacement at the World Humanitarian Summit (WHS),<sup>5</sup> and the Grand Bargain also called for new humanitarian–development partnerships with MDBs.<sup>6</sup>

The World Bank in particular has prioritised its focus on crisis, recognising that climate change, fragility and conflict threaten progress towards the Sustainable Development Goals (SDGs) and risk pushing more people into extreme poverty (see Chapter 1).<sup>7</sup> In September 2016, it launched the Global Crisis Response Platform, bringing together current and emerging crisis-related financial tools from across the Bank.<sup>8</sup> Instruments include the refugee-related Concessional Financing Facility and Global Concessional Financing Facility (see Figure 2.11), and the nascent Pandemic Emergency Financing Facility (see Figure 2.10).<sup>9</sup> New approaches were further bolstered by record levels of investment in the IDA18 Replenishment. Of the US\$75 billion committed, the Bank agreed to dedicate nearly a fifth (US\$14 billion) to address fragility, conflict and violence – double the previous amount.<sup>10</sup>

**Figure 3.4**

ODA and other official flows (OOFs) reported as humanitarian aid from multilateral development banks, 2010–2015



Source: Development Initiatives based on OECD DAC Creditor Reporting System (CRS) data.

Notes: Includes disbursements from 17 multilateral organisations reporting to the OECD DAC. Humanitarian assistance is called 'humanitarian aid' in DAC reporting. OOFs are transactions by the official sector with countries on the DAC list of Official development assistance (ODA) recipients that do not meet the conditions for eligibility as ODA or official aid. Data does not include earmarked flows channelled through multilateral development banks from government donors, which are recorded as bilateral aid. Data is in constant 2015 prices.

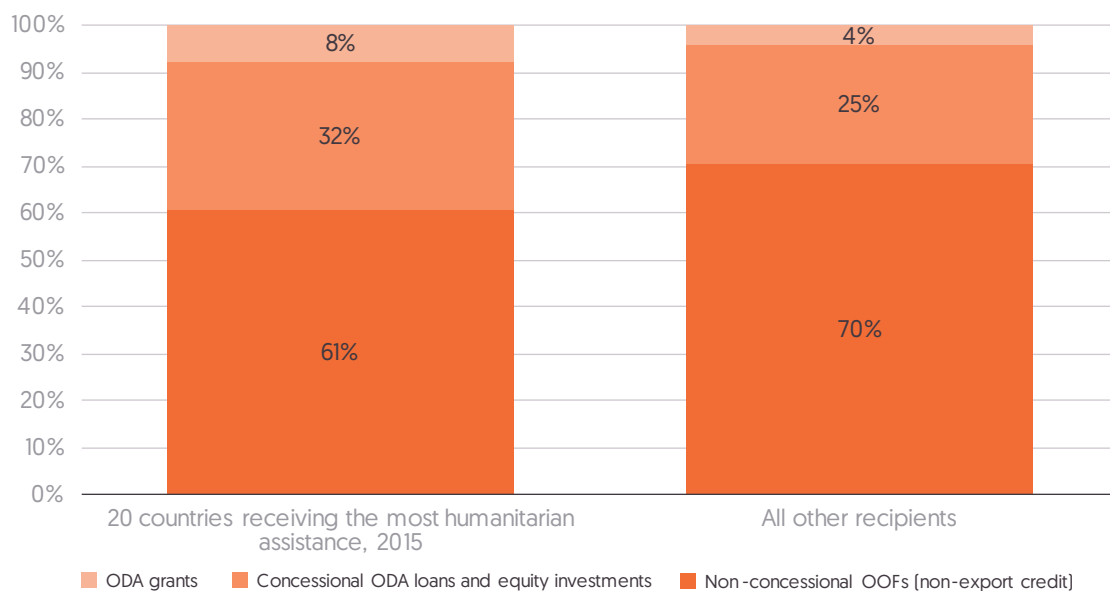
The volume of humanitarian assistance reported from MDBs as official development assistance (ODA) and other official flows (OOFs) both increased significantly between 2014 and 2015 to reach a total of US\$994 million. Humanitarian assistance provided as ODA increased by 62%, reaching US\$623 million, and within OOFs it increased by 71% to US\$371 million (Figure 3.4). MDBs also provide considerable funding to crisis-affected countries beyond humanitarian assistance. However, with so many instruments and institutions involved, spanning crisis prevention to reconstruction, it is hard to put a total on these crisis-related investments.

For low income countries facing crisis, or middle income countries struggling to support large refugee populations, concessional terms of financing – including ODA grants and low interest loans – can provide vital support without adding to financial pressures. As Figure 3.5 shows, the 20 recipients of the most international humanitarian assistance received double the proportion of MDB financing as grants [8%] compared with other recipient countries [4%]. However, these grants were concentrated to a few countries – a combined 81% went to the Democratic Republic of the Congo (US\$571 million), Afghanistan (US\$259 million) and Nepal (US\$105 million).

Concessional loans and equity investments, with relatively manageable terms of repayment, also made up a higher proportion of MDB financing to this group of 20 [32%] compared with all other recipients [25%]. Again, these were largely directed to just a few countries, with nearly three-quarters [74%] going to Pakistan (US\$2.0 billion), Ethiopia (US\$865 million) and Kenya (US\$734 million).

**Figure 3.5**

Multilateral development bank gross disbursements to the 20 recipients of the most humanitarian assistance and all other recipients by flow type, 2015



Source: Development Initiatives based on OECD DAC Creditor Reporting System (CRS) data.

Notes: Includes disbursements from 17 multilateral organisations reporting to the OECD DAC. OOFs (other official flows) are transactions by the official sector with countries on the DAC list of ODA recipients that do not meet the conditions for eligibility as ODA or official aid.



## Private donors

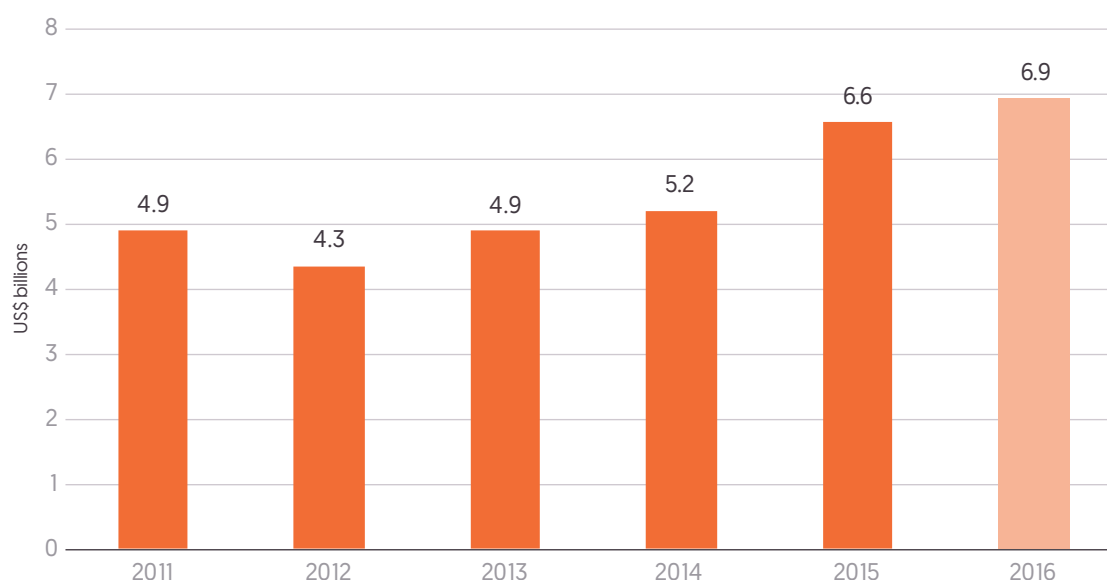
As humanitarian requirements continue to outstrip available resources (see Chapter 2), private donors remain a critical source of additional funding. Contributions from private donors – from individuals, trusts and foundations, companies and corporations, as well as funding generated by national societies – are an important source of financing and means of ‘increasing and diversifying the resource base’, as called for at the World Humanitarian Summit.<sup>11</sup>

While provisional estimates for 2016 show a fourth successive increase in private donors’ contributions – reaching US\$6.9 billion (see Figure 3.6) – the rate of growth slowed considerably, mirroring that of public donors. Following a sharp rise of 26% between 2014 and 2015, funding from private donors increased by just 6% between 2015 and 2016. Despite changes in volume, the proportion of contributions from private sources has remained fairly steady over the last six years, at about a quarter (ranging between 23% and 27%) of overall international humanitarian assistance.

Analysis historically shows that private donors respond more generously to disasters associated with natural hazards, particularly sudden-onset emergencies such as the Nepal earthquake.<sup>12</sup> However, according to 2016 data from UN OCHA’s FTS, the Syria crisis was the largest recipient of private funds for the second year running, with contributions from private donors to the Syria crisis totalling US\$223 million (4% of the total). The European refugee and migrant crisis also attracted large contributions from private donors in 2016. Donations from private sources to Greece, Macedonia, Serbia and Turkey reached a combined total of US\$71 million – approximately 13% of total international humanitarian funding for the crisis.

**Figure 3.6**

International humanitarian assistance from private donors, 2011–2016



Source: Development Initiatives based on our unique dataset of private contributions.

Notes: Figures for 2016 are preliminary estimates (see *Methodology and definitions* for full details). Data is in constant 2015 prices.

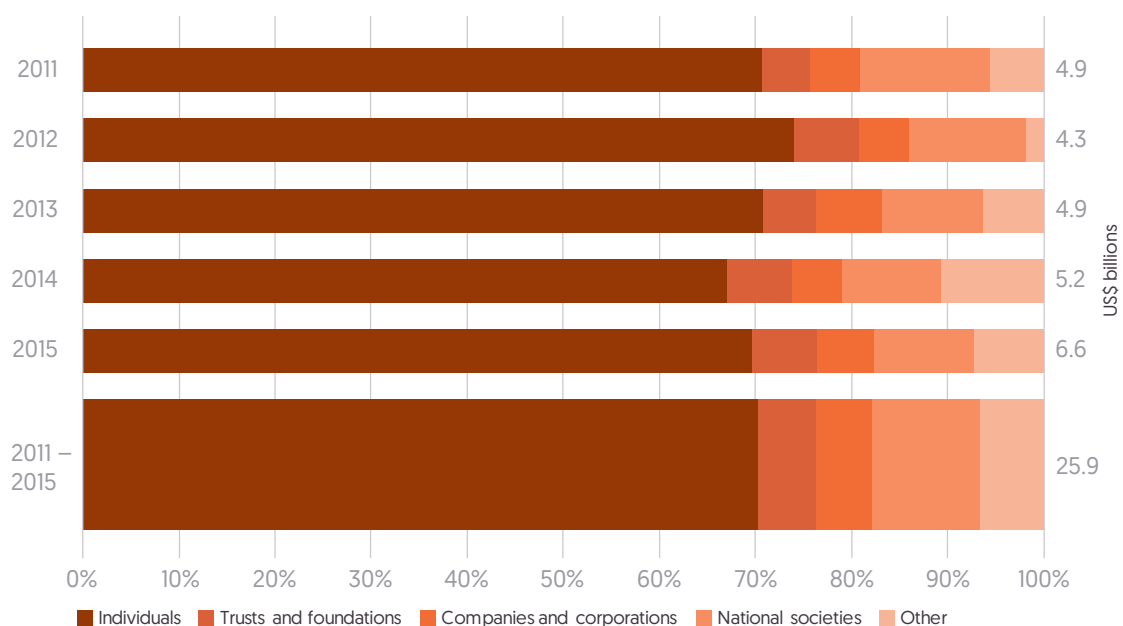
As Figure 3.7 shows, individual giving – funding donated by the public – continues to account for most private humanitarian funding, representing over two-thirds (70%) of the total between 2011 to 2015. In 2015 (the latest year for which a breakdown by private donor type is available), contributions from individuals totalled around US\$4.6 billion.

Non-governmental organisations (NGOs) rely particularly heavily on donations from individuals. In 2015, according to our dataset, approximately 42%<sup>13</sup> of humanitarian funding for NGOs came from private sources, of which over three-quarters (79%) was from individuals. UN agencies are also working to boost their private humanitarian income. In 2015, they received 6% of their funding from private donors, of which 39% came from individuals.

Proportionally, contributions from trusts and foundations have remained relatively constant over the last five years but increased considerably in volume between 2014 and 2015, rising by US\$109 million to total US\$453 million. Funding generated by national societies – including national Red Cross and Red Crescent societies and UNICEF national committees – reached US\$676 million (an increase of US\$148 million). Companies and corporations gave an estimated US\$388 million in 2015 – their largest contribution in the five-year period between 2011 and 2015.

**Figure 3.7**

Sources of private international humanitarian assistance, 2011–2015



Source: Development Initiatives based on GHA's unique dataset of private contributions.

Notes: Data is in constant 2015 prices.

## Private donors: faith-based giving

All major world religions include some element of charitable giving.<sup>14</sup> Islamic social finance, referring to any financial system, practice or mechanism that complies with Islamic or Shariah law, has attracted particular attention over recent years as a source of financing for domestic and international humanitarian response.

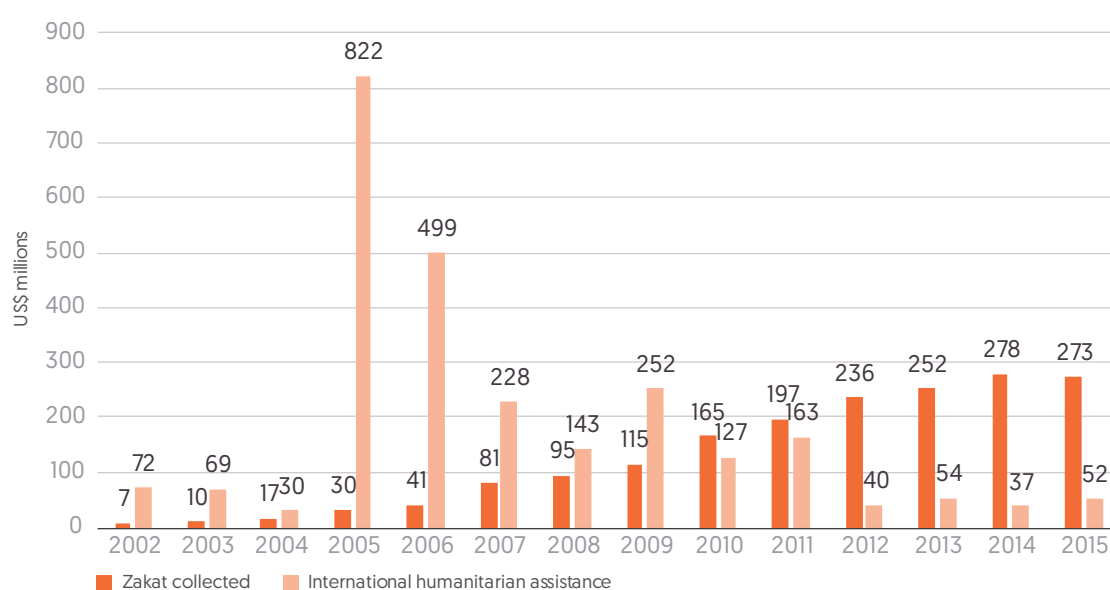
The potential of Islamic social finance to help fill the humanitarian funding gap was identified by the UN High-Level Panel on Humanitarian Financing in its 2016 report to the UN Secretary-General.<sup>15</sup> Islamic social finance went on to feature prominently in discussions leading up to and during the WHS, with several announcements at the Summit itself of new instruments and commitments. These include a humanitarian waqf<sup>16</sup> announced by Maybank Islamic and the Norwegian Refugee Council, and a Global Islamic Finance and Impact Investing Platform by the UN Development Programme and the Islamic Development Bank to support the SDGs.<sup>17</sup>

There are no precise or reliable figures for the global value of Islamic social finance, though our own approximate estimate puts the global amount of Zakat<sup>18</sup> collected annually through formal mechanisms in the tens of billions of dollars at the very least.<sup>19</sup> More accurate approximations are possible for individual countries with Muslim-majority populations where Zakat is collected and distributed by the state.

In Indonesia for example – home to the world's largest Muslim population – the US\$ value of Zakat collection has increased 37-fold since 2002 (see Figure 3.8). In the same period, international humanitarian assistance to Indonesia decreased from a high of US\$822 million in 2005, following the Indian Ocean tsunami and Sumatra earthquake, to just US\$52 million in 2015. The Indonesian National Zakat Board (BAZNAS) believes there is significant potential for an increase in Zakat collection in Indonesia in the coming years.<sup>20</sup>

**Figure 3.8**

Zakat collected in Indonesia and international humanitarian assistance to Indonesia, 2002–2015



Source: Development Initiatives based on OECD DAC, UN OCHA FTS and UN CERF data, and the Indonesian National Zakat Board (BAZNAS).

## Private donors: crowdfunding

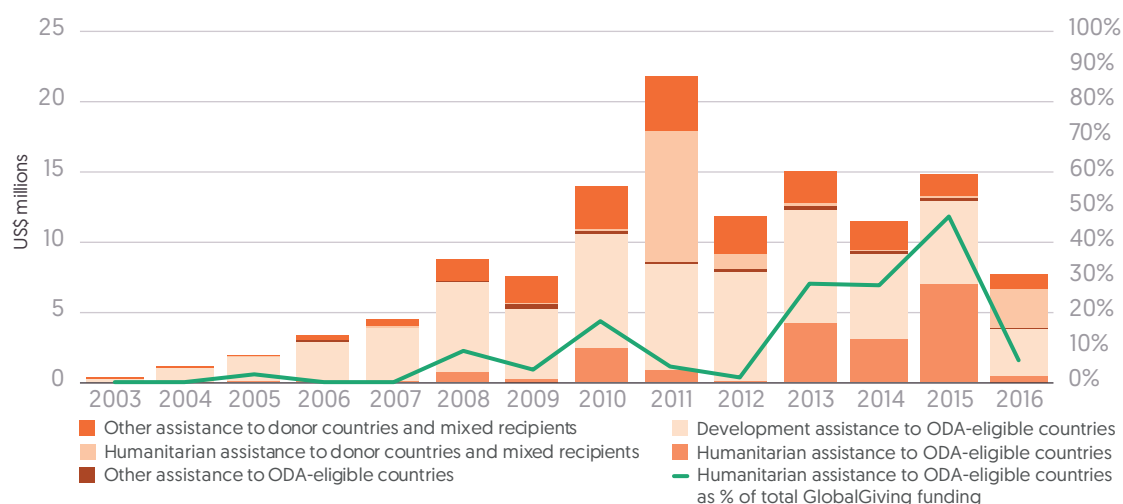
Advances in technology and a proliferation of platforms for online giving provide new opportunities for individuals to directly support humanitarian action. Crowdfunding is a broad term that encompasses a variety of related models of direct giving [see *Definitions*, Chapter 6].

In 2015, according to one recent report, an estimated US\$430 million was raised through crowdfunding platforms for projects in developing countries, of which 'disaster relief' was the 8th largest category with approximately US\$27 million of funding.<sup>21</sup> Other analysis indicates that the largest regional growth in crowdfunding in 2015 was in Asia, where there was a 210% increase from the previous year, mainly from India; this was followed by Africa with a 101% increase.<sup>22</sup> As access to banking services grows, the global potential for crowdfunding will increase further. The World Bank estimates that US\$96 billion could be raised through crowdfunding in developing countries by 2025.<sup>23</sup>

GlobalGiving is an example of an online fundraising platform for local organisations delivering humanitarian and development projects. According to GlobalGiving's own data [published to the International Aid Transparency Initiative (IATI) Standard – see *Transparency*, Chapter 5], its funding increased from US\$272,000 in 2003 – its first full year of operation – to a peak of US\$22 million in 2011, when US\$9.3 million (over 40%) was provided for projects in Japan following the earthquake and tsunami [see Figure 3.9].

Since 2012, an average of US\$12 million has been raised for projects on GlobalGiving each year. GlobalGiving believes this relative levelling out in funding may reveal a growing public willingness to give to smaller crises attracting less media and public donor attention. For example, in 2016 there was an increase in donations to small humanitarian campaigns, including earthquake responses in Tanzania and Ecuador, and cyclone response in Fiji. This trend could suggest scope for the potential of crowdfunding platforms to supplement funding for emergencies that otherwise attract little international attention.

**Figure 3.9**  
Funding donated through GlobalGiving, 2003–2016



Source: International Aid Transparency Initiative data and additional sectoral data provided by GlobalGiving.

Notes: 'Mixed recipients' means a combination of donor and ODA-eligible countries. Data is in constant 2015 prices.

## Private donors: private sector investments

The potential of private sector investments is gaining increasing attention as donors struggle to fill humanitarian and development funding gaps. This includes innovative financing mechanisms such as impact bonds and guarantees (see *Tools for crisis financing*, Chapter 2), as well as what is sometimes referred to as ‘blended finance’ – using public funds (ODA and philanthropic funding) to mobilise private investments.

Interest in this area manifested itself in several WHS commitments<sup>24</sup> and in the joint paper of the MDBs on forced displacement.<sup>25</sup> It was articulated again at the 2016 conference Supporting Syria and the Region, where participants endorsed commitments by refugee-hosting governments to strengthen labour markets and improve investment climates, as well as donor support enabling them to do so.<sup>26</sup>

Results thus far have been limited, though this is not unique to humanitarian settings. A 2016 study by Development Initiatives shows that while support for ‘blended finance’ is growing, its potential to fill the SDG funding gap is not yet based on clear evidence. Even in contexts where it is being used, the long chain of causation involved in ‘blending’ means that results may not be realised for many years.<sup>27</sup>

The limitations of private investment-related instruments are clearly greater in high-risk and crisis-affected settings. However, some mechanisms are in development or operation in a few fragile, crisis-affected and refugee-hosting settings. They include:

- **Impact bonds: Investors providing upfront financing to a service provider to deliver an identified outcome.** If the outcome is achieved, the investor is paid back with interest by the outcome funder – usually a government or donor. At the World Economic Forum in 2015, the International Committee of the Red Cross (ICRC) launched the first Humanitarian Impact Bond. While still in its planning phase, the Belgian government has already pledged €10 million to the bond in support of ICRC’s physical rehabilitation programme.<sup>28</sup>
- **Guarantees: Reducing the risk of private investment in high-risk contexts by providing guarantees for repayment if a public entity fails to meet the contractual obligations of a private sector project.** In 2015, the Hashemite Kingdom of Jordan announced US\$1.5 billion in sovereign bonds guaranteed by the US. Proceeds have reportedly been used to provide critical services to communities in Jordan, which is host to large numbers of Syrian refugees.<sup>29</sup>
- **Political risk insurance: Reducing the risk of private investment in high-risk contexts by providing insurance against political, default and currency risks.** For example, the Multilateral Investment Guarantee Agency (an arm of the World Bank Group) issued a record US\$4.3 billion in political risk and credit enhancement guarantees in 2016; 10% of this was for countries affected by conflict and fragility.<sup>30</sup>

It is hard to know the exact magnitude of these types of finance, and too early to evaluate their impact. Tracking and learning from them will be important, however, to know if, where and how they can feasibly be replicated and scaled up.

