

Global Humanitarian Assistance

Humanitarian financing to Ethiopia

2000-2010



Global Humanitarian
Assistance

A DEVELOPMENT INITIATIVE 

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Humanitarian context

Despite the importance of agriculture to its economy, Ethiopia is heavily dependent on food aid. This is often attributed to natural disasters such as drought (the worst was in 1983 which killed 300,000 people) although some suggest that a growing population and damaging land policies are also to blame. Under Ethiopia's constitution, the state owns all land and provides long-term leases to tenants. This discourages farmers from investing long-term on land they do not own and makes it impossible for them to make use of productive agricultural technologies.

Internal and external conflicts have added to Ethiopia's problems. The Derg, who came to power in the mid-1970s, exacerbated the country's food insecurity with a military campaign against rebels from the Tigray region in the north. The campaign deliberately targeted food production and trade, followed by a programme of resettlement designed to undermine the rebel's recruitment efforts. The first free and democratic election took place in May 1995, which brought the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) (made up of the Tigrayan Peoples' Liberation Front as well as other small ethnic groups), to power. Since then, multi-party elections have been disputed, most notably those in 2005, which led to violent protests and the arrest of many members of the opposition, and in 2010 when the EPRDF won by a massive majority. Secessionist groups, such as the Ogaden National Liberation Front and the Oromo Liberation Front, maintain a low-level armed struggle.

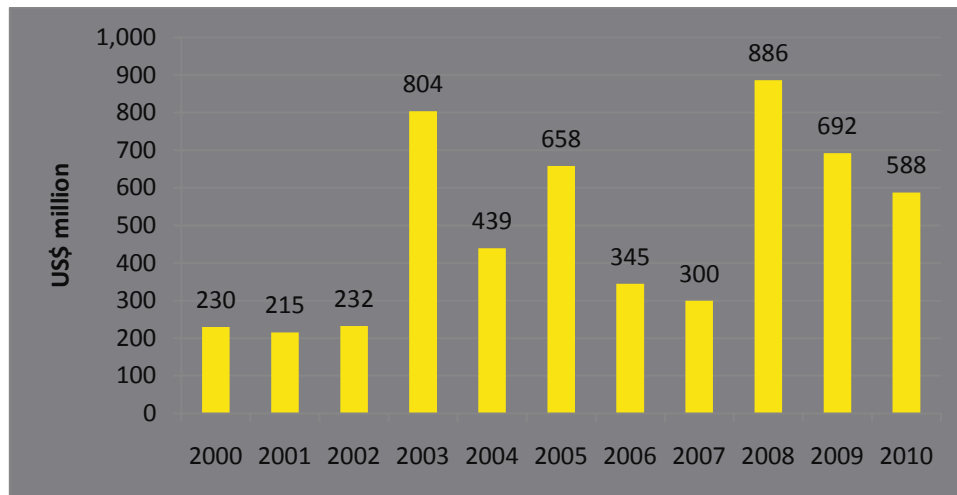
Ethiopia has also been involved recently in conflict with two of its neighbours. A border dispute with Eritrea escalated into full-scale war in 1999 lasting two years (although tensions persist). Following the takeover of Mogadishu and other parts of southern Somalia by militias loyal to the Union of Islamic Courts, Ethiopian troops entered the country in 2006 and engaged in fierce fighting, formally withdrawing