## Domestic government funding: disaster financing

**Figure 3.10**

Disaster-related financing in Bangladesh, 2000–2013

Disaster related costs and available financing



Sources: Disaster related costs – Development Initiatives based on *Bangladesh: Capacity Building for Disaster Risk Finance* report by the Asian Development Bank; Official humanitarian assistance – OECD DAC CRS data.

Notes: Humanitarian assistance figures used in this analysis include official humanitarian assistance only. Disaster-related available funds includes international humanitarian assistance, which is shown separately in this figure for comparison. Data is in current prices.

States have the primary responsibility for managing and responding to crises on their own territory. International assistance is only needed when domestic capacity is unable to meet these responsibilities alone (see Chapter 1). China did not appeal for international assistance in 2016 despite large-scale disasters (see Figure 1.5), for example, and Mexico has well-established disaster financing mechanisms (such as in Figure 2.10).

Bangladesh is one of the most environmentally vulnerable countries in the world and as it only recently moved from low income to lower middle income country status (in 2015), domestic resources remain stretched. Climate change and population growth will likely increase its exposure to cyclones and flooding.<sup>32</sup> In 2016, tropical Cyclone Roanu brought floods and landslides affecting 1.3 million people,<sup>33</sup> followed by monsoon-induced flooding affecting 4.2 million people.<sup>34</sup>

Yet, compared with previous cyclones, the loss of life after Cyclone Roanu was relatively low. This has been attributed in part to increased domestic investments in disaster risk management.<sup>35</sup> In 2015 the Ministry of Disaster Management and Relief spent over US\$600 million – 2.4% of the national budget. And total government expenditure on disaster management and relief, including contributions from other ministries, may have exceeded this by more than 150%.<sup>36</sup>

In 2015, Asian Development Bank estimates<sup>37</sup> of the Government of Bangladesh's disaster relief expenditure found that 13% [\$350 million] of available finance [\$2.7 billion] was generated domestically between 2000 and 2013 [see Figure 3.10], with the remainder coming from various sources of international revenue. Domestically-generated funds include those from a collaborative corporate social responsibility trust that is overseen by the Bangladesh Central Bank and includes 87 commercial banks and financial institutions.<sup>38</sup> By comparison, according to OECD DAC figures, just over US\$878 million of official humanitarian assistance was given by donors to Bangladesh for the same period, of which US\$257 million was specifically for disaster prevention and preparedness.

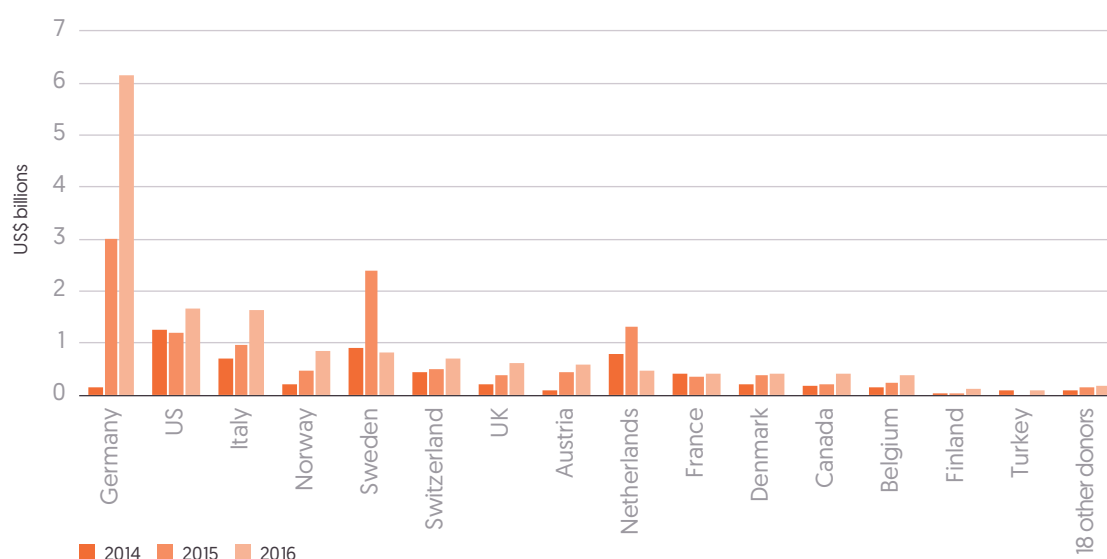
However, the combined efforts of domestic and international financing fell far short of the US\$10.8 billion costs of disasters estimated by the Asian Development Bank, whose analysis suggests that the deficit was borne domestically – 85% of it by the public sector. To address this funding gap and ensure a timely response it recommends further investment in contingent credit facilities, sovereign risk insurance and microinsurance (see also Figure 2.10).



## Domestic government funding: refugee hosting

**Figure 3.11**

In-donor refugee-hosting costs reported to the OECD DAC, 2014–2016



Source: Development Initiatives based on OECD DAC data.

Notes: In-donor refugee costs are only those reported under this ODA category code. Other expenditure on refugee hosting in these countries that is not reported to this code is not included. Data is in constant 2015 prices.

State contributions to hosting refugees can be significant but hard to estimate in financial terms. Turkey reports its significant contributions to hosting Syrian refugees in 2016 within its total humanitarian assistance (see Figure 3.1). However, in the cases of Lebanon and Jordan, host to 0.7 million and 1 million refugees respectively, estimates of economic impact exist<sup>39</sup> but not of government refugee-related expenditure. Moreover, requirements and contributions go beyond the monetary: legal protection, socioeconomic inclusion and in-kind support are also vital.

There are no standardised reporting systems for comparing state contributions to refugee hosting. Figures are reported in national, federal and local government budgets using different provision categories and costing models.<sup>40</sup>

Governments reporting to the OECD DAC may report some refugee-hosting contributions within their ODA under a specific ‘in-donor’ category, which can cover the first year’s costs of hosting a refugee or an asylum seeker. However, there is considerable variation between what and how different governments choose to report.<sup>41</sup> As numbers of refugees and asylum seekers in many DAC reporting countries have grown, so has scrutiny of the reported costs.<sup>42</sup>

Analysis of in-donor costs shows a significant increase in the past three years. Reported costs more than doubled between 2014 and 2015 – from nearly US\$6 billion to over US\$12 billion, followed by a smaller rise of 28% in 2016, bringing the total to nearly US\$16 billion (see Figure 3.11).

Germany reported the highest levels of in-donor costs in 2016 (US\$6.2 billion), more than double 2015’s amount, pushing its total significantly higher than the next largest donors, US and Italy, which both reported nearly US\$1.7 billion. Turkey reported US\$100 million as in-donor costs, separate to contributions to hosting Syrian refugees that it includes under the DAC humanitarian assistance category (see *International government funding: largest donors*, page 44).

# chapter 4

## location and timing

where, when and for how long

Syria was the single largest recipient of international humanitarian assistance for the fourth year running in 2015, receiving US\$2.1 billion. Many of the same countries feature in the group of 10 largest recipients year on year, but in 2015 there were some significant changes: Yemen and Nepal made first-time appearances; while long-featuring Sudan and Afghanistan were notably absent.

Humanitarian funding was concentrated on a few large emergencies in 2016. The five emergencies receiving the most international humanitarian assistance accounted for more than half (54%) of all crisis-specific funding, according to data from the UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS). While this concentration was roughly the same in 2014, in 2012 less than a third of funding went to the five largest recipients.

Government donors in Europe and North and Central America provided the majority of funding to four of the five largest recipients of international humanitarian assistance in 2016. The exception was Yemen, where donors in the Middle East region provided 50% of total funding, consistent with previous patterns of donor geographic focus.

Crises continue or reoccur in the same high-risk contexts, leading to repeated calls for international humanitarian assistance. A review of appeals data reveals that 13 countries have published UN-coordinated appeals in at least eight of the last ten years; six of these have had UN-coordinated appeals every year since 2007.

International funding in response to these crises – both protracted and recurrent – is also often provided over extended periods, though typically in successive annual grants. In 2015, the vast majority (88%) of official humanitarian assistance went to long- and medium-term recipients. But while there are clear commitments for more multi-year humanitarian planning and funding, over three-quarters of UN-coordinated appeals were single- rather than multi-year in 2016. And there is not yet a means of counting multi-annual humanitarian funding from donors, nor evidence suggesting a major shift in this direction.

Early funding to anticipate crises and manage risk is also critical. Analysis of early financing in response to the impacts of the El Niño weather phenomenon in Ethiopia and Kenya highlights good practice, as well as lessons to be learned for future crises.

## The largest recipients of international humanitarian assistance

International humanitarian assistance went to 145 countries in 2015 (the most recent year for which Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) data on where humanitarian assistance goes is available). Consistent with the trend over the past three years, the 10 largest recipients of international humanitarian assistance accounted for almost 60% of total funding allocated to countries in 2015. Six of those countries were in the Middle East region (Syria, Yemen, Jordan, Iraq, Palestine and Lebanon); three in sub-Saharan Africa (South Sudan, Democratic Republic of the Congo and Ethiopia); and one in the South and Central Asia region (Nepal).

For the fourth year running, in 2015 Syria was the single largest recipient of international humanitarian assistance. According to analysis of OECD DAC, UN OCHA FTS and Central Emergency Response Fund (CERF) data, US\$2.1 billion – 12.5% of total country-allocated international humanitarian assistance – went to Syria, an increase of 17% on the amount it received in 2014.

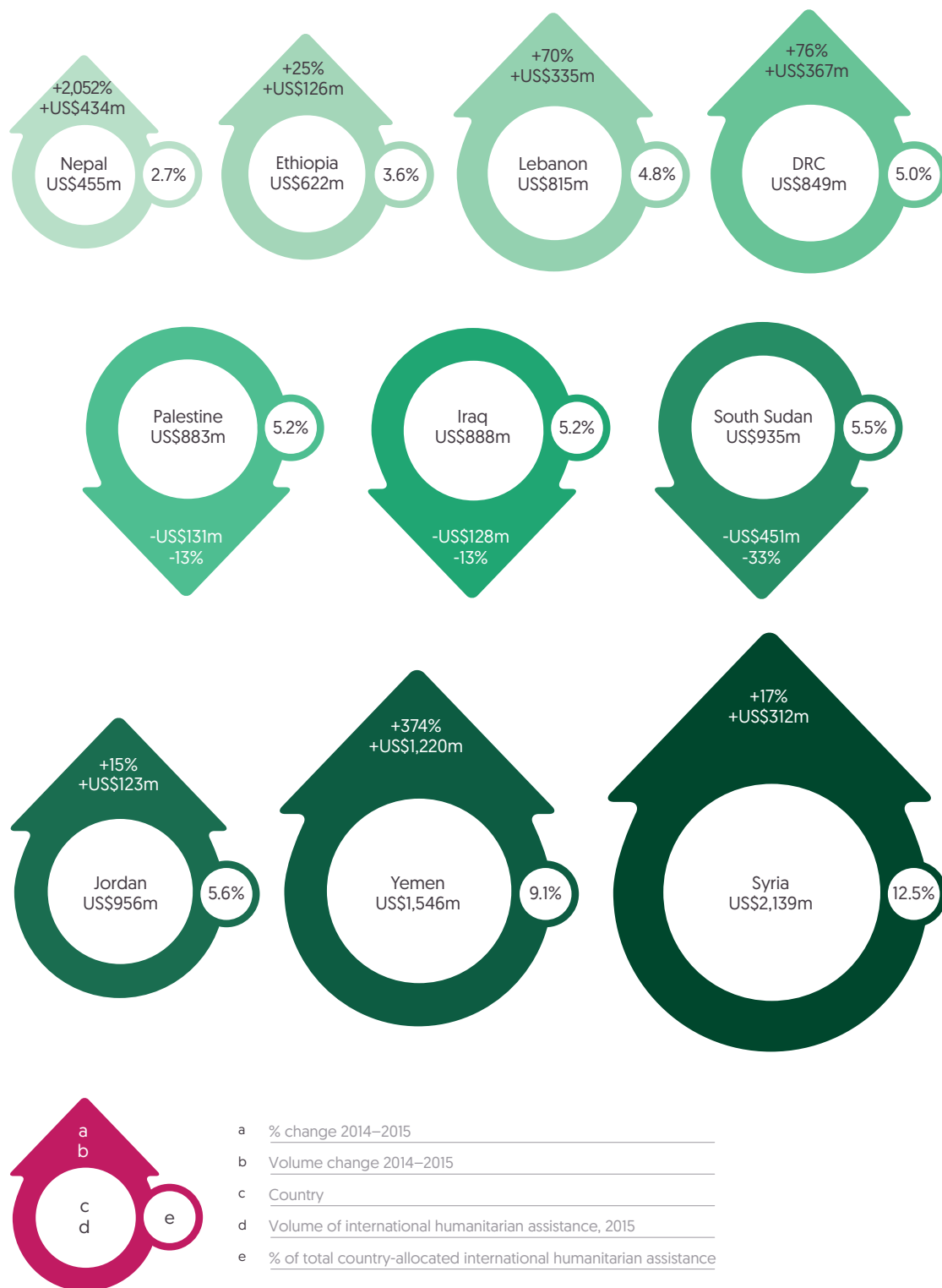
While many countries have appeared in the group of largest humanitarian recipients repeatedly over a period of years, 2015 did see some notable changes. Countries to appear for the first time included Yemen and Nepal; and countries to drop from the list were Sudan<sup>1</sup> (falling to 11th place), Afghanistan (down to 13th place), and the Philippines (17th place). This is the first time that Afghanistan has been absent from the group of 10 largest recipients since 1999 and the first time in 20 years, since 1995, that Sudan has not appeared. Despite severe and continued humanitarian need,<sup>2</sup> funding for both countries decreased between 2014 and 2015 – by 15% in the case of Afghanistan and 10% for Sudan.

In the group of 10 largest recipients (see Figure 4.1), Nepal experienced the biggest increase in international humanitarian funding, largely in response to the 2015 earthquake, with contributions rising from US\$21 million in 2014 to US\$455 million in 2015 – a 22-fold increase. Funding for Yemen, affected by a major escalation of violent conflict, displacement and food insecurity, also experienced a sharp increase – from US\$326 million in 2014 to US\$1.5 billion in 2015, an increase of 374%.

Not surprisingly, there is little overlap between the largest recipients of international humanitarian funding in 2015 and the EC Department of Humanitarian Aid and Civil Protection (ECHO)'s Forgotten Crisis Assessment (FCA) index – a widely referenced tool for identifying and responding to 'neglected' emergencies. Of the 13 countries prioritised by the FCA index for 2015, only one (Yemen) was among the largest recipients of country-allocated international humanitarian assistance that year. Others were considerably lower on the list. Algeria, for example, highlighted by the FCA index because of the long-running Sahrawi refugee crisis, was the 49th largest recipient of international humanitarian assistance in 2015; and Colombia, affected by conflict and widespread internal displacement, was 38th on the list of humanitarian recipient countries.

**Figure 4.1**

10 largest recipients of international humanitarian assistance, 2015



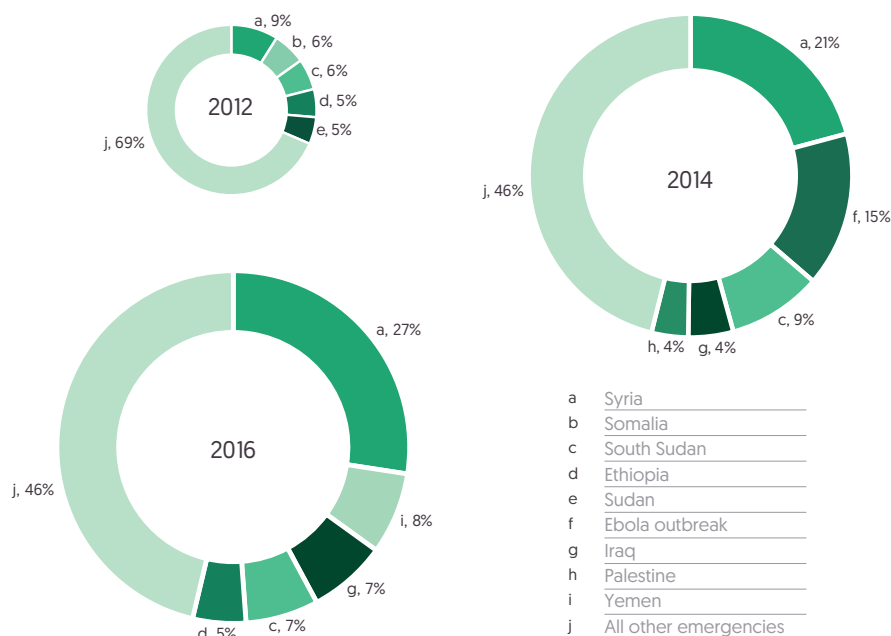
Source: Development Initiatives based on Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) and UN Central Emergency Response Fund (CERF) data.

Notes: DRC: Democratic Republic of the Congo. Data is in constant 2015 prices. Graphics scaled by volumes of international humanitarian assistance.

## Concentration of funding by crisis

**Figure 4.2**

Five emergencies receiving the most international humanitarian assistance reported to UN OCHA FTS, 2012, 2014 and 2016



Source: Development Initiatives based on UN OCHA FTS data.

Notes: Circles scaled by volume of international humanitarian assistance reported. Totals are shown by crisis rather than country and, in the cases of Syria, Yemen and South Sudan, funding is for the regional crises.

A small number of large crises receive the majority of international humanitarian funding (see Figure 4.2). In 2016, according to information reported to OCHA's FTS, Syria, Yemen, Iraq, South Sudan and Ethiopia accounted for more than half [54%] of all crisis-specific humanitarian funding. These were all severe crises with some of the largest populations in need (see Chapter 1).

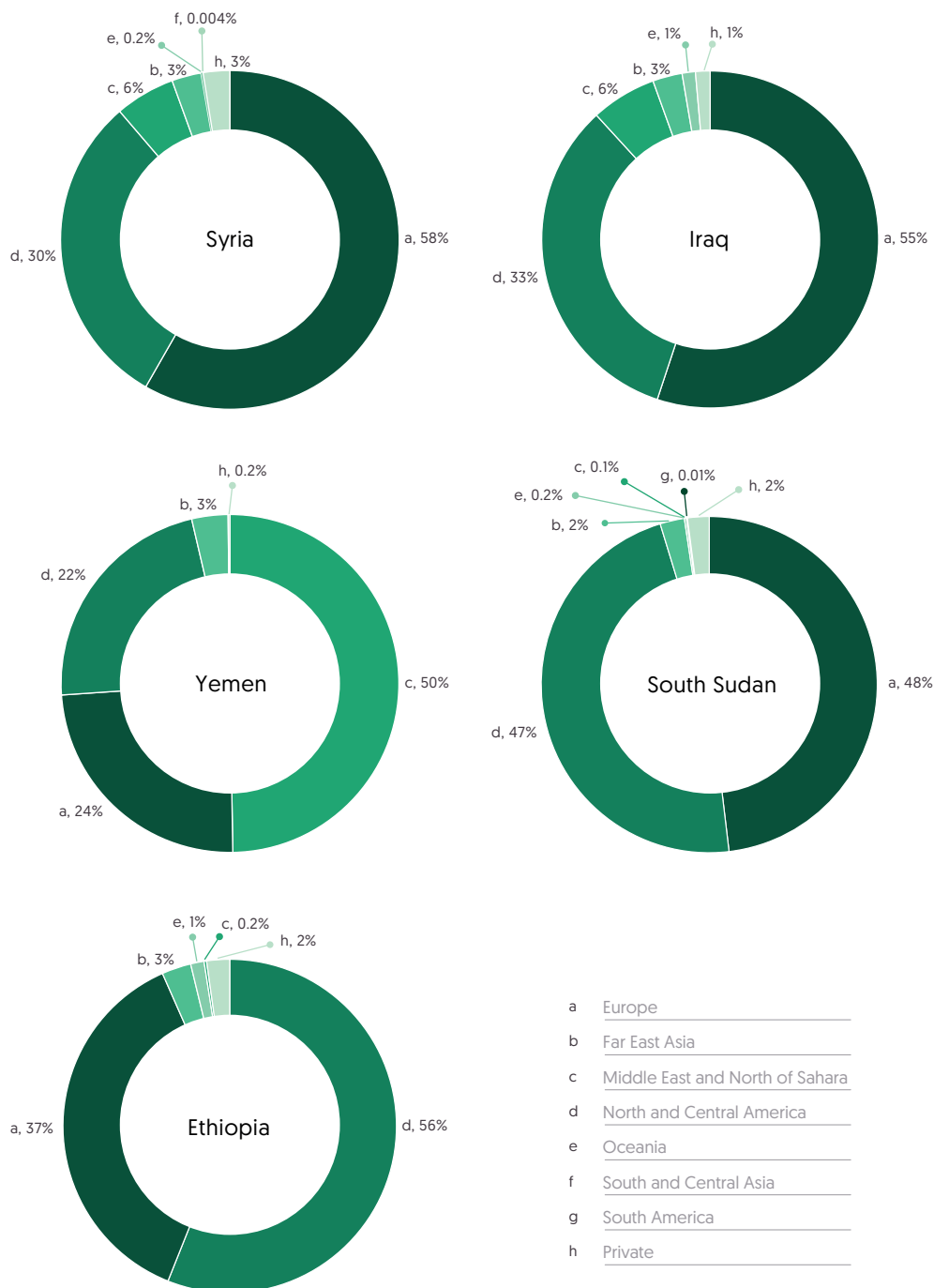
The level of concentration was much lower five years ago. In 2012, the five largest recipient emergencies accounted for less than a third of crisis-specific international humanitarian assistance. Since 2013, while some of the countries in the group of the largest five have changed, the overall concentration of funding has remained roughly the same. And it is unlikely to reduce in the near future given the protracted and complex nature of today's largest emergencies.

## Donor preferences

Analysis of international humanitarian assistance as reported to the FTS reveals the preferences of donors from different regions. In four out of the five largest recipient crises – Syria, Iraq, South Sudan and Ethiopia – donors in Europe and North and Central America (primarily the United States and Canada) provided most funding in 2016 (see Figure 4.3). Yemen was the exception, where government donors in the Middle East and North of Sahara region provided 50% [US\$805 million] of the total. Most of this [US\$762 million] came from governments of the United Arab Emirates and Saudi Arabia. Overall, private donors provided just over 2% of funding reported to the FTS for the largest five recipients in 2016 combined, and private funding was less than 1% of total international humanitarian assistance for Yemen.

**Figure 4.3**

Funding by donor region/private donors to the five largest recipients of international humanitarian assistance, 2016



Source: Development Initiatives based on UN OCHA FTS data.

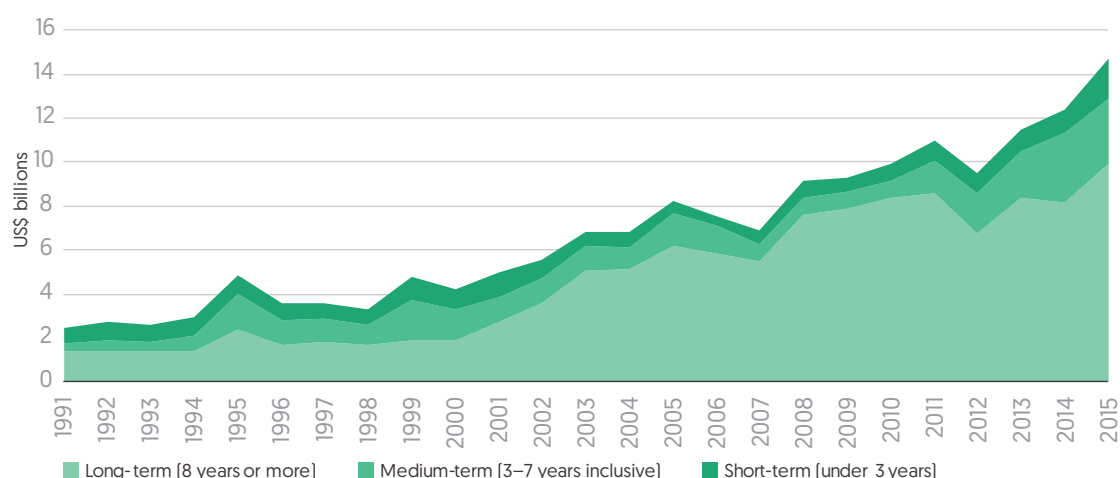
Notes: The five largest recipients for 2016 are based on funding reported to UN OCHA FTS only. Private figures are based on FTS data, not on Development Initiatives' dataset for private contributions. Unlike in Figure 4.2, which shows funding by crisis, this analysis is organised by recipient country.



## Long- and medium-term international humanitarian assistance

**Figure 4.4**

Long-, medium- and short-term recipients of official humanitarian assistance, 1991–2015



Source: Development Initiatives based on OECD DAC and UN CERF data.

Notes: Long-, medium- or short-term classification is determined by the length of time the country has received an above-average annual share of its official development assistance (ODA) in the form of humanitarian assistance. Calculations are based on shares of country-allocated humanitarian assistance. Data is in constant 2015 prices.

Most countries with humanitarian needs experience multiple crisis types [see Chapter 1], often protracted or recurrent in nature, to which effective responses are rarely quick fixes. In 2015, nearly 88% of official humanitarian assistance went to long- and medium-term recipients combined, continuing a consistent trend [see Figure 4.4]. Over two-thirds (67%) went to long-term recipients: those who have received an above average share of their official development assistance (ODA) in the form of humanitarian assistance annually for eight years or more. A further 20% went to medium-term recipients: those who have met the same criteria for between three and seven years.

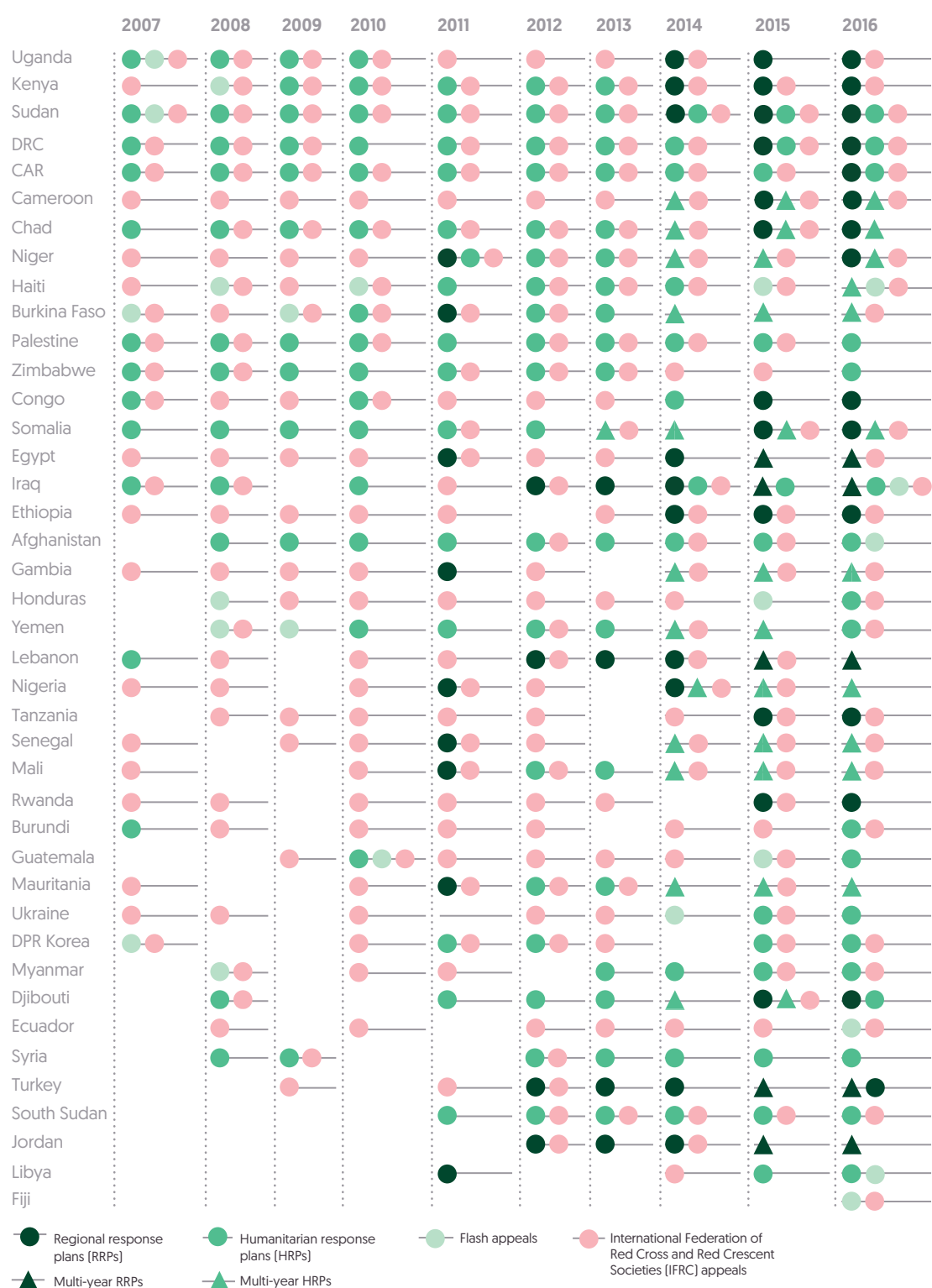
These long-term recipient countries often receive the most. Of the 20 largest recipients of international humanitarian assistance in 2015, 18 are either long- or medium-term recipients. There is also some correlation between low government spending and sustained high levels of international humanitarian assistance. Eight of the ten developing countries for which data is available with the lowest government expenditures per capita<sup>3</sup> are also either long- or medium-term recipients of humanitarian assistance. This reinforces what we know about the links between domestic coping capacity and humanitarian need [see Chapter 1].

Despite clear evidence of protracted or recurrent humanitarian needs, much of the funding provided to long- and medium-term recipient countries still comes in the form of successive annual grants. Multi-year planning and funding have the potential to support longer-term planning and action alongside initiatives to meet immediate needs, though there is little evidence yet of this happening at scale [see following section]. In addition, other resources beyond humanitarian assistance can be deployed more predictably and effectively to contribute to ‘shrinking’<sup>4</sup> humanitarian needs over time and working towards collective outcomes<sup>5</sup> that address the long-term causes and consequences of crisis [see also Chapter 2].

## Multi-year planning and funding

**Figure 4.5**

Recurrence of humanitarian appeals since 2007



Source: Development Initiatives based on UN OCHA, UN OCHA FTS, UN High Commissioner for Refugees and International Federation of Red Cross and Red Crescent Societies (IFRC) data.

Notes: CAR: Central African Republic; DPR Korea: Democratic People's Republic of Korea; DRC: Democratic Republic of the Congo. Countries with an HRP, a flash appeal or captured within an RRP in 2016 are shown in the chart. Where a country breakdown was not available for historic regional appeals, information is not captured within this analysis. IFRC data used in this chart comprises all appeals, and differs from Figure 1.5 and Figure 2.4, which include only emergency appeals. Countries that have multiple appeals of the same type in a single year are not marked up.

Multi-year planning can enable longer-term approaches and provide opportunities for links between humanitarian, development and stabilisation initiatives.<sup>6</sup> However, most UN-coordinated humanitarian response plans and regional refugee response plans are for a single year only. This is despite appeals for international humanitarian assistance often being launched repeatedly in the same countries year after year and sometimes simultaneously within years [see Figure 4.5].

A review of countries with UN-coordinated appeals in 2016 reveals that thirteen countries published UN-coordinated appeals in at least eight of the last ten years; six of these have had UN-coordinated appeals every year since 2007. Since 2000, Sudan has had 22 UN-coordinated appeals; and, since 2008, a further 10 appeals were initiated by the International Federation of Red Cross and Red Crescent Societies.

Few UN-coordinated appeals are multi-year. The first multi-year UN-coordinated appeal was launched in Kenya for 2011 to 2013.<sup>7</sup> By 2014, there were 13 multi-year plans in place – nearly half of all UN-coordinated appeals that year. As the overall number of appeals increased in 2015 and 2016, both years saw reductions in the number and proportion of multi-year appeals, down to just five in 2016 (Haiti, Libya, Sahel, Somalia and the Syria regional appeal) – around a quarter of total appeals that year.<sup>8</sup>

Multi-year planning requires sustained and predictable support from donors. Some donors already have multi-year instruments in place and in certain cases this has resulted in longer-term commitments. At the Supporting Syria and the Region conference<sup>9</sup> in early 2016, for example, significant levels of multi-year funding were pledged for the five-year period 2016 to 2020. By January 2017, of the total US\$12 billion of grants pledged, US\$2.8 billion had been contributed for the period 2017–2020.<sup>10</sup>

Public fundraising appeals conducted by the Disasters Emergency Committee (DEC)<sup>11</sup> are consistently multi-year, with projects lasting between two to three years. Indicative allocations are agreed at the outset and confirmed during the first year, allowing member agencies to plan a multi-year response from the beginning. DEC organisations cited benefits from this approach, including being able to retain assets and expertise, reduce bureaucracy, build better partnerships and strengthen local capacities; operate flexibly to respond to changing needs; and smooth the transition from emergency to recovery programming.<sup>12</sup>

Beyond specific examples, it is hard to determine the scale of multi-annual funding at the global level. The Grand Bargain includes commitments to increase multi-year planning and funding instruments.<sup>13</sup> However, despite evidence of initiatives by donors to enable more multi-year financing in varying degrees, no major collective shift in funding is yet apparent. Measuring change is difficult given that financial tracking platforms are largely limited to single-year reporting, though changes to FTS may in the future make tracking of multi-year commitments possible.<sup>14</sup> This will be an important step forward – allowing for robust monitoring of commitments, and contributing to an evidence base on multi-year planning and funding as enabling factors for a more appropriate, efficient and effective response.

## Early financing

Disasters triggered by weather patterns are often predictable. In such situations, the case for early financing to support early action is well known, particularly since the fatally late response to the 2011 drought in the Horn of Africa.<sup>15</sup> Evidence also shows that early financing is more cost efficient.<sup>16</sup> One model, based on a number of African countries, estimated that the cost of the response four months after a failed harvest averaged US\$49 per household, compared with US\$1,294 after six months.<sup>17</sup>

Swift mobilisation of humanitarian grants is only part of the solution. As Figure 2.10 shows, other mechanisms such as risk financing, domestic safety nets and adaptable development funding are also key. A number of mechanisms are in place in several El Niño-affected countries including social protection schemes, and household and regional insurance instruments. However, these were not in evidence or at scale everywhere and, despite such initiatives, national and international responses still fell short.

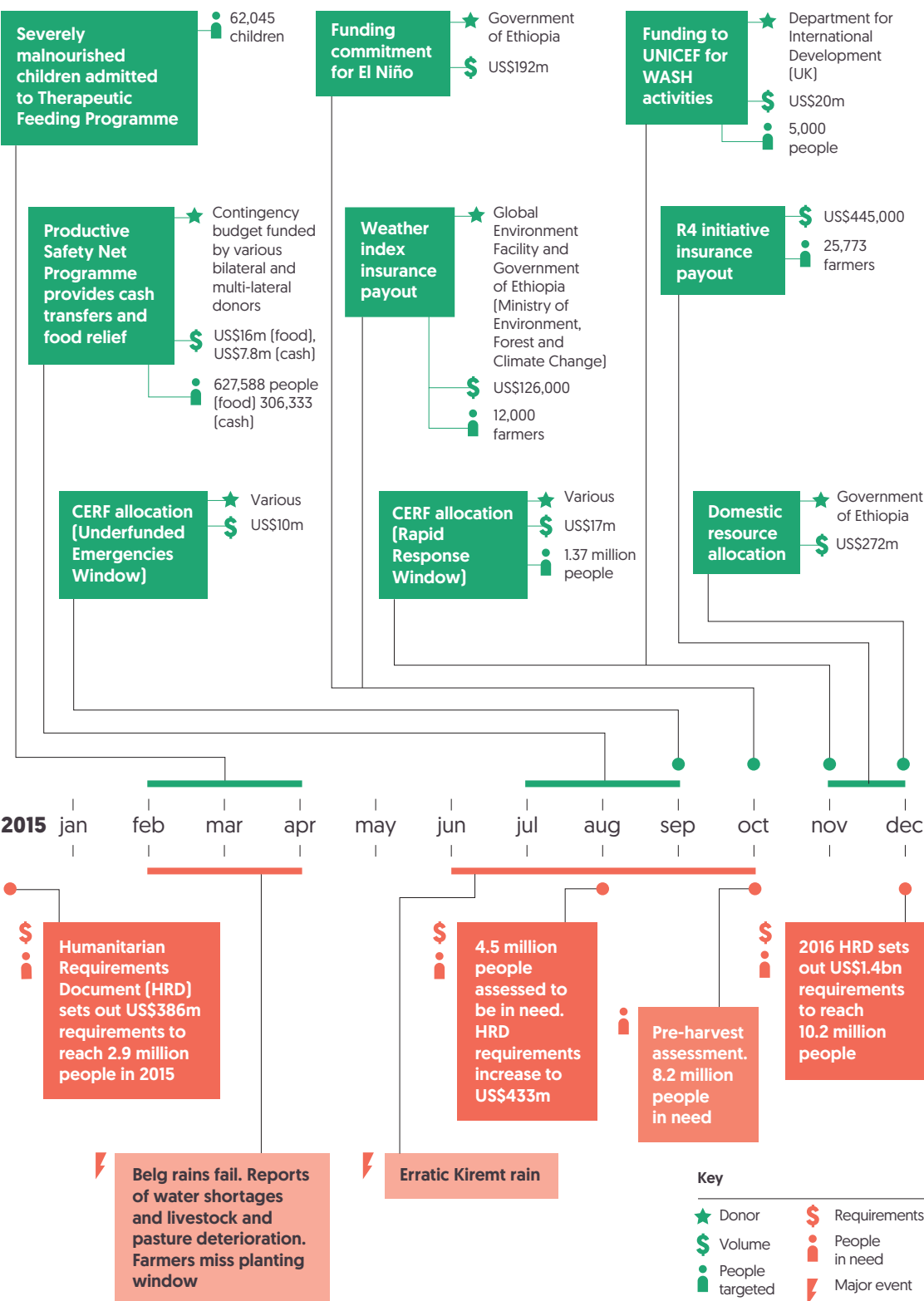
Figure 4.6 shows how key financing sources contributed after failed rains in Ethiopia caused by the El Niño phenomenon. In Ethiopia, early government funding for the Productive Safety Net Programme was provided, as well as quick contributions from a number of government donors, including the United States and United Kingdom.<sup>18</sup> Insurance payouts and a national emergency seed scheme also supported many thousands of households; there are also innovative partnerships, such as the World Food Programme/Government of Ethiopia LEAP (Livelihoods, Early Assessment and Protection) programme that links early warning triggers to the release of a World Bank-managed fund designed to scale up national safety nets.<sup>19</sup> Yet there was still a need for emergency international humanitarian assistance to respond to the scale of urgent needs, and by mid-2016 only 51% of humanitarian requirements in the US\$1.6 billion appeal had been met.<sup>20</sup>

By comparison in neighbouring Kenya, where the El Niño phenomenon manifested in different weather patterns and less severe needs, there was no humanitarian appeal. The government's contingency plans were mobilised ahead of rains and subsequent flooding, and the Hunger Safety Net Programme was scaled up, supported by international donors, to include populations not usually covered under the scheme to enable them to prepare for the floods. A number of donors also provided rapid funding for pre-positioning and response while the Kenyan and British Red Cross Societies activated forecast-based seed distributions. However, insurance schemes such as the high profile African Risk Capacity and Index-Based Livestock Insurance did not result in payouts.

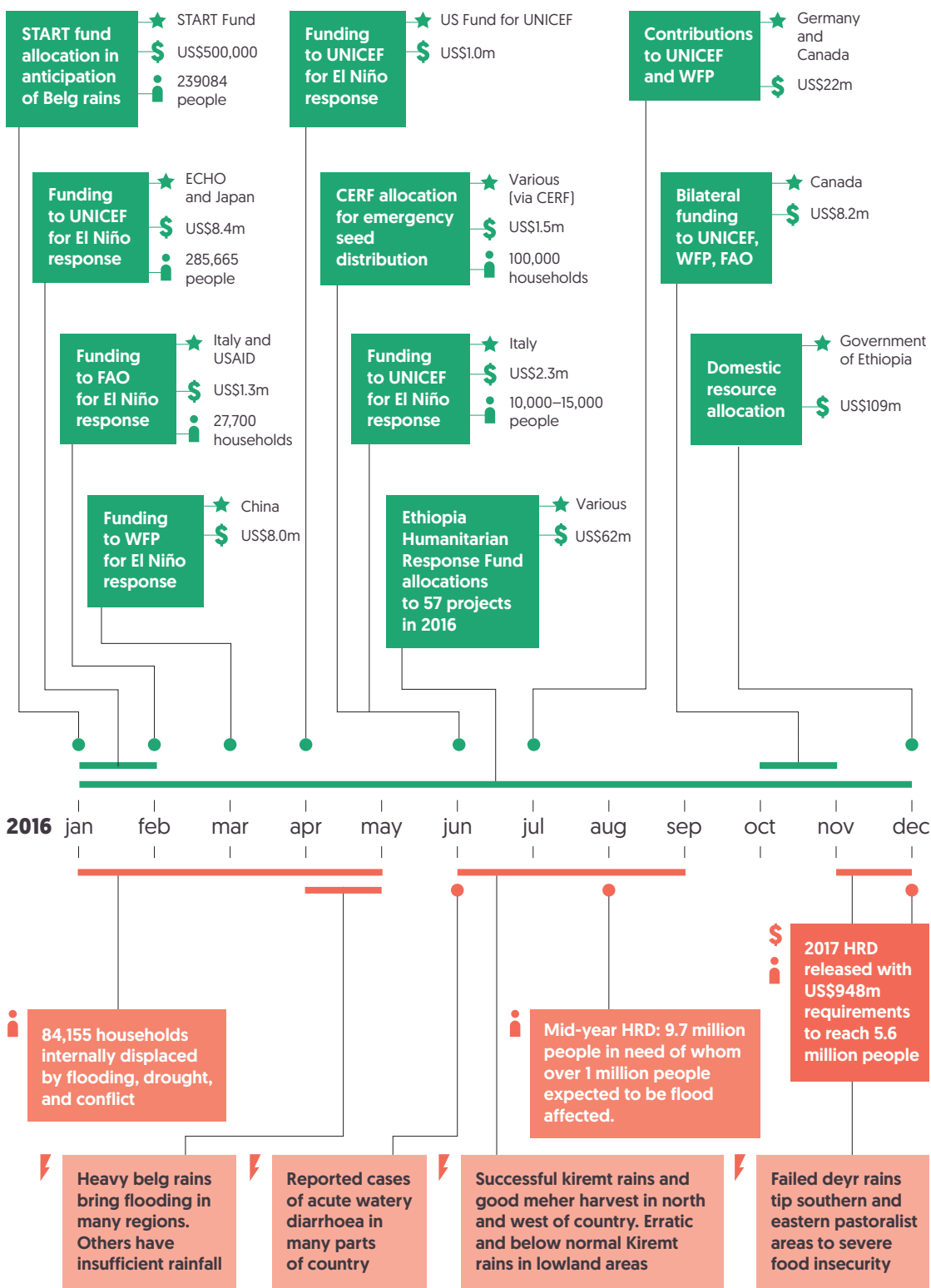
While there were delays and shortfalls in both the Ethiopia and Kenya responses, the reaction was swifter and more sophisticated than in some other El Niño-affected countries in Africa. In Angola for example, where the government's financing tools and fiscal space to respond are limited, there was a funding gap of 84% in appeal requirements by October 2016, according to the regional Inter-Agency Standing Committee action plan for Southern Africa.<sup>21</sup>

Figure 4.6

Timing of funding to Ethiopia for El Niño preparedness and response



Source: Development Initiatives based on Ethiopia annual and mid-year humanitarian requirements documents; UN OCHA FTS, CERF, UN Development Programme, UNICEF, Food and Agriculture Organization (FAO), Oxfam America, ReliefWeb, US government – foreignassistance.gov, World Food Programme (WFP), International Aid Transparency Initiative (IATI), European Civil Protection and Humanitarian Aid Operations (ECHO).



Notes: WASH: water, sanitation and hygiene; WFP: World Food Programme. Belg: short rainy season from March to May (in highland and mid-land areas). Kiremt/meher: long and heavy rainy season from June to September/post-Kiremt harvest. Deyr: short rainy season from October to December (in Somali Region). Data is in current prices.





## Yemen

2012

Women in Yemen receive cash transfers they can then exchange for the goods they need.

Credit: © Oxfam 2012/Caroline Gluck



# chapter 5

## effectiveness

### efficiency, flexibility and transparency

How humanitarian funding is given matters: the modalities and channels of delivery used can affect the efficiency and effectiveness of response. Within Grand Bargain commitments,<sup>1</sup> donors and humanitarian agencies have agreed to improve the way humanitarian funding is provided and delivered. Transparency is an important part of fulfilling these commitments and tracking progress against them.

International assistance is channelled through a number of different institutions and mechanisms. In 2015, almost half (46%) of all international humanitarian assistance was directed in the first instance through multilateral organisations, mainly UN agencies. The majority of UN funding went to eight UN agencies, six of which received increased humanitarian funding from the previous year.

Funding channelled directly to the International Red Cross and Red Crescent Movement (RCRC) increased by 21% in 2015; and direct funding to non-governmental organisations (NGOs) rose by almost a third, most of which (60%) came from private donors.

Local and national entities are often the primary responders in crises, yet only receive a small proportion of international humanitarian assistance directly, prompting calls for greater 'localisation'. Data reported to the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) shows that local and national responders directly received just 2% of international humanitarian assistance in 2016, most of which went to local and national governments. Local and national NGOs combined directly received just 0.3% (US\$66 million) of total reported international humanitarian assistance.

There has been some progress in improving the flexibility of funding for humanitarian organisations. Resources channelled through the UN-managed pooled funds – which allow money to be allocated according to changing needs – have almost doubled in the past 10 years, reaching US\$1.2 billion in 2016. However, proportionately more UN humanitarian funding is now being earmarked by donors, limiting recipient organisations' control to determine spending priorities and reduce reporting requirements. Data reported by eight UN agencies suggests that the proportion of unearmarked humanitarian funding has decreased over recent years, down to 14% of the total amount provided in 2016.

Cash-based programming offers more choice for recipients and can also generate efficiency gains within the humanitarian system. Approximately US\$2.0 billion was spent on cash-based programmes in 2015.

## Channels of delivery

Humanitarian funding rarely reaches crisis-affected people directly. It may be channelled from the donor to an organisation for direct implementation of projects, or subsequently passed on to other implementing partners. Almost half (46%) of all international humanitarian assistance was channelled in the first instance through multilateral organisations – primarily the UN agencies – in 2015. Much of this funding was provided by government donors. Multilateral organisations were the recipients of 59% (US\$11.3 billion) of direct funding from governments – a drop from the previous year when 64% (US\$11.4 billion) of government funding was channelled this way.

The preference for funding to multilateral organisations was far greater for government donors in the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) in 2015 compared with donors outside of the OECD DAC. DAC donors provided 61% (US\$10.6 billion) of their humanitarian funding to multilateral organisations, compared with 34% (US\$654 million) for other government donors. This is a significant decrease for other government donors from the 59% they provided to multilateral organisations the year before and is mainly attributable to a drop in UN funding from Gulf state donors, in line with an overall decrease in their humanitarian assistance (see Chapter 3).

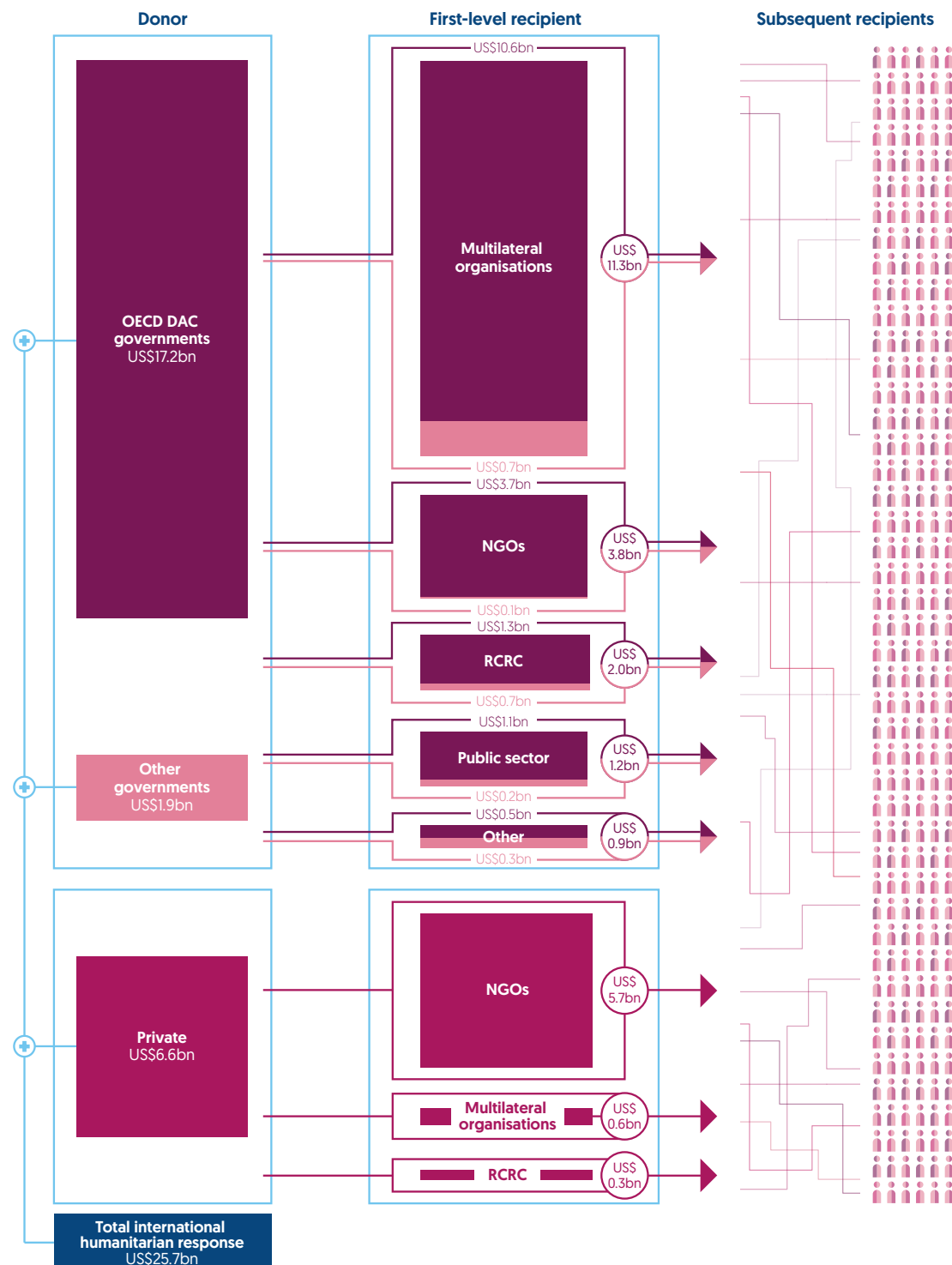
Direct humanitarian assistance to NGOs increased by almost a third (31%) in 2015 – from US\$7.3 billion in 2014 up to US\$9.5 billion. The majority of this (60%) came from private donors. NGOs are by far the preferred channel for private funding, receiving 87% (US\$5.7 billion) of all funding from non-state donors in 2015. Private donors generally channel much less funding through UN agencies – only 9% (US\$573 million) in 2015 was directed in this way, similar to the proportion in 2014.

Funding channelled to the RCRC also increased in 2015 – up 21% from the previous year to US\$2.3 billion. This was almost entirely due to an increase in funding for the RCRC from the United Arab Emirates.

The data shown in Figure 5.1 only captures the initial transaction between donor and the first recipient of funding. Comprehensive data on volumes of funding subsequently channelled to other organisations or ‘implementing partners’ is not currently available. Understanding how much funding is passed on, and the complexity of tracing the transaction chains between donors and recipients, is covered later in this chapter (see *Traceability of funding*, page 76).

**Figure 5.1**

Funding channels of international humanitarian assistance, 2015



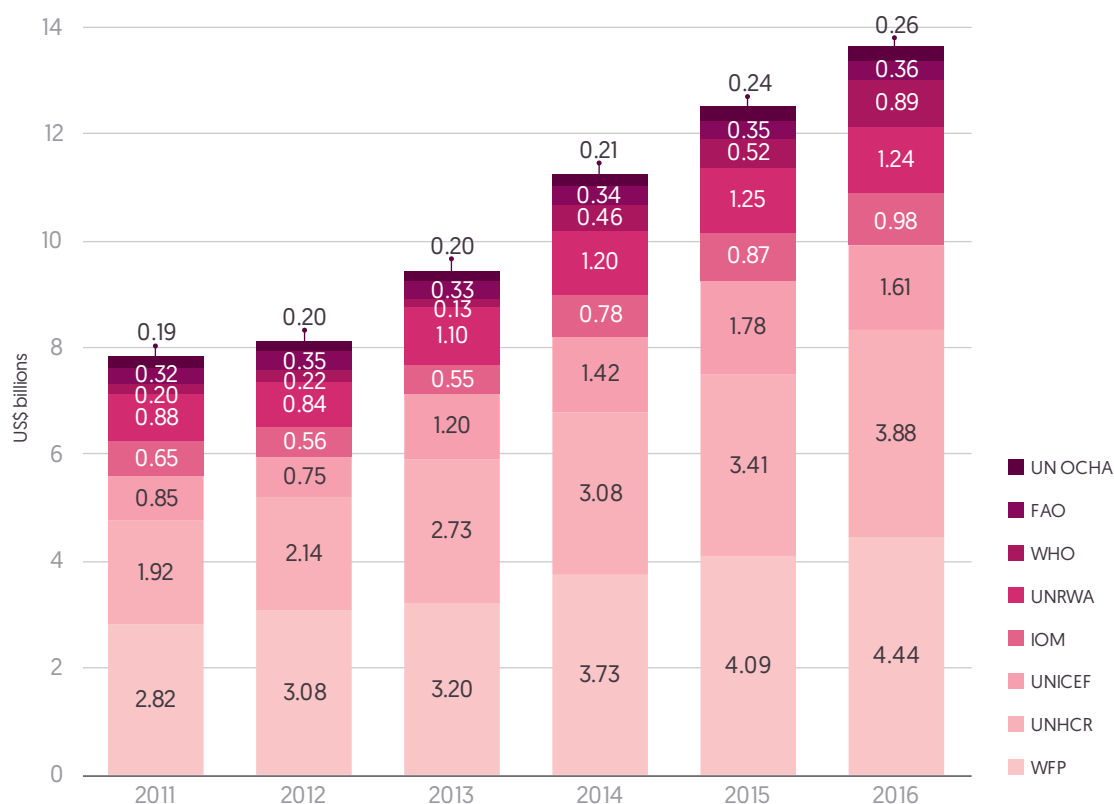
Source: Development Initiatives based on Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) and UN Central Emergency Response Fund (CERF) data and Development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

Notes: RCRC: International Red Cross and Red Crescent Movement. First-level recipient data from government donors and EU institutions uses OECD DAC Creditor Reporting System (CRS), UN CERF and UN OCHA FTS data. 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 5.4, which uses data from UN OCHA FTS only. The data used in Figures 2.4 and 2.5 refers primarily to emergency appeals, rather than a broader spectrum of programmatic work, and is sourced bilaterally from IFRC and ICRC reports. It therefore differs from data reported to OECD DAC and UN FTS.

## Funding to UN agencies

**Figure 5.2**

International humanitarian assistance and humanitarian-related contributions to eight UN agencies, 2011–2016



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

Notes: The calculation comprises earmarked and unearmarked humanitarian assistance and humanitarian-related contributions given to Food and Agricultural Organization (FAO), International Organisation for Migration (IOM), UN OCHA, UNHCR, UNICEF, UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), World Food Programme (WFP) and World Health Organization (WHO). WFP figures represent total allocations to humanitarian operations as funding cannot be disaggregated by humanitarian and non-humanitarian contributions; further funding may be in the pipeline, but not yet recorded against humanitarian programmes. 2016 data for all agencies is preliminary and may be revised. The data used in this analysis differs from data used in Figure 5.1. Data is in constant 2015 prices.

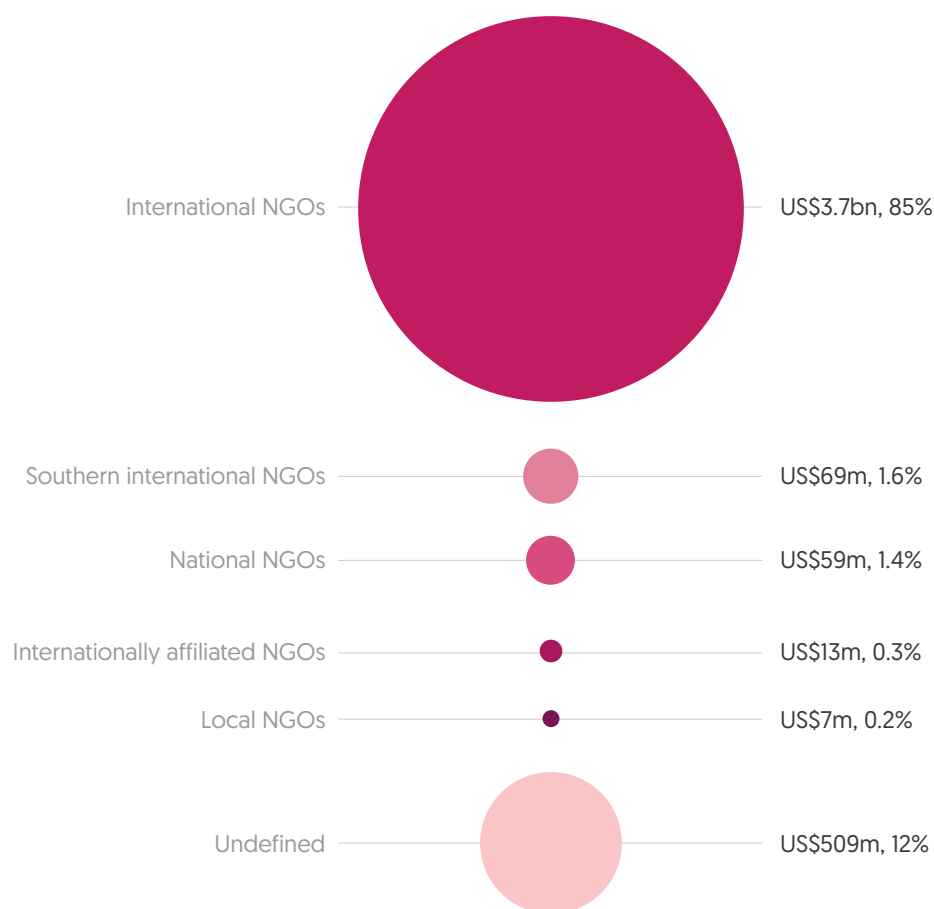
The largest share of international humanitarian assistance is channelled in the first instance through UN agencies (see previous section). A number of UN agencies have a key role in delivering and coordinating international humanitarian action including World Food Programme (WFP), UN High Commissioner for Refugees (UNHCR), UNICEF, the International Organisation for Migration (IOM),<sup>2</sup> the UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), the World Health Organization (WHO), the Food and Agricultural Organization (FAO) and UN OCHA. In 2016, these eight organisations received US\$13.7 billion of humanitarian funding – an increase of 9% on the amount they received the previous year (see Figure 5.2).

Within the group of eight, WFP received the largest volume of humanitarian funding in 2016 (US\$4.4 billion, 32% of the total), followed by UNHCR (US\$3.9 billion, 28%) and UNICEF (US\$1.6 billion, 12%). The most notable increases in humanitarian funding over the six years between 2011 and 2016 were for WHO, with a more than four-fold (341%) increase up to US\$0.9 billion in 2016; UNHCR, with an approximate doubling of humanitarian contributions (increase of 102%); and UNICEF (increase of 89%). However, UNICEF was the only one of the eight agencies to show a notable decrease in funding in 2016 after a peak the previous year.

## Direct funding to NGOs

**Figure 5.3**

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



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; 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 *Methodology and definitions*. Data is in current prices.

International humanitarian funding channelled through NGOs increased by almost a third in 2015 to US\$9.5 billion [see Figure 5.1]. This follows annual increases to NGO funding in the previous two years.

Analysis of FTS data shows that the vast majority [85%] of funding for NGOs in 2016 went to international NGOs (INGOs) [see Figure 5.3]. Of this, over half [53%] went to the largest ten recipients, and more than a third [36%] to the largest five recipients. Other types of NGOs received much less: southern international NGOs received 1.6% of the NGO total, and local and national NGOs combined received just 1.5%.

## Funding for local and national responders

The primary responders in crisis situations are often local and national, but they only receive a small proportion of international humanitarian assistance directly. 'Localisation' was a strong theme throughout the World Humanitarian Summit (WHS) and has maintained momentum since through several processes and commitments.<sup>3</sup> Most notably, the Grand Bargain calls for a global, aggregated target of at least 25% of humanitarian funding to go to local and national actors "as directly as possible" by 2020.<sup>4</sup>

Discussions since the WHS have focused on agreeing common definitions of local and national responders. Work is also underway to assess the feasibility of tracking direct and indirect funding to local and national organisations, including through the application of a 'localisation marker'.<sup>5</sup>

Applying a set of definitions of local and national responders that are still under discussion (see *Methodology and definitions*),<sup>6</sup> and using data reported to UN OCHA's FTS, shows that local and national responders directly received 2% (US\$445 million) of international humanitarian assistance in 2016. This includes funding to local and national governments, local and national NGOs, RCRC National Societies and local and national private sector organisations.

Of these categories, the majority (81% or US\$359 million) went to national governments, representing 1.6% of total international humanitarian assistance reported to the FTS (see Figure 5.4) – more than half of which (59%) went to Yemen. Considerably more humanitarian funding may have been channelled to governments in 2016 that was not reported to the FTS.

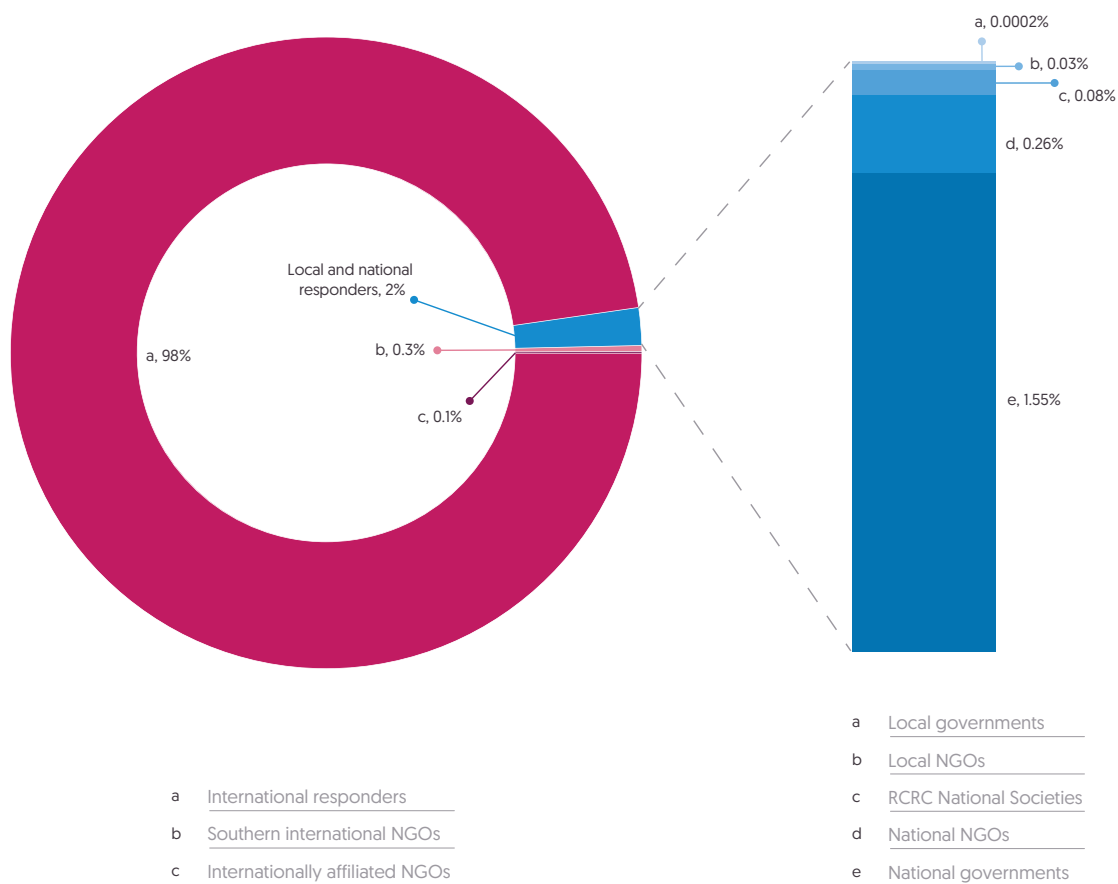
RCRC National Societies – those based in and operating within their own aid recipient countries – received 0.1% (US\$20 million) of the overall amount and 4% of the local and national responders' total. No direct funding to local and national private sector organisations was reported in 2016.

Local and national NGOs combined – critical actors in shifting the centre of gravity for humanitarian action – directly received 0.3% (US\$66 million) of total FTS-reported assistance, and 15% of the total going to national and local responders. Figure 5.3 shows how much funding local and national NGOs received of the reported total given directly to all NGOs.

We know that more funding reached local and national actors than the amounts reported to the FTS, and that local actors received considerably more indirect support, as partners and recipients of funding from international organisations (see *Traceability of funding*, page 76). Nevertheless, it is clear that global targets are a long way from being met. Nor can volumes of funding be a sole measure of progress on localisation; other aspects are also critical, including increasing the quality of funding, building more equitable partnerships and strengthening national capacities.<sup>7</sup> Shared definitions of local and national responders, as well as a means of tracking their access to resources, are, however, important first steps in holding international donors and agencies to account.

**Figure 5.4**

Direct funding to local and national responders reported to UN OCHA FTS, 2016



Source: Development Initiatives based on UN OCHA FTS data.

Notes: RCRC: Red Cross and Red Crescent. Government authorities in Greece, Bulgaria and Bahamas are counted as national responders since they received international humanitarian assistance in 2016. RCRC National Societies that received international humanitarian assistance to respond to domestic crises are included. For organisation coding methodology, see *Methodology and definitions*.



## Traceability of funding

While a small proportion of all international humanitarian assistance is provided directly to local and national actors [see previous section], we know that significantly more reaches them indirectly. Tracing that funding is an important part of improving humanitarian action – ensuring that assistance reaches people in need through those best placed to deliver it as quickly and efficiently as possible.

INGOs that signed up to the Charter for Change<sup>8</sup> agreed to pass at least 20% of their humanitarian funding to southern-based NGOs by May 2018. A subset of the 29 Charter for Change organisations have already begun tracing their onward funding to monitor progress. Preliminary analysis of the data shows that many have already surpassed the target, with several reporting the onward transfer of between 60% to 87% of funding received to local and national NGOs. Others are still striving to reach the 20% goal.<sup>9</sup>

One early conclusion of Charter for Change monitoring is that tracking the onward funding to local actors is challenging – even more so when organisations use different definitions,<sup>10</sup> financial systems and norms. Recent revisions to FTS now make it technically possible to track both incoming and outgoing funding flows and follow funding through the chain. However, a critical mass of reporting on indirect funding is needed before this can yield a full picture, and existing data must therefore be supplemented through exercises like the one conducted by Charter for Change.

Our own analysis of data gathered from several national organisations traces funding upwards from those delivering assistance on the ground [see two example organisations<sup>11</sup> featured in Figure 5.5]. This provides a sense of the overall picture of the funding going to those organisations and the route it takes before reaching them.

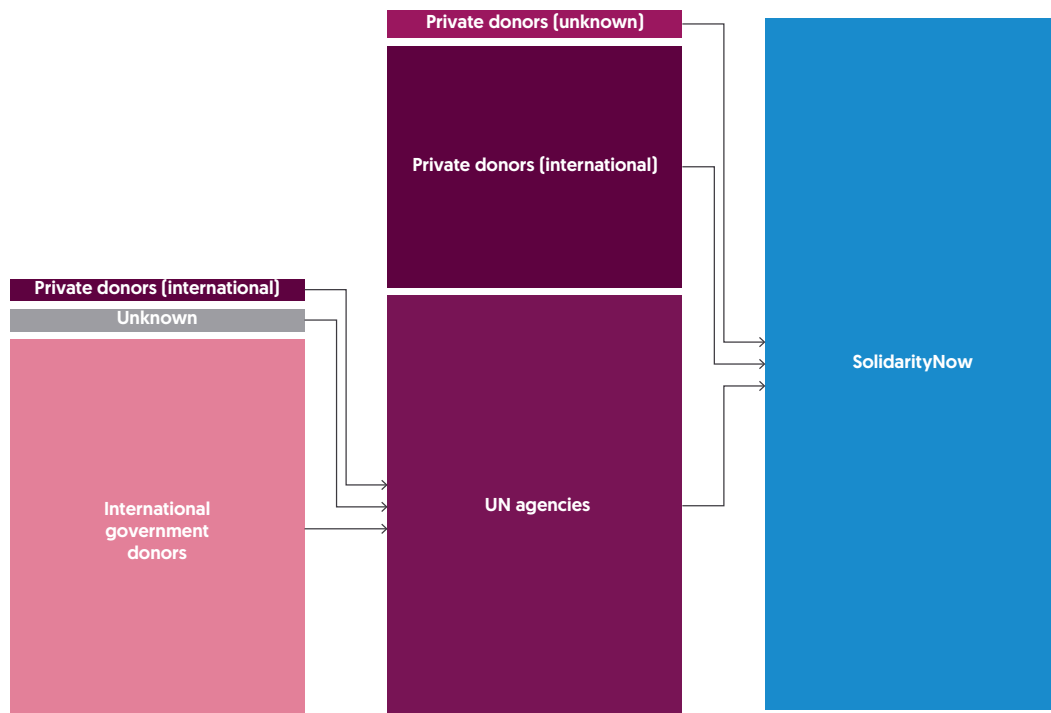
The data shows significant differences in their sources of funding and their reliance on international donors. Private donors appeared to play an important role for these organisations, in one instance accounting for almost half of total funding. A surprisingly high proportion of funding was provided directly by the original donor or funding source. Of their remaining (indirect) income, the majority involved just one ‘link’ in the transaction chain – almost always provided via an INGO, UN agency or pooled fund.

The data for these two agencies is clearly not representative of all national NGOs, nor are the findings specific to humanitarian action, since the participating organisations also cover broader portfolios, including development and peacebuilding activities. But the exercise does begin to show what can be learned from further detailed research. This will be critical to compare the efficiency and effectiveness of different funding models and approaches, including how long it takes for funding to reach local and national organisations, the costs associated with each transaction, the extent of resource mobilisation from national sources, as well as the terms and potential benefits of partnerships and sub-granting arrangements.

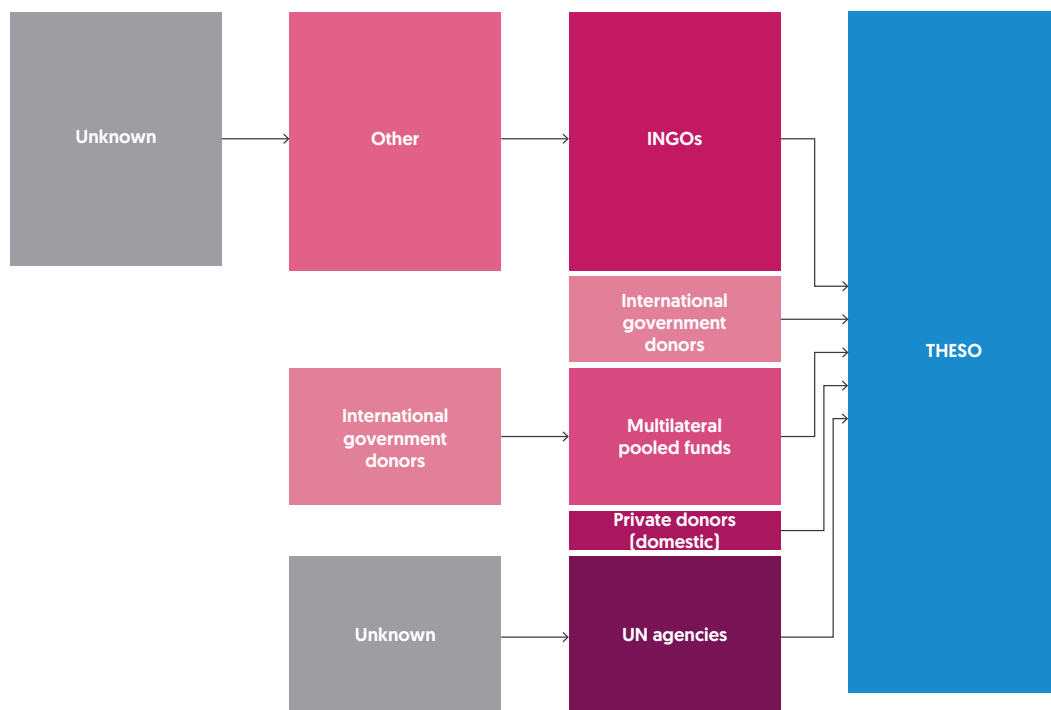
**Figure 5.5**

Tracing the funding sources of two national NGOs, 2016

SolidarityNow



THESO



Source: Development Initiatives based on publicly available data and data provided by SolidarityNow, The Health Support Organisation (THESO) and their donors.

Notes: International government includes EU institutions. Pooled funds that are hosted by a particular donor or agency are categorised as multilateral pooled funds. For organisation coding methodology, see *Methodology and definitions*. For THESO, 'Other' includes funding from the Japan Platform Foundation, whose funding sources are the Japanese government and private donors. However, we were unable to determine the precise contributions of each.

## Pooled funding

Humanitarian pooled funds can offer relatively rapid access to flexible funding and complement bilateral funding models by directing funding to common response strategies, such as UN-coordinated humanitarian response plans.<sup>12</sup> They include both global and country-based funds, and UN as well as NGO-led funds.

Funding channelled through UN-managed pooled funds – the Central Emergency Response Fund (CERF) and country-based pooled funds (CBPFs) – has almost doubled over the past decade, reaching US\$1.2 billion in 2016 (see Figure 5.6). This is largely driven by an increase in funding for the CBPFs, of which there were 18 in 2016.<sup>13</sup> They collectively received US\$755 million in 2016, increasing their share of UN-managed pooled funding from 45% in 2007 to 64% in 2016. Funding to the CERF also increased to its highest level yet of US\$432 million<sup>14</sup> in 2016.<sup>15</sup>

Some government donors consistently support the UN-managed pooled funds. Between 2012 and 2016, five donors (the United Kingdom, Sweden, the Netherlands, Norway and Germany) provided three-quarters of all contributions.

A small group of crises receive the largest volumes of funding from the UN-managed pooled funds. Between 2012 and 2016, 44% of pooled funding from the CERF and CBPFs combined went to five countries: South Sudan (US\$603 million), Sudan (US\$416 million), Democratic Republic of the Congo (US\$383 million), Syria (US\$290 million) and Ethiopia (US\$264 million). Syria is a relative newcomer to the list with a 470% increase in funding for the Syria Humanitarian Fund from 2015 to 2016.

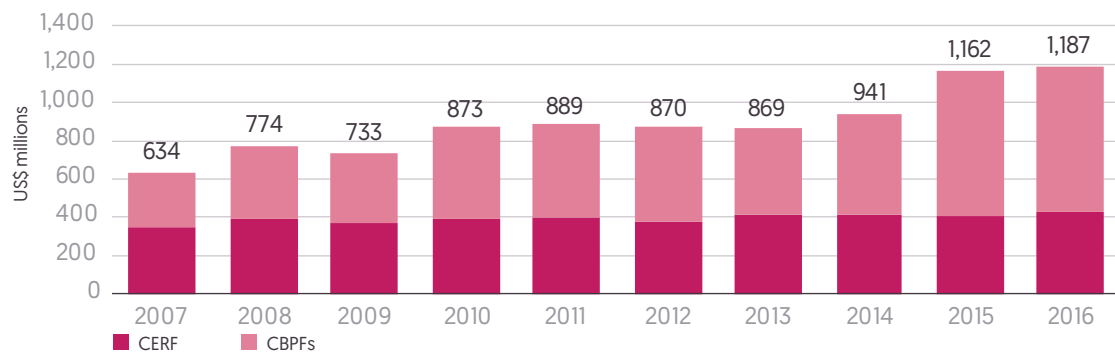
Calls for more localised humanitarian action (*Funding for local and national responders*, page 74) have increased attention on how pooled funding reaches people affected by crisis. The CERF only provides direct grants to UN agencies, but that funding can be subsequently sub-granted to non-UN partners for project implementation. In 2015, 51% of CERF funding was used for procurement of relief supplies by UN agencies, 23% for projects directly implemented by UN agencies, and 26% for projects implemented by others (see Figure 5.7).<sup>16</sup> UNICEF sub-granted the largest amount of its CERF funding to second-level recipients (US\$48 million, 42% of the total received), followed by the UN High Commissioner for Refugees (US\$28 million, 40%) and the WFP (US\$21 million, 13%).

Unlike the CERF, the CBPFs can directly fund NGOs. Figure 5.8 shows that volumes of CBPF funding to NGOs and their share of total allocations increased from US\$196 million (51% of the total) in 2014 to US\$412 million (61%) in 2016. Just less than three-quarters of this was provided to INGOs in 2016, and around a quarter to national and local NGOs.

NGOs also lead a small number of global and national pooled funds. By March 2017, the Start Fund had responded to 100 crises, with rapid financing to fill funding gaps for small and medium-scale emergencies.<sup>17</sup> In early 2017, the Start Fund opened a crisis anticipation window, using forecasting to inform proactive funding; and a new national Start Fund was established in Bangladesh.<sup>18</sup> The NEAR (Network for Empowered Aid Response) is also exploring country-based pooled funding mechanisms as a way of investing in national and local capacities.<sup>19</sup>

**Figure 5.6**

Total funding to UN-managed humanitarian pooled funds, 2007–2016

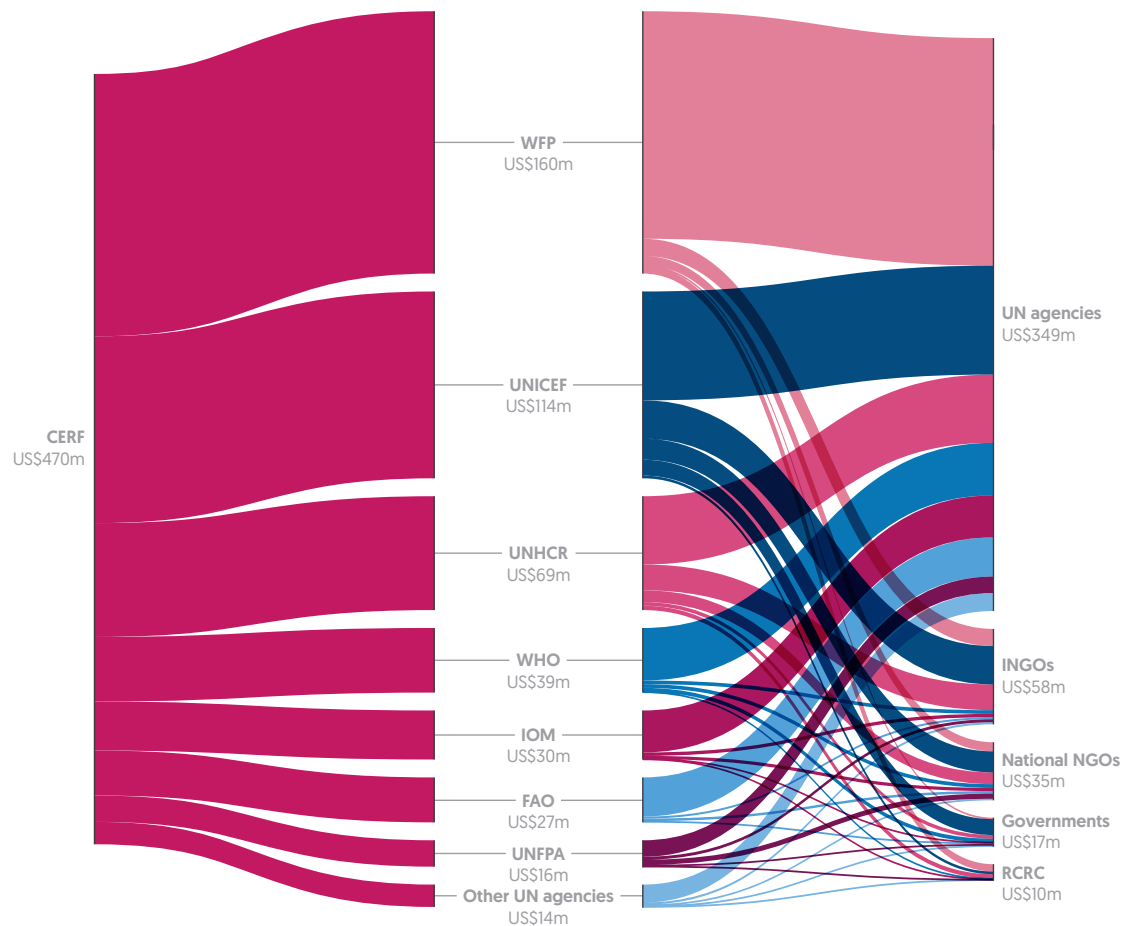


Source: Development Initiatives based on UN OCHA FTS and UN CERF data.

Notes: CBPF: country-based pooled funds – including emergency response funds and common humanitarian funds. Annual figures include carry-over from the previous year. Data is in constant 2015 prices.

**Figure 5.7**

First- and second-level recipients of CERF funding, 2015

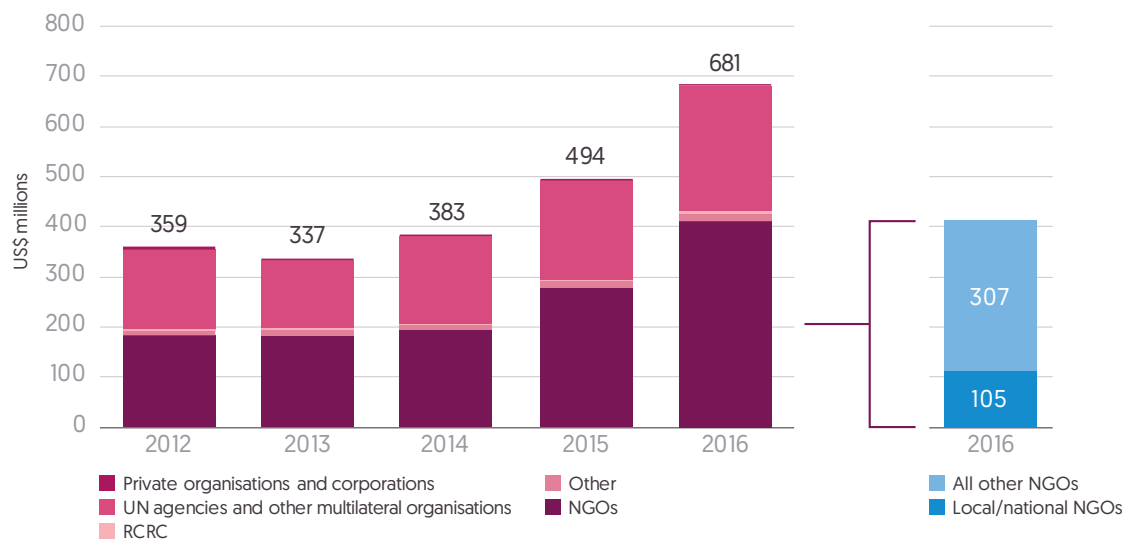


Source: Development Initiatives based on UN CERF data.

Notes: INGO: international non-governmental organisation. RCRC: International Red Cross Red Crescent Movement. UN agencies include: Food and Agriculture Organization (FAO), International Organization for Migration (IOM), UNHCR, UNICEF, UN Population Fund (UNFPA), World Food Programme (WFP) and World Health Organization (WHO). 'Other UN agencies' includes: UN Development Programme, UN Office for Project Services, UN Relief and Works Agency for Palestine Refugees in the Near East, UN Women. The UN agencies' own classification of organisations, collated by CERF, is used for this analysis and differs from DI's methodology used in Figures 5.3 and 5.4. Data is in current prices.

**Figure 5.8**

UN-managed humanitarian country-based pooled funding by recipient type, 2012–2016



Source: Development Initiatives based on UN OCHA's FTS data and Country-based pooled fund (CBPF) Grant Management System.  
 Notes: RCRC: International Red Cross and Red Crescent Movement. 'Other' includes: think tanks, academic and research institutions; national governments; foundations; unspecified organisations. Coding of organisations in receipt of funding from Turkey CBPF in 2016 is based on definitions used by CBPF Grant Management System. 'UN agencies and other multilateral organisations' includes the International Organization for Migration, which became a UN organisation in 2016. Data is in constant 2015 prices.

## Unearmarked funding

Unearmarked funding – funding without conditions on how the resources may be spent – provides humanitarian organisations with greater flexibility to respond to identified needs, and offers stability for longer-term programming and administration.<sup>20</sup> The 2003 Good Humanitarian Donorship principles include efforts to ensure the predictability and flexibility of funding, and explore the possibility of reduced earmarking.<sup>21</sup> More recently, the Grand Bargain specifies a global target of 30% of humanitarian contributions to be unearmarked or 'softly earmarked'<sup>22</sup> by 2020.<sup>23</sup>

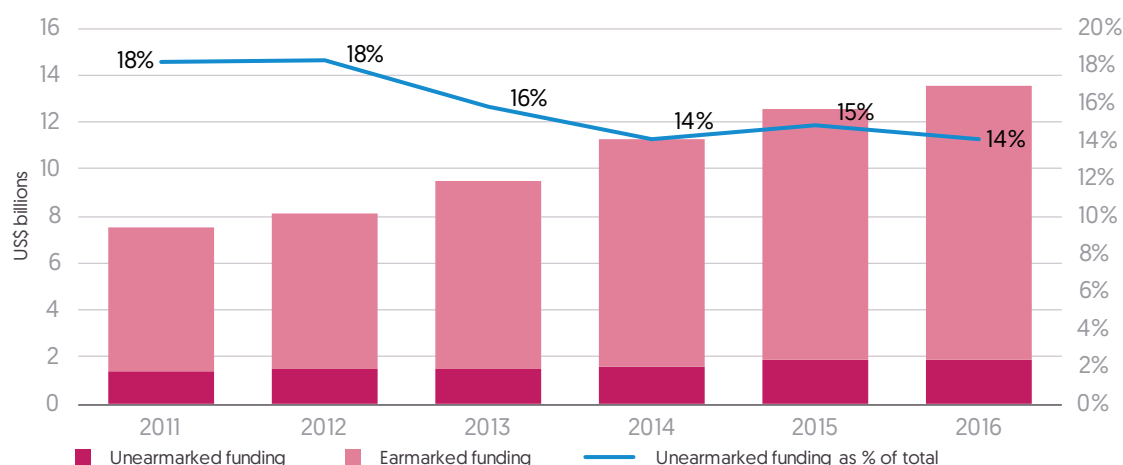
Self-reported data from eight UN organisations – UN OCHA, UNHCR, UNRWA, WFP, UNICEF, FAO, IOM and WHO – suggests that 14% (US\$1.9 billion) of the total humanitarian funding they received in 2016 was unearmarked according to their own definitions (see Figure 5.9). This represented an increase of US\$36,000 on the unearmarked funding they received in 2015, and a 33% increase on the amount received in 2011. However, a corresponding rise in the total volume of funding provided to these agencies, particularly in the form of earmarked contributions, has driven down the share of unearmarked funding from a high of 18% in 2011 and 2012, and resulted in a relative stagnation in the proportion of flexible funding received since 2014.<sup>24</sup>

Some UN organisations received a higher proportion of unearmarked funding than others. UNRWA reported receiving the highest ratio of unearmarked funding in the group, at 59% of total funding received during the period 2011 to 2016; while FAO and IOM received the least, reporting that less than 2% of their total respective humanitarian funding was given in the form of unearmarked contributions.

There are challenges for donors in providing increased flexible funding – not least a lack of clarity around how unearmarked resources are allocated, and less visibility in relation to the funding that they provide.<sup>25</sup> Greater transparency, regular information sharing, and giving credit to donors that provide unearmarked funding could all act as incentives to increase the provision of flexible funding in the future.<sup>26</sup>

**Figure 5.9**

**Earmarked and unearmarked international humanitarian assistance and humanitarian-related contributions to eight UN agencies, 2011–2016**



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

Notes: The calculation comprises earmarked and unearmarked humanitarian assistance and humanitarian-related contributions given to UN OCHA, UNHCR, UN Relief and Works Agency for Palestinian Refugees in the Near East, World Food Programme, UNICEF, Food and Agricultural Organization (FAO), International Organisation for Migration (IOM) and World Health Organization. The data used in this analysis differs from data used in Figure 5.1. WFP figures represent total allocations to humanitarian operations as funding cannot be disaggregated by humanitarian and non-humanitarian contributions; further funding may be in the pipeline, but not yet recorded against humanitarian programmes. FAO data for 2011 and IOM data for 2016 are captured entirely as earmarked since a breakdown of earmarked and unearmarked funding is not available for those years. 2016 data for all agencies is preliminary and may be revised. Data is in constant 2015 prices.

## Cash-based programming

It is now well accepted that giving people cash in crisis situations provides greater choice and dignity and generates efficiency gains in the humanitarian system.<sup>27</sup> In 2015, the High Level Panel on Humanitarian Cash Transfers recommended a scaling up of cash transfers and urged humanitarian donors and implementing organisations to systematically ask ‘why not cash?’.<sup>28</sup> Subsequently, the Grand Bargain committed signatories to increase the routine use of cash where possible and appropriate.<sup>29</sup>

To establish a baseline against which to measure this progress, we estimate that approximately US\$2.0 billion was spent on cash-based programmes in 2015.<sup>30</sup> UN agencies’ programmes accounted for over two-thirds of this, with expenditure of almost US\$1.4 billion. While full data is not yet available, funding for cash is likely to have increased in 2016. UNHCR augmented its spending on cash-based programmes by more than 100% between 2015 and 2016 and WFP by around 29%.

Cash-based programming is a generic term used to describe interventions which deliver humanitarian assistance to beneficiaries in the form of cash transfers or vouchers.<sup>31</sup> In 2015, as Figure 5.10 shows, UN agencies delivered around 55% of their cash-based programmes in the form of vouchers.<sup>32</sup> Conversely, NGOs and the RCRC movement favoured cash over vouchers, with 86% of NGO cash-based programming and 96% of RCRC programming delivered as cash in 2015.

Conditionality in cash-based programming refers to qualifying conditions that a beneficiary must fulfil in order to receive either cash or vouchers.<sup>33</sup> In humanitarian contexts, this may, for example, take the form of ‘cash for work’ initiatives. Based on available data, our analysis suggests that most transfers (84%) were provided unconditionally in 2015.<sup>34</sup>

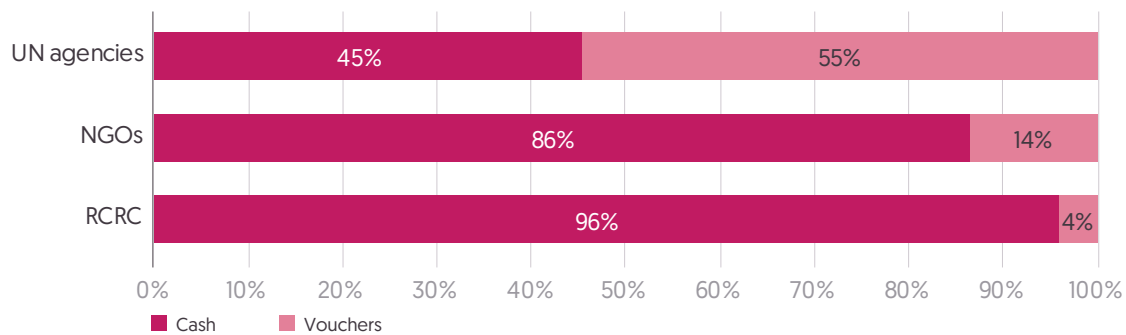
Cash-based programming is becoming more common across a range of different crisis country settings (see Figure 5.11). The largest 10 country recipients of cash-based programming accounted for 90% of the total spend in 2015, compared with just over three-quarters (77%) in 2016. According to our analysis of FTS data, Yemen received 33% of all spending on cash-based programming in 2016, making it the largest recipient. Other countries that had not previously received significant amounts of funding for cash-based programming appeared in the group of 10 largest recipients of funding for cash in 2016. These included Iraq and Greece, as well as Malawi in response to El Niño-induced drought.

There is currently no single, systematic means of tracking financial investments in cash-based programming.<sup>35</sup> As spending on cash scales up, there is clear need for a common approach using comparable terminology and data. This includes agreeing a basic set of reporting categories for spending on cash, as well as consensus on what to count – the value transferred to beneficiaries only, or overall expenditure including associated programme and core costs. Subsequently, commitments from all relevant actors to systematically report their spending on cash will help strengthen the evidence base in this area.



**Figure 5.10**

Type of cash-based programming by organisation type, 2015

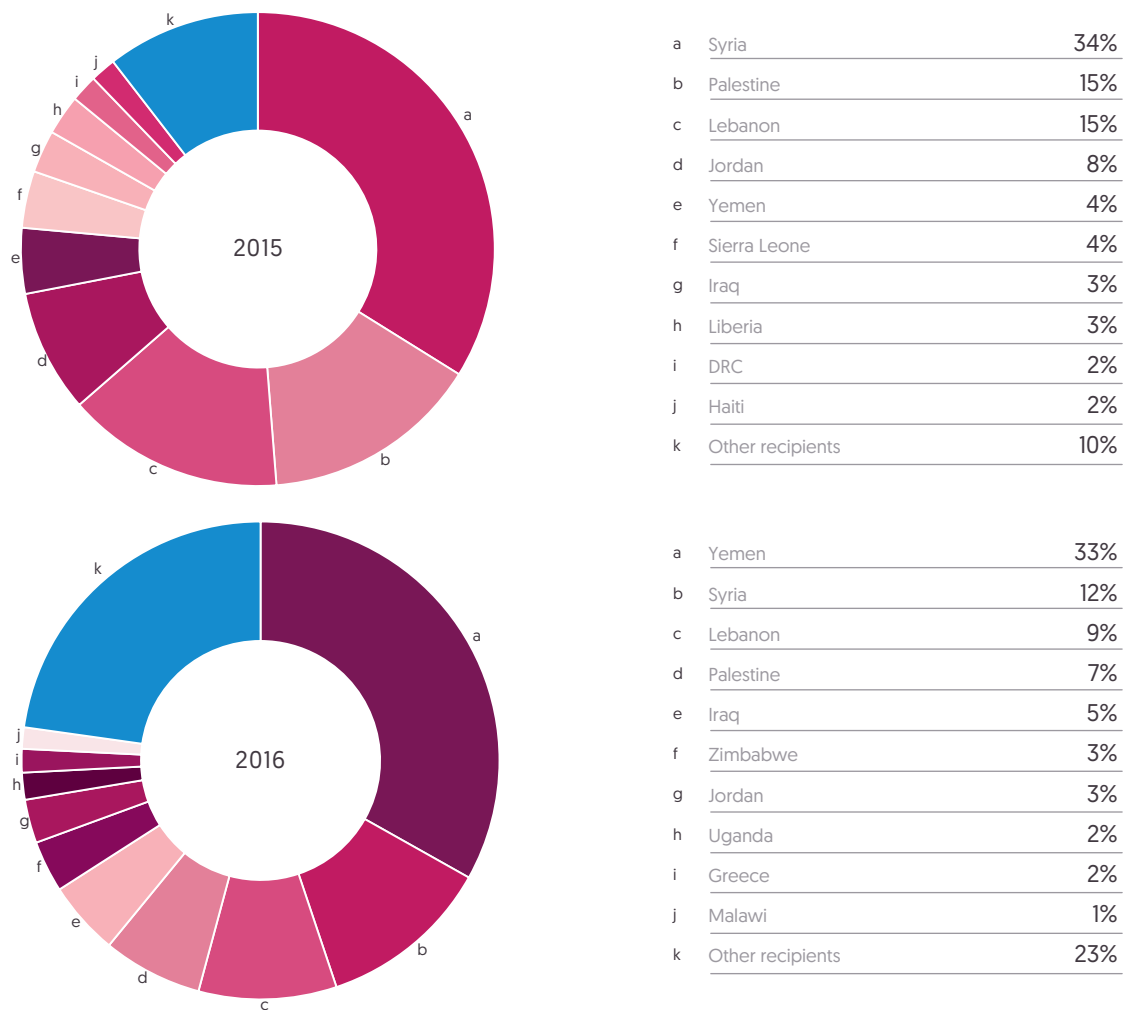


Source: Development Initiatives based on data supplied by agencies operating cash and voucher programmes.

Notes: RCRC: International Red Cross and Red Crescent Movement. This data is partial and only represents organisations where an accurate breakdown is possible. UN agency funding includes data from the World Food Programme and UNHCR only. This figure excludes a US\$3 million contribution directly implemented by a government agency. This analysis was initially published in a Development Initiatives/Overseas Development Institute report,<sup>36</sup> but has been supplemented with additional data and subsequently amended.

**Figure 5.11**

Ten countries receiving the most funding for humanitarian cash-based programming, 2015 and 2016



Source: Development Initiatives based on UN OCHA FTS data.

Notes: DRC: Democratic Republic of the Congo. This does not include analysis on projects reported as containing a partial cash element. This analysis was initially published in a Development Initiatives/Overseas Development Institute report<sup>37</sup> but has been supplemented with additional data and subsequently amended.

## Transparency

Better information and more transparency can improve the way that all actors prepare for and address the causes and consequences of conflicts and disasters. A fuller and more contextualised understanding of the needs and circumstances of people affected by crises should in turn inform a more appropriate response [see Chapter 1]. More accurate estimates of the amount of funding available [see Chapter 2] and how it gets to people affected by crisis [see Chapters 3, 4 and 5] can reveal deficits and inefficiencies, while highlighting opportunities for more effective and collaborative ways of generating and combining funding.

Calls for greater financial transparency increased in the run-up to the WHS and have generated further traction since. The first of the 10 Grand Bargain commitment areas focuses on greater transparency. And transparency, in the form of better reporting and sharing of information, is also needed to track progress on a number of other Grand Bargain commitment areas, including localisation, multi-year funding, earmarking and cash.

Within the Grand Bargain, aid organisations and donors have committed to publish timely, transparent, harmonised and open high-quality data on humanitarian financing, using the International Aid Transparency Initiative (IATI) as the basis for a common standard.<sup>38</sup> Signatories also committed to better use of data and supporting the capacity of all partners to publish and access information.

Over three-quarters of the organisations that signed up to the Grand Bargain (37 out of 51 organisations or their members or affiliates) are already publishing some data to the IATI Standard, and over 60% (31 organisations or their members or affiliates) are publishing humanitarian data.<sup>39</sup> A recent survey of Grand Bargain organisations found that the three most frequently cited benefits of publishing humanitarian data to the IATI Standard were improved transparency and monitoring within organisations, better accountability to partners, and more effective external communication on the impact of their work.<sup>40</sup>

There are recognised constraints, however. In the same survey, organisations raised concerns about data privacy and security issues, inadequate IT systems and human resources for effective publishing, and the need for further improvements to the IATI Standard to ensure that it meets the needs of the humanitarian community.<sup>41</sup> Grand Bargain signatories will work together with the support of external partners in the coming months and years to overcome these challenges.

Beyond IATI, there are other developments that will support greater transparency of humanitarian financing. Earlier in 2017, the FTS platform was renewed to allow more effective reporting on a number of key areas. Other initiatives include the establishment of the Humanitarian Data Centre in the Hague, the Netherlands, during 2017, which aims to provide data services, encourage better data sharing, and build data literacy in the humanitarian community;<sup>42</sup> as well as work on joined-up data standards [see Chapter 1] to make data from different providers more interoperable and comparable.<sup>43</sup> With sufficient coordination and commitment behind them, all of these initiatives have the potential to ensure that better data informs a better response to tomorrow's crises.

# chapter 6

## methodology and definitions

### What is humanitarian assistance?

Humanitarian assistance is intended to save lives, alleviate suffering and maintain human dignity during and after man-made crises and disasters associated with natural hazards, as well as to prevent and strengthen preparedness for when such situations occur. Humanitarian assistance should be governed by the key humanitarian principles of: humanity, impartiality, neutrality and independence. These are the fundamental principles of the International Red Cross and Red Crescent Movement (RCRC), which are reaffirmed in UN General Assembly resolutions and enshrined in numerous humanitarian standards and guidelines.

In this report, when used in the context of financing data, humanitarian assistance refers to the financial resources for humanitarian action and international humanitarian assistance refers to those spent outside the donor country. Our calculations of international humanitarian assistance are based on what donors and organisations report as such and do not include other types of financing to address the causes and impacts of crises, which we refer to as crisis-related financing.

There is no universal obligation or system for reporting expenditure on international, or indeed domestic, humanitarian assistance. The main reporting platforms for international humanitarian assistance are the Organisation for Economic Co-operation and Development (OECD)'s Development Assistance Committee (DAC) and UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS). OECD DAC members are obligated to report their humanitarian assistance to the DAC systems as part of their official development assistance (ODA), in accordance with definitions set out by the DAC.<sup>1</sup> Some other governments and most major multilateral organisations also voluntarily report to the DAC.

The FTS is open to all humanitarian donors and implementing agencies to voluntarily report contributions of internationally provided humanitarian assistance, according to an agreed set of criteria for inclusion.<sup>2</sup>

The analysis in the GHA report draws on data reported to the OECD DAC, as well as that reported to the FTS. Between these sources there is variation in the criteria for what can be included as humanitarian assistance, as well as volumes reported, so we aim to consistently explain and source the data that we use. We also use other sources to calculate international humanitarian assistance including reports from UN agencies and non-governmental organisations (NGOs) and data from the Central Emergency Response Fund (CERF); data sources and methodologies for these are also clearly marked and explained.

## Cash

Our estimate of the amount of humanitarian assistance spent on cash-based programming in 2015 is based on data collected from 20 organisations through collaboration with the Cash Learning Partnership (CaLP), whose members were asked to supply data on the volume of their cash-based programming. This data was gathered for our report *Counting Cash: Tracking humanitarian expenditure on cash-based programming*,<sup>3</sup> and supplemented with additional data for the purposes of this report. For a more detailed explanation of our methodology, see *Counting Cash*.<sup>4</sup>

## Channels of delivery

We use 'channels of delivery' to describe the organisations receiving funding for the delivery of humanitarian assistance – multilateral agencies, NGOs, the public sector and the RCRC – whether they deliver the assistance themselves or pass it on to partner organisations. Our channels of delivery data in Figure 5.1 comes predominantly from the OECD DAC's Creditor Reporting System (CRS) and the FTS. For private donors' channels of delivery, we use our own dataset (see *Private funding*, page 89).

## Constant prices

Our trends analyses on financial flows are in US\$ constant prices (base year 2015) unless otherwise stated. We use data from the OECD DAC and the International Monetary Fund (IMF)'s World Economic Outlook (October 2016 release) to convert financial data from current to constant prices using deflators. Consistent with our annual methodology, data in the *GHA Report 2016* was shown in constant 2014 prices, so totals may vary between reports. The rebasing of data from constant 2014 to constant 2015 prices, coupled with an increase in the value of the US\$ during 2015 against several national currencies, has resulted in a fall in the constant US\$ value of flows shown for certain countries.

## Country and region naming conventions

Country and region naming conventions used throughout this report are based on those used by the OECD DAC or the UN. Region naming conventions are based on those used by the OECD with the exception of the Middle East and North of Sahara regions, which have been combined. The conventions used do not reflect a political position of Development Initiatives.

## Crisis categories

For our analysis of crises by category, we applied thresholds to several indicators and cross-checked with other data sources. We used indicators in INFORM's Index for Risk Management to identify countries affected by conflict; for countries affected by disasters associated with natural hazards, we used Centre for Research on the Epidemiology of Disasters (CRED) Emergency Events Database (EM-DAT) data; and to identify refugee-hosting countries, we used data from the UN High Commissioner for Refugees (UNHCR) and the UN Relief and Works Agency Palestine Refugees in the Near East (UNRWA).

## Earmarked funding

'Earmarked' funding comprises all non-core ('other') funding directed to multilaterals. It may include softly or tightly earmarked contributions, either by geography or sector.

Our calculation of earmarking to eight UN agencies – Food and Agriculture Organization (FAO), International Organization for Migration (IOM), UNICEF, UNHCR, UN OCHA, UNRWA, World Food Programme (WFP) and World Health Organization (WHO) – is primarily based on data provided directly to us by each agency, based on their internal reporting, and supplemented by publicly available information.

## Exchange rates

We use exchange rates from the OECD DAC for DAC members and data from the IMF World Economic Outlook (October 2016 release) for other government providers.

## Funding for local and national responders

Our analysis of direct funding to local and national responders in Figures 5.3 and 5.4 uses data from FTS that we then 'code' according to a set of organisational categories. These categories were developed by the Inter-Agency Standing Committee Humanitarian Financing Task Team as part of a consultative process led by Development Initiatives, CAFOD and UN OCHA.

- **National NGOs:** Those operating in the aid recipient country in which they are headquartered, working in multiple subnational regions, and not affiliated to an international NGO. This category can also include national faith-based organisations.
- **Local NGOs:** Those operating in a specific, geographically defined, subnational area of an aid recipient country, without affiliation to an international NGO/civil society organisation (CSO). This category can also include community-based organisations and local faith-based organisations.
- **Red Cross and Red Crescent National Societies:** Those based in and operating within their own aid recipient countries.
- **National governments:** National government agencies, authorities, line ministries and state-owned institutions in aid recipient countries such as national disaster management agencies. This category can also include federal or regional government authorities in countries where these exist.
- **Local governments:** Subnational government entities in aid recipient countries exercising some degree of devolved authority over a specifically defined geographic constituency such as local/municipal authorities.
- **Local and national private sector organisations:** Organisations run by private individuals or groups as a means of enterprise for profit, that are based in and operating within their own aid recipient countries and are not affiliated to an international private sector organisation.

Other categories of first-level recipients featured in this analysis are:

- **internationally affiliated NGOs:** NGOs affiliated to an international NGO through interlinked financing, contracting, governance and/or decision-making systems. This category does not include local and national organisations that are part of networks, confederations or alliances wherein those organisations maintain independent fundraising and governance systems.
- **southern international NGOs:** NGOs based in aid recipient countries that are not OECD member countries, carrying out operations outside the aid recipient country in which they are headquartered and not affiliated to an international NGO. The same organisation can be classified as a national NGO/CSO when carrying out operations in the country in which they are headquartered.

## International humanitarian assistance

Our estimate of total international humanitarian assistance is the sum of that from private donors [see *Private funding*, page 89] and from government donors and EU institutions. Our calculation of international humanitarian assistance from government donors is the sum of:

- 'Official' humanitarian assistance [OECD DAC donors]
- International humanitarian assistance from donors outside the OECD DAC using data from the FTS.

Our 'official' humanitarian assistance calculation comprises:

- The bilateral humanitarian expenditure of OECD DAC members, as reported to the OECD DAC database under Table 1.
- The multilateral humanitarian assistance of OECD DAC members. This comprises:
  - The unearmarked ODA contributions of DAC members to seven key multilateral agencies engaged in humanitarian response: FAO, IOM, UNHCR, UN OCHA, UNICEF, UNRWA and WFP, as reported to the OECD DAC under Table 2a and the CRS. We do not include all ODA to FAO, IOM, UNICEF and WFP but apply a percentage to take into account these agencies that also have a 'development' mandate. These shares are calculated using data on humanitarian expenditure as a proportion of the total received directly from each multilateral agency.
  - The ODA contributions of DAC members to some other multilateral organisations [beyond those already listed] that although not primarily humanitarian oriented, do report a level of humanitarian aid to OECD DAC Table 2a. We do not include all reported ODA to these multilaterals but just the humanitarian share of this.
  - Contributions to the UN CERF that are not reported under DAC members' bilateral humanitarian assistance. We take this data directly from the UN CERF website.

When we report on the official humanitarian assistance of individual OECD DAC countries who are members of the EU, we include an imputed calculation of their humanitarian assistance channelled through the EU institutions, based on their ODA contributions to the EU institutions. We do not include this in our total international humanitarian assistance and response calculations to avoid double counting.

Our estimate for official humanitarian assistance in 2016 is derived from preliminary DAC donor reporting on humanitarian aid grants.

Turkey is captured and shaded differently in Figures 3.1 and 3.2 because the humanitarian assistance that it voluntarily reports to the DAC largely comprises expenditure on hosting Syrian refugees within Turkey. We do not include Turkey's spending on Syrian refugees in Turkey in our total international humanitarian assistance and response calculations elsewhere in the report as these only include amounts directed internationally by donors.

## Poverty

We refer to the \$1.90 a day international poverty line in this report and use data from the World Bank's PovcalNet. The international poverty line is expressed in 2011 purchasing power parity (PPP) dollars. We use the international extreme poverty line with modelled estimates for 2013 in this year's report to provide the most comparable up-to-date analysis possible.

## Private funding

We directly request financial information from humanitarian delivery agencies (including NGOs, multilateral agencies and the RCRC) on their income and expenditure to create a standardised dataset. Where direct data collection is not possible, we use publicly available annual reports and audited accounts. Our dataset includes:

- 236 NGOs that form part of 17 representative NGO alliances and umbrella organisations such as Oxfam International, and a further 18 large international NGOs operating independently
- multilateral contributions from UNHCR, UN Development Programme, UNICEF, UNRWA, WFP and the World Health Organization, as well as 162 IOM member states
- the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC).

Our private funding calculation comprises an estimate of total private humanitarian income for all NGOs, and the private humanitarian income reported by the seven UN agencies, the IFRC and ICRC. To estimate the total private humanitarian income of NGOs globally, we calculate the annual proportion that the 236 NGOs in our dataset represent of all NGOs reporting to the UN OCHA FTS. The total private humanitarian income reported to us by the NGOs in our dataset is then scaled up accordingly.

Data is collected annually, and new data for previous years may be added retrospectively. Due to limited data availability, detailed analysis covers the period 2011 to 2015.

Our 2016 private funding calculation is an estimate based on data provided by Médecins Sans Frontières (MSF), pending data from our full dataset. We calculate the average share that MSF's contribution represents in our private funding figure for the five previous years (2011–2015) and use this to scale up the private funding figure provided by MSF to arrive at an estimated total for 2016. The rationale for this methodology is that the share of MSF's private funding remains relatively consistent year on year (ranging between 20% and 26% of the total amount over the last five years).



## Rounding

There may be minor discrepancies in some of the totals in our graphs and charts, and between those in the text, because of rounding.

## Traceability

For our analysis on traceability of funding, the case study organisations were identified based on their involvement in UN-coordinated appeal responses and public availability of information on their income sources through annual reports and websites. Information on the original source of donations was accessed either through publicly available information or, where this was not available, donors were contacted directly to provide information.

## UN-coordinated appeals

We use this generic term to describe all humanitarian response plans and appeals coordinated by UN OCHA or UNHCR, including strategic response plans/humanitarian response plans, flash appeals and regional refugee response plans. We use data from UN OCHA's FTS and UNHCR for our financial analysis of UN-coordinated appeals.

# data sources

<b>ACAPS</b>	<a href="http://www.acaps.org/countries">www.acaps.org/countries</a>
<b>Asian Development Bank</b> <i>Bangladesh: Capacity Building for Disaster Risk Finance</i> [Final Report]	<a href="http://www.adb.org/projects/42249-013/main">www.adb.org/projects/42249-013/main</a>
<b>Centre for Research on the Epidemiology of Disasters</b> EM-DAT: International Disaster Database – <a href="http://www.emdat.be">www.emdat.be</a> Université Catholique de Louvain, Brussels, Belgium	<a href="http://www.emdat.be/database">www.emdat.be/database</a>
<b>Country-based pooled funds (CBPF) Grant Management System</b> CBPF allocations, CBPF Grant Management System, UN OCHA	<a href="https://gms.unocha.org/content/cbpf-allocations">https://gms.unocha.org/content/cbpf-allocations</a>
<b>Food and Agriculture Organization of the United Nations</b>	<a href="http://www.fao.org/emergencies/resources/documents/resources-detail/en/c/423055/">www.fao.org/emergencies/resources/documents/resources-detail/en/c/423055/</a>
<b>International Aid Transparency Initiative</b>	<a href="http://www.aidtransparency.net/">www.aidtransparency.net/</a>
<b>INFORM</b> Index for Risk Management	<a href="http://www.inform-index.org">www.inform-index.org</a>
<b>International Federation of Red Cross and Red Crescent Societies</b> IFRC's appeal reports, IFRC, Geneva	<a href="http://www.ifrc.org">www.ifrc.org</a>
<b>International Monetary Fund</b> World Economic Outlook Database	<a href="http://www.imf.org/external/pubs/ft/weo/2017/01/weodata/index.aspx">www.imf.org/external/pubs/ft/weo/2017/01/weodata/index.aspx</a> <a href="http://www.imf.org/external/pubs/ft/weo/2016/02/weodata/index.aspx">www.imf.org/external/pubs/ft/weo/2016/02/weodata/index.aspx</a>
<b>The National Board of Zakat (BAZNAS), Indonesia</b> Indonesia Zakat Outlook 2017, Center of Strategic Studies, BAZNAS, Jakarta	<a href="http://www.puskasbaznas.com/outlook/indonesia-zakat-outlook-2017">www.puskasbaznas.com/outlook/indonesia-zakat-outlook-2017</a>
<b>National Bureau of Statistics, Nigeria</b> General Household Survey Panel (GHS-Panel) 2015–2016	<a href="http://www.nigerianstat.gov.ng/report/476">www.nigerianstat.gov.ng/report/476</a>
<b>Organisation for Economic Co-operation and Development</b> OECD.StatExtracts, OECD, Paris Development finance data, OECD, Paris <i>States of Fragility 2016: Understanding Violence</i> , OECD, Paris	<a href="http://stats.oecd.org">http://stats.oecd.org</a> <a href="http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/">www.oecd.org/dac/financing-sustainable-development/development-finance-data/</a> <a href="http://www.oecd.org/dac/states-of-fragility-2016-9789264267213-en.htm">www.oecd.org/dac/states-of-fragility-2016-9789264267213-en.htm</a>
<b>Stockholm International Peace Research Institute</b> SIPRI Multilateral Peace Operations Data	<a href="http://www.sipri.org">www.sipri.org</a>
<b>UN Conference on Trade and Development</b> UNCTADstat, UNCTAD, Geneva	<a href="http://unctadstat.unctad.org">http://unctadstat.unctad.org</a>
<b>UN Development Programme</b> Human Development Reports, Human Development Reports Office, UNDP, New York	<a href="http://hdr.undp.org/en/data">http://hdr.undp.org/en/data</a>
<b>UN High Commissioner for Refugees</b> Population Statistics Reference Database, UNHCR Mid-Year Trends (historical), UNHCR Global Trends reports, response plans' funding snapshots	<a href="http://data.unhcr.org">http://data.unhcr.org</a> <a href="http://popstats.unhcr.org/en/time_series">http://popstats.unhcr.org/en/time_series</a> <a href="http://reporting.unhcr.org/">http://reporting.unhcr.org/</a>
<b>UN Office for the Coordination of Humanitarian Affairs</b> Central Emergency Response Fund/CERF, UN OCHA, New York Financial Tracking Service/FTS, UN OCHA, Geneva	<a href="http://www.unocha.org/">www.unocha.org/</a> <a href="http://www.unocha.org/cerf">www.unocha.org/cerf</a> <a href="https://fts.unocha.org">https://fts.unocha.org</a>
<b>UN Relief and Works Agency for Palestine Refugees in the Near East</b> UNRWA in Figures reports	<a href="http://www.unrwa.org/resources/about-unrwa">www.unrwa.org/resources/about-unrwa</a>
<b>World Bank</b> World Development Indicators, World Bank, Washington DC PovcalNet, World Bank	<a href="http://data.worldbank.org/data-catalog/world-development-indicators">http://data.worldbank.org/data-catalog/world-development-indicators</a> <a href="http://iresearch.worldbank.org/PovcalNet">http://iresearch.worldbank.org/PovcalNet</a> <a href="http://data.worldbank.org/data-catalog/international-debt-statistics">http://data.worldbank.org/data-catalog/international-debt-statistics</a> <a href="http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data">www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data</a>

# definitions

<b>Bond</b>	A form of debt security whereby the bond issuer owes a debt to the bond holder and must pay the holder interest and/or repay the face value of the bond at a set 'maturity' date.
<b>Cash-based programming</b>	Providing humanitarian assistance in the form of cash or vouchers provided directly to beneficiaries. Related terms include cash programming, cash and vouchers, and cash-based transfers.
<b>Concessional financing and loans</b>	Lending terms that are more favourable for the borrower than those that can be obtained through the market. Benefits can include longer repayment periods, grace periods (before repayments have to begin), or interest rates offered below market terms.
<b>Crowdfunding</b>	Raising money by asking a large number of private individuals to each contribute a small amount, typically but not exclusively internet based. Can be philanthropic or investment oriented.
<b>Direct giving</b>	The direct transfer of financial assistance from individual donors to people affected by crises or projects operating in crisis-affected communities.
<b>Earmarked funding</b>	Conditions placed on funding by donors stipulating how or on what recipients may spend funds. Conditions can range from overall thematic and geographic priorities to requirements to spend money on specific goods and services delivered to a particular recipient group, and from softly to fully unearmarked. <sup>5</sup>
<b>Environmental vulnerability</b>	Exposure to risk of climatic events or natural disaster. In this report we include countries scoring 'high' or 'very high' on the 'natural hazard' category of the INFORM Index for Risk Management, 2017 release, excluding those scoring 'low' or 'very low' on the 'lack of coping capacity' dimension.
<b>Equity investments</b>	In general terms this is the acquisition of shares in an enterprise in order to obtain dividend income or capital gains in the future. To be counted as ODA, an equity investment must be made by an official-sector agency in an enterprise in a country on the OECD DAC's list of ODA-eligible states, and must not be made to acquire a lasting interest in the enterprise.
<b>Foreign direct investment (FDI)</b>	Investment that reflects an objective to establish a lasting interest by a resident enterprise in one economy (direct investor), in an enterprise that is resident in an economy other than that of the direct investor (direct investment enterprise). <sup>6</sup>
<b>Fragility</b>	In our analysis, fragile states are defined as per the OECD report, <i>States of Fragility 2016</i> , <sup>7</sup> which characterises fragility as a combination of exposure to risk and a lack of coping capacity to manage, absorb or mitigate those risks. It recognises five dimensions of fragility: economic, environmental, political, societal and security.
<b>Grant</b>	Transfer made in cash, goods or services for which no repayment is required. <sup>8</sup>
<b>Guarantee</b>	The agreement made by a donor government to cover (for example) loan repayments if the partner country defaults, thus reducing the risk associated with the loan, and in turn allowing the loan to come with better terms, such as a reduced interest rate. <sup>9</sup>
<b>Impact bond</b>	Finance tool designed to improve social, environmental or development outcomes of publicly funded projects/services, by making funding and payments to investors conditional on achieving agreed results. <sup>10</sup>

<b>Islamic social finance</b>	A range of financial mechanisms that are designed to promote social protection of poor people, reduce vulnerability and increase economic equality; includes Zakat (contribution of 2.5% of annual assets) and sukuk (investment bonds compliant with Islamic law).
<b>Loan</b>	Transfer either in cash or in kind for which the recipient incurs a legal debt.
<b>Multilateral development banks</b>	Supranational institutions established by a group of countries with the common task of fostering economic and social progress in developing countries by financing projects, supporting investment, generating capital and providing technical expertise. <sup>11</sup>
<b>Net portfolio equity</b>	A form of international investment that does not confer significant control or influence. 'Portfolio' refers to a group of assets. Investments of 10% or more of the value or control of an asset or company are considered FDI, while investments below this threshold are portfolio equity. Investors receive returns through interest payments or dividends and can use equity to spread financial risks across different markets.
<b>Other official flows (OOFs)</b>	Transactions by the official sector with countries on the list of eligible recipients that do not meet the conditions for eligibility as ODA or official aid, either because they are not primarily aimed at development, or because they have a grant element of less than 25%. <sup>12</sup>
<b>Pooled funds</b>	Mechanisms used to receive contributions from multiple financial partners and allocate such resources to multiple implementing entities. Humanitarian pooled funds can be global (e.g. CERF or the Start Fund) or country based. <sup>13</sup>
<b>Remittances</b>	Monies earned or acquired by non-nationals that are transferred back to their country of origin. <sup>14</sup>
<b>Risk financing</b>	The retention of risks combined with the adoption of an explicit financing strategy to ensure that adequate funds are available to meet financial needs should a disaster occur. Such financing can be established internally through the accumulation of funds set aside for future use or obtained externally through pre-arranged credit facilities. The banking sector, capital markets and international lending institutions are sources of risk financing. <sup>15</sup>
<b>Risk transfer</b>	The shifting of risks to others who, in exchange for a premium, provide compensation when a disaster occurs, ensuring that any financing gap that might emerge is partially or fully bridged. Risk transfer may be obtained through insurance policies or capital market instruments such as catastrophe bonds. <sup>16</sup>
<b>Short-term debt</b>	Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis. <sup>17</sup>
<b>Social protection schemes</b>	Public actions – carried out by the state or privately – that both enable people to deal more effectively with risk, vulnerability and shocks, and help tackle extreme and chronic poverty. Social protection includes various approaches, policies, programmes and actions that address risks, deprivation, poverty (e.g. income security payments or basic health coverage), or vulnerability to shocks. <sup>18</sup>
<b>Sovereign risk insurance</b>	Insurance coverage paid by the state against the risk of costs incurred through disasters. Includes contingent credit (for relatively frequent, lower-impact events) and parametric risk transfer (for less common but higher-impact events).

# abbreviations

<b>CaLP</b>	Cash Learning Partnership
<b>CAR</b>	Central African Republic
<b>CBPF</b>	Country-based pooled fund
<b>CERF</b>	Central Emergency Response Fund [UN]
<b>CRED</b>	Centre for Research on the Epidemiology of Disasters
<b>CRS</b>	Creditor Reporting System [DAC]
<b>CSO</b>	Civil society organisation
<b>DAC</b>	Development Assistance Committee [OECD]
<b>DEC</b>	Disasters Emergency Committee
<b>DFID</b>	Department for International Development
<b>DI</b>	Development Initiatives
<b>DPP</b>	Disaster prevention and preparedness
<b>DRC</b>	Democratic Republic of the Congo
<b>EC</b>	European Commission
<b>ECHO</b>	Department of Humanitarian Aid and Civil Protection [EC]
<b>EM-DAT</b>	Emergency Events Database [CRED]
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization
<b>FCA</b>	Forgotten Crisis Assessment [ECHO]
<b>FDI</b>	Foreign direct investment
<b>FTS</b>	Financial Tracking Service [UN OCHA]
<b>GDP</b>	Gross domestic product
<b>GHA</b>	Global Humanitarian Assistance [project by Development Initiatives]
<b>GNI</b>	Gross national income
<b>HRP</b>	Humanitarian response plan
<b>IATI</b>	International Aid Transparency Initiative
<b>ICRC</b>	International Committee of the Red Cross
<b>IDA</b>	International Development Association
<b>IDP</b>	Internally displaced person
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies

<b>IMF</b>	International Monetary Fund
<b>INFORM</b>	Index for Risk Management
<b>INGO</b>	International non-governmental organisation
<b>IOM</b>	International Organization for Migration
<b>MDB</b>	Multilateral development bank
<b>NGO</b>	Non-governmental organisation
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs [UN]
<b>ODA</b>	Official development assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OOFs</b>	Other official flows
<b>RCRC</b>	International Red Cross and Red Crescent Movement
<b>RRP</b>	Regional refugee response plan
<b>SDG</b>	Sustainable Development Goal
<b>SIPRI</b>	Stockholm International Peace Research Institute
<b>THESO</b>	The Health Support Organisation
<b>TİKA</b>	Turkish Cooperation and Coordination Agency
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNCTAD</b>	UN Conference on Trade and Development
<b>UNHCR</b>	UN High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UNRWA</b>	UN Relief and Works Agency for Palestine Refugees in the Near East
<b>US</b>	United States
<b>USAID</b>	United States Agency for International Development
<b>WDI</b>	World Development Indicators
<b>WEO</b>	World Economic Outlook [IMF]
<b>WFP</b>	World Food Programme [UN]
<b>WHO</b>	World Health Organization [UN]
<b>WHS</b>	World Humanitarian Summit

## acknowledgements

- 1 Development Initiatives and ODI [Spencer, A, Parrish, C, Lattimer, C], 2016. *Counting cash: Tracking humanitarian expenditure on cash-based programming*. Available at:  
<https://www.odi.org/publications/10716-counting-cash-tracking-humanitarian-expenditure-cash-based-programming>

## executive summary

- 1 As reported to reported to the Organisation for Economic Co-operation and Development [OECD] Development Assistance Committee [DAC]

## foreword

- 1 UN General Assembly, 2016. *One humanity: shared responsibility. Report of the Secretary-General for the World Humanitarian Summit*. Available at: <http://sgreport.worldhumanitariansummit.org>
- 2 The Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: <http://www.agendaforhumanity.org/initiatives/3861>
- 3 UN General Assembly, 2016. *New York Declaration for Refugees and Migrants*. Available at:  
[http://www.un.org/ga/search/view\\_doc.asp?symbol=A/71/L.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/71/L.1)
- 4 UN OCHA, 2017. *New Way of Working*. Available at:  
<https://docs.unocha.org/sites/dms/Documents/NWOW%20Booklet%20low%20res.002.pdf>

## chapter 1

- 1 ACAPS figures are based on existing available information, such as Humanitarian Dashboard, Humanitarian Needs Overview, Humanitarian Response Plans or other relevant organisations or initiatives. Where these are unavailable, ACAPS estimates are based on sectoral and other information and expert judgement using the most conservative approach, to avoid inflation and double counting.  
See: <https://www.acaps.org/special-report/crisis-overview-2016-humanitarian-trends-and-risks-2017>
- 2 According to UN OCHA Financial Tracking service data.
- 3 This is based on estimated people in need according to ACAPS and UN data in those countries included in the Food and Agriculture Organization El Niño high-priority country list.
- 4 This is based on estimated people in need according to ACAPS and UN data in Syria, Turkey, Lebanon, Jordan, Egypt and Iraq.
- 5 In these cases, data from ACAPS is used.
- 6 UN OCHA, 2016. *World Humanitarian Data and Trends 2016*. Available at:  
[http://interactive.unocha.org/publication/2016\\_datatrends/](http://interactive.unocha.org/publication/2016_datatrends/)
- 7 UN OCHA, 2016. *Global Humanitarian Overview 2017*. Available at:  
<http://interactive.unocha.org/publication/stateofaid/>
- 8 A country requiring humanitarian assistance is classified as having 'experienced disasters associated with natural hazards' when the number of people affected is above the CRED country median, or if the country is included in the Food and Agriculture Organization El Niño high-risk country list and/or Sahel UN-coordinated regional appeal. This is also cross-checked against other sources.



- 9 See OECD, 2016. *States of Fragility: Understanding Violence*. Available at: <http://www.oecd.org/dac/conflict-fragility-resilience/states-of-fragility-2016-9789264267213-en.htm>
- 10 Grand Bargain signatories, 2016. *The Grand Bargain: a shared commitment to better serve people in need*. Commitment 5. Istanbul, May 2016. Available at: <http://www.agendaforhumanity.org/initiatives/3861>.
- 11 For full details on ACAPS severity measure methodology, see: [https://www.acaps.org/sites/acaps/files/resources/files/160415\\_acaps\\_prioritisation\\_methodology\\_brief.pdf](https://www.acaps.org/sites/acaps/files/resources/files/160415_acaps_prioritisation_methodology_brief.pdf)
- 12 According to 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.
- 13 According to figures from Internal Displacement Monitoring Centre, UN High Commissioner for Refugees, and UN Relief and Works Agency for Palestine Refugees in the Near East.
- 14 Internal Displacement Monitoring Centre, 2017. *Global Report on Internal Displacement*. <http://www.internal-displacement.org/global-report/grid2017/#on-the-grid>. These figures of new cases of internal displacement relate to IDMC's definition and methodology for counting new incidences of displacement, which is different to number of internally displaced persons as it may include people who have been displaced multiple times.
- 15 These figures represent IDMC's 'stock figures': the total number of people living in internal displacement at year end as opposed to incidents of internal displacement [see note 14].
- 16 These figures relate to UNHCR's statistics on refugees, which include "individuals recognised under the 1951 Convention relating to the Status of Refugees; its 1967 Protocol; the 1969 OAU [Organization of African Unity] Convention Governing the Specific Aspects of Refugee Problems in Africa; those recognised in accordance with the UNHCR Statute; individuals granted complementary forms of protection; or those enjoying 'temporary protection'. Since 2007, the refugee population category also includes people in a refugee-like situation". They do not include asylum seekers, returnees or others of concern to UNHCR. See <http://popstats.unhcr.org/en/overview>
- 17 See: UNHCR, 2013. *Global Trends Report 2013*. <http://www.unhcr.org/trends2013>
- 18 See IFRC's list of emergency appeals at [http://www.ifrc.org/Docs/Appeals/statistic/cover16\\_emer.pdf](http://www.ifrc.org/Docs/Appeals/statistic/cover16_emer.pdf)
- 19 This figure is in PPP (purchasing power parity) to allow for comparison of poverty data across countries. PPPs are constructed by comparing the cost of a common basket of goods in different countries. To reflect an internationally comparable poverty line, we use the \$1.90 poverty line derived from 2011 prices, which buys approximately the same as the previous \$1.25 poverty lined derived from 2005 prices. The World Bank updated the extreme poverty line from \$1.25 in 2005 to \$1.90 in 2011 PPP in 2015.
- 20 Note that this is based on the OECD multidimensional definition of fragility, which includes five dimensions: economic, environmental, political, societal and security. See note 9.
- 21 World Bank, 2017. *Additions to IDA Resources: Eighteenth Replenishment. Towards 2030: investing in growth, resilience and opportunity*. Available at: <http://documents.worldbank.org/curated/en/348661486654455091/pdf/112728-correct-file-PUBLIC-Rpt-from-EDs-Additions-to-IDA-Resources-2-9-17-For-Disclosure.pdf>
- 22 See note 9.
- 23 Development Initiatives, 2017. *The P20 initiative: data to leave no one behind. Baseline report*. Available at: <http://devinit.org/wp-content/uploads/2017/03/P20-Initiative-baseline-report.pdf>
- 24 World Bank, 2016. *Country Engagement Note for Yemen 2017–2018*. Available at: <http://documents.worldbank.org/curated/en/458181467103791708/pdf/106118-CEN-P157686-IDA-R2016-0175-Box396255B-OUO-9.pdf>
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- 26 UN OCHA, 2016. *Nigeria Humanitarian Response Plan 2017*. Available at: [http://reliefweb.int/sites/reliefweb.int/files/resources/ocha\\_nga\\_hrp\\_2017\\_19122016.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/ocha_nga_hrp_2017_19122016.pdf)
- 27 UN General Assembly, 2016. *One Humanity: Shared Responsibility. Report of the Secretary-General for the World Humanitarian Summit*. Available at: [https://consultations2.worldhumanitariansummit.org/whs\\_sgreport](https://consultations2.worldhumanitariansummit.org/whs_sgreport)
- 28 UN OCHA, 2017. *New Way of Working*. Available at: <https://docs.unocha.org/sites/dms/Documents/NWOW%20Booklet%20low%20res.002.pdf>
- 29 Wilkinson M., et al. 'The FAIR Guiding Principles for scientific data management and Stewardship', *Scientific Data*, *Nature*, doi:10.1038/sdata.2016.18
- 30 UN, 2015. Addis Ababa Action Agenda of the Third International Conference on Financing for Development. Available at: [http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf)
- 31 UN World Data Forum, 2017. Blog post: *Improving data interoperability for the SDGs*. Available at: <https://undataforum.org/WorldDataForum/improving-data-interoperability-for-the-sdgs/>

## chapter 2

- 1 The *GHA Report 2016* reported an estimated high of US\$28.0 billion for international humanitarian assistance in 2015. This total and totals for previous years have adjusted downwards to account for deflation.
- 2 The total of US\$20.5 billion for UN-coordinated appeals in 2016 does not include the full cost of regional appeals coordinated by UNHCR in South Sudan, Burundi, Central African Republic, Nigeria and Yemen, though some elements of these appeals are captured in national response plans.
- 3 Syria-related appeals refers to: the Syria Regional Refugee and Resilience Plan (3RP), summarising needs in Syria's neighbouring countries; and the Syria Humanitarian Response Plan (HRP), covering the national response.
- 4 UN OCHA, 2016. *Global Humanitarian Overview 2017*. Available at: <http://reliefweb.int/report/world/global-humanitarian-overview-2017-enarzh>
- 5 Emergency appeals and thematic programmes do not represent the full extent of IFRC's funding needs, which also include Disaster Relief Emergency Fund operations, supplementary services and regular resources.
- 6 Government of Ethiopia and OCHA, 2017. *Ethiopia Humanitarian Requirements Document 2017*. Available at: <http://reliefweb.int/report/ethiopia/ethiopia-humanitarian-requirements-document-17-january-2017>
- 7 This includes discussions on including the use of ODA to mobilise additional private sector resources for development, clarifying the eligibility of military/security activities, and 'total official support for sustainable development'. See OECD, 2016. *DAC High Level Meeting Communiqué*, 19 February 2016. Available at: <http://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf>
- 8 See *inter alia*: UN General Assembly, 2016. *One Humanity: Shared Responsibility. Report of the Secretary General for the World Humanitarian Summit*. Available at: <http://sgreport.worldhumanitariansummit.org/>; Agenda for Humanity, 2016. *Transcending Humanitarian Development Divides: Commitment to Action*. Available at: <http://www.agendaforhumanity.org/initiatives/3837>
- 9 Grand Bargain signatories, 2016. *The Grand Bargain: a shared commitment to better serve people in need*. Commitment 10. Available at: <http://www.agendaforhumanity.org/initiatives/3861>
- 10 Development Initiatives, 2014. *Afghanistan beyond 2014: Aid in the Transformation Decade*. Available at: <http://devinit.org/post/afghanistan-beyond-2014-aid-transformation-decade/>
- 11 Development Initiatives, 2016. *Global Humanitarian Assistance Report 2016*. Available at: <http://devinit.org/post/global-humanitarian-assistance-report-2016/>
- 12 UN General Assembly, 2016. *One Humanity: Shared Responsibility. Report of the UN Secretary-General for the World Humanitarian Summit*. Available at: <http://sgreport.worldhumanitariansummit.org/>
- 13 UOECD, 2014. *A calculated risk: how donors should engage with risk financing and transfer mechanisms*. Available at: <https://www.oecd.org/dac/A%20calculated%20risk.pdf>; Results UK, 2016. *Weathering a risky climate: the role of insurance in reducing vulnerability to extreme weather*. Available at: <http://www.results.org.uk/sites/default/files/files/Weathering%20a%20Risky%20Climate.pdf>

## chapter 3

- 1 Our analysis of funding from the multilateral development banks includes the following multilateral organisations reporting to the OECD DAC Creditor Reporting System: African Development Bank, (including African Development Fund), Arab Bank for Economic Development in Africa, Arab Fund for Economic and Social Development, Asian Development Bank (including Asian Development Bank Special Funds), Caribbean Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank (including Inter-American Development Bank Special Fund), International Monetary Fund Concessional Trust Funds, Islamic Development Bank, Nordic Development Fund, OPEC Fund for International Development, World Bank (including International Development Association, and International Bank for Reconstruction and Development).
- 2 Turkey and the EU institutions are not included in these calculations. The five government donors that contributed 65% of the total are the US, the United Kingdom, Germany, Sweden and Japan.
- 3 Figures are not currently available to show how much of this total directed to the Syria response was spent in Turkey and how much in other countries in the region, but information for previous years suggests that most may have been spent in Turkey. In 2015, 97% of Turkey's DAC reported humanitarian assistance was spent on supporting Syrian refugees in Turkey.

- 4 Assistance provided by the EU derives from contributions made by member states and is also captured in our calculations of international humanitarian assistance provided by individual EU member state governments. For more information on how we calculate international humanitarian assistance from governments see *Methodology and definitions*.
- 5 Multilateral development banks at the World Humanitarian Summit, 2016. *Joint Statement by the Multilateral Development Banks at the World Humanitarian Summit Responding to the Forced Displacement Crisis*. 23 May 2016. Available at: <http://www.worldbank.org/en/news/press-release/2016/05/23/joint-statement-by-the-multilateral-development-banks-at-the-world-humanitarian-summit>
- 6 Grand Bargain signatories, 2016. *The Grand Bargain – A shared commitment to better serve people in need*. Available at: <http://www.agendaforhumanity.org/initiatives/3861>
- 7 World Bank, 2017. *IDA18: Report from the Executive Directors of the International Development Association to the Board of Governors*. Available at: <http://documents.worldbank.org/curated/en/348661486654455091/pdf/112728correct-file-PUBLIC-Rpt-from-EDs-Additions-to-IDA-Resources-2-9-17-For-Disclosure.pdf>
- 8 World Bank Group. *World Bank Group Global Crisis Response Platform*, 2016. Available at: <http://documents.worldbank.org/curated/en/334721474058771487/pdf/WBG-Global-Crisis-Response-Platform-08252016.pdf>
- 9 World Bank, 2017. Brief: *Pandemic Emergency Financing Facility: Frequently Asked Questions*. Available at: <http://www.worldbank.org/en/topic/pandemics/brief/pandemic-emergency-facility-frequently-asked-questions>
- 10 World Bank, 2016. Press release: *Global Community Makes Record \$75 Billion Commitment to End Extreme Poverty*. Available at: <http://www.worldbank.org/en/news/press-release/2016/12/15/global-community-commitment-end-poverty-ida18>
- 11 UN, 2016. *Report of the Secretary General for the World Humanitarian Summit*, 2016. Available at: <http://sgreport.worldhumanitariansummit.org/>
- 12 Development Initiatives, 2016. *Global Humanitarian Assistance Report 2016*. Available at: <http://devinit.org/post/global-humanitarian-assistance-report-2016/>
- 13 This figure refers to the proportion of total humanitarian income of the NGOs included in our unique dataset of private contributions.
- 14 Development Initiatives (Stirk, C), 2015. *An act of faith: Humanitarian financing and Zakat*. Available at: <http://devinit.org/post/humanitarian-financing-and-zakat/>
- 15 High-Level Panel on Humanitarian Financing, 2016. *Too important to fail: Addressing the humanitarian financing gap*. Available at <http://www.un.org/news/WEB-1521765-E-OCHA-Report-on-Humanitarian-Financing.pdf>
- 16 Waqf is a type of endowment and form of Islamic social finance.
- 17 Announcements at the WHS on Islamic social financing also included the launch of an international standards setting body by the Central Bank of Indonesia in collaboration with the Islamic Research and Training Institute of the Islamic Development Bank. More information on related discussions is available here: <https://www.worldhumanitariansummit.org/sites/default/files/keydocuments/SS03IslamicFinance.pdf>
- 18 Zakat in this case is defined as a form of Islamic social financing through which all Muslims whose wealth falls above a certain threshold are required by the Qur'an to give 2.5% of their assets each year to help people in need.
- 19 See note 14.
- 20 Center of Strategic Studies, The Indonesian National Zakat Board (BAZNAS), 2016. *2017 Indonesia Zakat Outlook*. Available at: [http://www.puskasbaznas.com/images/outlook/Indonesia%20Zakat%20Outlook2017EN\\_PUSKASBAZNAS.pdf](http://www.puskasbaznas.com/images/outlook/Indonesia%20Zakat%20Outlook2017EN_PUSKASBAZNAS.pdf)
- 21 Allied Crowds, 2016. *Developing World Crowdfunding: Prosperity through Crowdfunding*. Allied Crowds Annual Report, January 2016. Available at: <https://cdn.filestackcontent.com/kNfFQ9lgT2ObxzjhGqUU>
- 22 See CrowdExpert for more information: <http://crowdexpert.com/crowdfunding-industry-statistics/>
- 23 Information for Development Program (infoDev) and World Bank, 2013. *Crowdfunding's Potential for the Developing World*. Available at: [http://www.infodev.org/infodev-files/wb\\_crowdfundingreport-v12.pdf](http://www.infodev.org/infodev-files/wb_crowdfundingreport-v12.pdf)
- 24 More than 100 individual/joint commitments recognise the general role of the private sector and less than 10 individual/joint commitments focus on innovative finance mechanisms – including those from the governments of Belgium, Germany and Finland, ICRC, Catholic Relief Services and the Malteser Foundation. See: <http://www.agendaforhumanity.org/explore-commitments/indv-commitments?combine=faith>
- 25 Group of Multilateral Development Banks, 2016. *The Forced Displacement Crisis: A Joint Paper by Multilateral Development Banks*. See: <http://pubdocs.worldbank.org/en/870431464026133311/Joint-MDB-paper-displacement-final.pdf>

- 26 Supporting Syria & the Region conference, 2016. *Co-hosts declaration from the Supporting Syria & the Region Conference, London 2016*. Available at: <https://www.supportingsyria2016.com/news/co-hosts-declaration-of-the-supporting-syria-and-the-region-conference-london-2016/>
- 27 Development Initiatives, 2016. *Blended finance: understanding its potential for the 2030 agenda*. Available at: <http://devinit.org/post/blended-finance-understanding-its-potential/>
- 28 IRIN, 2016. *Three notable innovations in humanitarian aid in 2016*. Available at: <https://www.irinnews.org/analysis/2016/12/28/three-notable-innovations-humanitarian-aid-2016>
- 29 Reuters [Gervitz, G], 2015. *U.S Treasury Guarantees Bond Issue by Jordan, Rare Form Of Aid*. Available at: <http://www.reuters.com/article/us-jordan-bonds-refugees-idUSKCN0PDIPZ20150703>
- 30 Multilateral Investment Guarantee Agency, 2016. Available at: [https://www.miga.org/Documents/Annual\\_Report\\_2016.pdf](https://www.miga.org/Documents/Annual_Report_2016.pdf)
- 31 Asian Development Bank, 2015. *Bangladesh: Capacity Building for Disaster Risk Finance*. Available at: <https://www.adb.org/sites/default/files/project-document/173391/42249-013-tacr-1.pdf>
- 32 Global Facility for Disaster Reduction and Recovery [GFDRR]. See: <https://www.gfdr.org/bangladesh>
- 33 International Institute for Environment and Development, 2016. *Cyclone Roanu hits Bangladesh: a story of loss and damage avoided*. Available at: <https://www.iied.org/cyclone-roanu-hits-bangladesh-story-loss-damage-avoided>
- 34 IRIN, 2016. *Environment and Disasters Bangladeshi farmers drown in debt as floods destroy crops*. Available at: <https://www.irinnews.org/news/2016/09/08/bangladeshi-farmers-drown-debt-floods-destroy-crops>
- 35 International Institute for Environment and Development, 2016. *Cyclone Roanu hits Bangladesh: a story of loss and damage avoided*. Available at: <https://www.iied.org/cyclone-roanu-hits-bangladesh-story-loss-damage-avoided>
- 36 Based on ministry budgets for Ministry of Disaster Management and Relief, Ministry of Forest and Environment, Ministry of Water Resources, Finance Division, Ministry of Education, Planning Division. Available at: [http://mof.gov.bd/en/index.php?option=com\\_content&view=article&id=356&Itemid=1](http://mof.gov.bd/en/index.php?option=com_content&view=article&id=356&Itemid=1)
- 37 Asian Development Bank, 2016. *Disaster Risk Financing in Bangladesh*. Available at: <https://www.adb.org/sites/default/files/publication/198561/sawp-046.pdf>; Asian Development Bank, 2015. *Bangladesh: Capacity Building for Disaster Risk Finance*. Available at: <https://www.adb.org/sites/default/files/project-document/173391/42249-013-tacr-1.pdf>
- 38 Together these institutions contributed around US\$64.3 million in the 2014 financial year for post-disaster response, disaster risk management and capacity building. See: <https://www.bb.org.bd/pub/annual/anreport/ar1314/chap6.pdf>
- 39 World Bank, 2013. *Lebanon: Economic and Social Impact Assessment of the Syrian Conflict*. Available at: <http://documents.worldbank.org/curated/en/925271468089385165/Lebanon-Economic-and-social-impact-assessment-of-the-Syrian-conflict>; Hashemite Kingdom of Jordan, Ministry of Planning and International Cooperation, UN, 2015. *Jordan: Response Plan for the Syria Crisis 2016–2017*. Available at: [http://reliefweb.int/sites/reliefweb.int/files/resources/JRP16\\_18\\_Document-final+draft.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final+draft.pdf)
- 40 See for example, a recent analysis of refugee hosting costs in Europe: ODI, 2016. *Untangling the data: Assessing the accuracy of official refugee-related costs in Europe*. Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/10853.pdf>
- 41 OECD DAC Secretariat, 2016. *ODA Reporting of in-donor country refugee costs: Members' methodologies for calculating costs*. See <https://www.oecd.org/dac/stats/RefugeeCostsMethodologicalNote.pdf>
- 42 In 2016, the DAC conducted a survey of its members to understand different reporting practices, and is expected to issue guidance in 2017 with a view to improving consistency and comparability. See: DAC Secretariat, 2016. *ODA Reporting of in-donor country refugee costs: Members' methodologies for calculating costs*. Available at: [www.oecd.org/dac/stats/RefugeeCostsMethodologicalNote.pdf](http://www.oecd.org/dac/stats/RefugeeCostsMethodologicalNote.pdf)

## chapter 4

- 1 The *Global Humanitarian Assistance Report 2016* [Development Initiatives, 2016] reported that Sudan was the 12th largest recipient of international humanitarian assistance in 2014. Analysis was repeated in 2017 using up-to-date data and shows Sudan in 7th place for 2014.
- 2 UN OCHA, 2014. *2015 Strategic Response Plan: Afghanistan*. Available at: <https://www.humanitarianresponse.info/system/files/documents/files/Afghanistan%20HRP%202015%20SRP%20Final%2024Dec2014.pdf>; UN OCHA, 2015. *Sudan Humanitarian Response Plan 2015*. Available at: [https://www.humanitarianresponse.info/system/files/documents/files/sudan\\_2015\\_humanitarian\\_response\\_plan\\_16\\_apr\\_2015.pdf](https://www.humanitarianresponse.info/system/files/documents/files/sudan_2015_humanitarian_response_plan_16_apr_2015.pdf)

- 3 See Development Initiatives' Development Data Hub: <http://data.devinit.org>
- 4 UN, 2016. *One Humanity, Shared Responsibility. Report of the United Nations Secretary-General for the World Humanitarian Summit*. 2016. Available at: <http://sgreport.worldhumanitarianissummit.org/>
- 5 UN OCHA, 2017. *New Way of Working*, Available at: [https://www.unocha.org/sites/unocha/files/NWOW%20Booklet%20low%20res.002\\_0.pdf](https://www.unocha.org/sites/unocha/files/NWOW%20Booklet%20low%20res.002_0.pdf)
- 6 Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: <http://www.agendaforhumanity.org/initiatives/3861>
- 7 UN OCHA, 2017. *Evaluation of Multi-Year Planning*. Available at: <http://reliefweb.int/report/world/evaluation-multi-year-planning-february-2017>
- 8 There may be several factors behind the declining number of multi-year appeals. UN-coordinated appeals may include single-year elements of multi-year programmes from participating UN agencies and NGOs; some countries may experience situations too volatile for multi-year planning; and, as a recent evaluation found, combining humanitarian and development objectives in multi-year appeals can lead to a 'prioritisation dilemma' for donors when scarce funding is stretched to meet both acute needs and longer-term objectives. See note 7.
- 9 The Supporting Syria and the Region conference brought together 48 donors in London in February 2016 to mobilise funding to respond to the needs of the people affected by the Syrian crisis. For more information see: Development Initiatives, 2017. *Supporting Syria and the region: Post-London conference financial tracking. Report Two*. Available at: <https://2c8kktlykog8lj8k9p47oglb-wpengine.netdna-ssl.com/wp-content/uploads/2017/02/Syria-Report-TWO-8.pdf>
- 10 See note 9.
- 11 The Disasters Emergencies Committee [DEC] conducts public fundraising appeals in the aftermath of emergencies on behalf of a group of 13 UK-based NGOs. For more information see: <http://www.dec.org.uk/>
- 12 Oxfam GB, World Vision UK and CAFOD provided examples of the benefits of multi-year funding through DEC appeals.
- 13 See note 6.
- 14 In February 2017, UN OCHA FTS was renewed to allow more effective tracking of elements related to the Grand Bargain commitments. This includes multi-year funding, though a strong body of detailed data has not yet been reported to FTS to allow for analysis of the extent of multi-year funding.
- 15 Oxfam and Save the Children, 2011. *A Dangerous Delay: the cost of late response to early warnings in the 2011 drought in the Horn of Africa*. Available at: [https://www.oxfam.org/sites/www.oxfam.org/files/file\\_attachments/bp-dangerous-delay-horn-africa-drought-180112-en\\_4.pdf](https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-dangerous-delay-horn-africa-drought-180112-en_4.pdf)
- 16 Inter alia: Department for International Development, 2016. *The Economic Case for Early Humanitarian Response to the Ethiopia 2015/2016 Drought*. Available at: <https://www.gov.uk/dfid-research-outputs/the-economic-case-for-early-humanitarian-response-to-the-ethiopia-2015-2016-drought>; Department for International Development, 2013. *The Economics of Early Response and Resilience: Lessons from Mozambique*. Available at: <https://www.gov.uk/dfid-research-outputs/the-economics-of-early-response-and-resilience-lessons-from-mozambique>
- 17 International Food Policy Research Institute [Clarke and Hill], 2013. *Cost-Benefit Analysis of the African Risk Capacity Facility*. IFPRI Discussion Paper 01292. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2343159](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2343159)
- 18 Cabot Venton, C, 2016. *The Economic Case for Early Humanitarian Response to the 2015/2016 Ethiopia Drought*. Available at: <https://static1.squarespace.com/static/5567b109e4b0101076d7f0bd/t/581b75e0cd0f68b05009b283/1478194658325/Ethiopia+Contingency+Analysis.pdf>
- 19 For more information on LEAP see: <http://www.wfp.org/climate-change/initiatives/livelihoods-early-assessment-protection>
- 20 Government of Ethiopia, Ethiopia Humanitarian Country Team, 2015. *Ethiopia: Humanitarian Requirements Document 2016*. Available at: <http://reliefweb.int/report/ethiopia/ethiopia-humanitarian-requirements-document-2016>
- 21 Regional Inter-Agency Standing Committee [RIASCO], December 2016. *RIASCO Action Plan for Southern Africa*. Available at: [http://reliefweb.int/sites/reliefweb.int/files/resources/riasco\\_action\\_plan\\_dec2016.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/riasco_action_plan_dec2016.pdf)



## chapter 5

- 1 Grand Bargain signatories, 2016. *The Grand Bargain – A Shared Commitment to Better Serve People in Need*. Available at: <http://www.agendaforhumanity.org/initiatives/3861>
- 2 IOM became a related organisation of the UN in 2016 following the adoption of a UN General Assembly resolution. Before that, it was referred to as an intergovernmental organisation. See: <https://www.iom.int/news/iom-becomes-related-organization-un>
- 3 Localisation processes include: the Charter for Change with a set of commitments by international NGOs to enable a more locally-led response [see: <https://charter4change.org>]; the Urban Crisis Charter, which prioritises local municipal leadership [Global Alliance for Urban Crises, 2016. Urban Crises Charter. see: <https://unhabitat.org/wp-content/uploads/2016/05/Global-Alliance-for-Urban-Crises-Charter-for-WHS-Final.pdf>]; and the Grand Bargain, which commits aid organisations and donors to provide more support and funding to local and national responders [see note 1].
- 4 See note 1.
- 5 See note 1; Inter-Agency Standing Committee Humanitarian Financing Task Team (Poole, L), 2017. *Development of a localisation marker: Conclusions and recommendations*. Not available online.
- 6 National and local responders include: national and local NGOs; national and local governments; International Red Cross and Red Crescent Movement National Societies based in and operating in their own aid recipient countries; and local and national private sector organisations.
- 7 See: <https://charter4change.org>
- 8 Charter for Change is a framework agreed by a number of INGOs to change the way that the humanitarian system operates to enable more locally-led responses, see: <https://charter4change.org>
- 9 Charter for Change organisations shared preliminary data with Development Initiatives for this report. A fuller dataset is being compiled and the findings will be shared in the Charter for Change 2017 progress report, available at: <https://charter4change.org>
- 10 Some Charter for Change organisations had delayed upgrading their own internal financial tracking systems until common definitions of local and national responders had been endorsed by the Grand Bargain signatories and integrated in common reporting systems and standards.
- 11 Several NGOs provided data for this research. Those featured in Figure 5.5 are: The Health Support Organisation [THESO] in South Sudan, which provides emergency reproductive health services and disease surveillance and response, see: <https://theso.org/south-sudan>; and SolidarityNow, working with vulnerable populations in Greece, including refugees and asylum seekers, see <https://www.solidaritynow.org/en>
- 12 UN CERF, 2016. *CERF and the Grand Bargain*. Available at: <http://www.unocha.org/cerf/sites/default/files/CERF/CERF%20and%20the%20Grand%20Bargain.pdf>
- 13 UN OCHA, 2017. *About Country-Based Pooled Funds*. Available at: [http://reliefweb.int/sites/reliefweb.int/files/resources/CBPF%20Factsheet%20March%202017\\_EN.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/CBPF%20Factsheet%20March%202017_EN.pdf)
- 14 Figures are deflated in constant 2015 prices and therefore differ from CERF's own data in current prices. According to data in current prices, CERF received its largest volume of contributions in 2013 (US\$480 million), US\$54 million higher than in 2016 when it received US\$426 million.
- 15 In addition to regular grant allocations, CERF funding can also be provided in loan form. This can cover situations when an organisation has received confirmation of funding, but the transfer of funds is delayed. Since 2006, 26 CERF loans have been approved totalling US\$228 million.
- 16 See forthcoming paper on 2015 CERF partnerships.
- 17 For more information on the Start Network and the Start Fund see: <https://startnetwork.org/start-fund>
- 18 Start Network, 2017. Blog: *First Start Network national fund is 'exciting moment' for humanitarian system*. Available at: <https://startnetwork.org/news-and-blogs/start-fund-bangladesh-ready-respond-country-crisis>
- 19 For more information see: <http://www.near.ngo/what-we-do>
- 20 Sida Helpdesk on Human Security and Humanitarian Assistance (Poole, L, Mowjee, T), 2017. Grand Bargain Workstream on Reducing Earmarking. Not available online.
- 21 Good Humanitarian Donorship, 23 Principles and Good Practice of Humanitarian Donorship [refers to Good Practices in Donor Financing, Management and Accountability, numbers 12 and 13]. Available at: <https://www.ghdinitiative.org/ghd/gns/principles-good-practice-of-ghd/principles-good-practice-ghd.html>

- 23 See note 1.
- 24 Anticipated voluntary contributions to the operational part of the budget are used for IOM in 2016 as annual report data was not available at the time of analysis.
- 25 Sida Helpdesk on Human Security and Humanitarian Assistance [Poole, L, Mowjee, T], 2017. Grand Bargain Workstream on Reducing Earmarking. Not available online.
- 26 See note 1.
- 27 Overseas Development Institute [Bailey, S, Harvey, P], 2017. *Time for change: Harnessing the potential of humanitarian cash transfers*. Available at: <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11419.pdf>
- 28 High-Level Panel on Humanitarian Cash Transfers, 2015. *Doing cash differently: How cash transfers transform humanitarian aid. Report of the High-Level Panel on Humanitarian Cash Transfers*. Available at: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf>
- 29 See note 1.
- 30 The estimate of US\$2 billion for cash-based programmes in 2015 is based on data gathered from 20 of the largest implementers of cash and voucher programming. This builds on research conducted for the Overseas Development Institute [ODI] in 2016, supplemented by data shared more recently. The findings of the original research can be found here: Development Initiatives and ODI [Spencer, A, Parrish, C, Lattimer, C], 2016. *Counting cash: Tracking humanitarian expenditure on cash-based programming*. Available at: <https://www.odi.org/publications/10716-counting-cash-tracking-humanitarian-expenditure-cash-based-programming>
- 31 The Cash Learning Partnership [n.d.] 'Glossary of Cash Transfer Programme Terminology'. Available at: [www.cashlearning.org/resources/glossary](http://www.cashlearning.org/resources/glossary)
- 32 The UN split of 45%/55% for cash/vouchers is somewhat deceptive, since the WFP delivered 80% in the form of vouchers, whereas UNHCR delivered 99% in the form of cash.
- 33 See note 31.
- 34 Development Initiatives & ODI [Spencer, A, Parrish, C, Lattimer, C], 2016. *Counting cash: Tracking humanitarian expenditure on cash-based programming*. Available at: <https://www.odi.org/publications/10716-counting-cash-tracking-humanitarian-expenditure-cash-based-programming>
- 35 See note 34.
- 36 See note 34.
- 37 See note 34.
- 38 IATI is a multi-stakeholder initiative that works to ensure that transparent, good quality information on development and humanitarian resources is available and used to help achieve sustainable development. At the centre of IATI is the Standard – a framework for publishing open data on development cooperation and humanitarian assistance in a comparable format. For more information see: <http://iatistandard.org>
- 39 See Development Initiatives, 2017. *Implementing and monitoring the Grand Bargain commitment on transparency: baseline report*: <http://devinit.org/post/baseline-report-implementing-and-monitoring-the-grand-bargain-commitment-on-transparency>
- 40 See note 39.
- 41 See note 39.
- 42 UN OCHA, 2016. *Humanitarian Data Centre in the Netherlands will increase data use and impact in humanitarian sector*. Available at: <http://reliefweb.int/sites/reliefweb.int/files/resources/OCHA%20HDC%20Announcement%20PR%20FINAL.pdf>
- 43 For more information on Joined-up Data Standards see: <http://juds.joinedupdata.org>



## chapter 6

- 1 OECD DAC definitions and reporting guidelines can be found here:  
<http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/>
- 2 See criteria for inclusion at: [https://fts.unocha.org/sites/default/files/criteria\\_for\\_inclusion\\_2017.pdf](https://fts.unocha.org/sites/default/files/criteria_for_inclusion_2017.pdf)
- 3 Development Initiatives (Spencer, A and Lattimer, C), 2017. Blog: *Counting cash in humanitarian contexts*. Available at: <http://devinit.org/post/counting-cash>
- 4 See note 3.
- 5 Grand Bargain signatories, 2016. *The Grand Bargain – A shared commitment to better serve people in need*. Annex 1. Available at: <http://www.agendaforhumanity.org/initiatives/3861>
- 6 Adapted from a definition taken from the OECD glossary of statistical terms at: <http://stats.oecd.org/glossary>
- 7 OECD, 2016. *States of Fragility 2016: Understanding Violence*. Available at: <https://www.oecd.org/development/conflict-fragility-resilience/docs/fragility%20framework%202016.pdf>
- 8 OECD, 2015. *Financing in crisis? Making humanitarian finance fit for the future*. Available at: <http://www.oecd.org/dac/OECD-WP-Humanitarian-Financing-Crisis%20.pdf>
- 9 See note 8.
- 10 Adapted from a definition by the Center for Global Finance and Social Finance, 2013. *Investing in Social Outcomes: Development Impact Bonds. The Report of the Development Impact Bond Working Group*. Available at: [www.socialfinance.org.uk/wp-content/uploads/2014/03/cgd-sf-dibreport\\_online.pdf](http://www.socialfinance.org.uk/wp-content/uploads/2014/03/cgd-sf-dibreport_online.pdf)
- 11 Adapted from a definition by the European Investment Bank: [www.eib.org/about/partners/development\\_banks](http://www.eib.org/about/partners/development_banks)
- 12 OECD glossary of statistical terms at: <http://stats.oecd.org/glossary>
- 13 Definition adapted from Multi-Partner Trust Fund Office Gateway: <http://mptf.undp.org/overview/funds>
- 14 Definition adapted from International Organization for Migration: [www.iom.int/key-migration-terms#Remittances](http://www.iom.int/key-migration-terms#Remittances)
- 15 OECD, Disaster Risk Assessment and Risk Financing: A G20/OECD Methodological Framework, 2013. Available at: [www.preventionweb.net/files/globalplatform/5198f8ec10490Disaster\\_Risk\\_Assessment\\_and\\_Risk\\_Financing.pdf](http://www.preventionweb.net/files/globalplatform/5198f8ec10490Disaster_Risk_Assessment_and_Risk_Financing.pdf)
- 16 See note 15.
- 17 See note 12.
- 18 Development Initiatives, 2015. *Getting poverty to zero: financing for social protection in least developed countries*. Available at: <http://devinit.org/post/getting-poverty-to-zero-financing-for-social-protection-in-least-developed-countries/>

Global Humanitarian Assistance (GHA) reports use the latest data to present the most comprehensive assessment of the international financing at work in humanitarian situations. The *GHA Report 2017* explores the links between poverty, risk and crisis, and examines the resources directed to those experiencing crises. In a complex and changing financing landscape, it provides clear and independent analysis of: how much is given, who it is provided by, where it goes, how it is delivered and how it can more effectively meet people's needs. The 2017 edition of this annual report includes new analysis related to Grand Bargain and Sustainable Development Goal commitments.

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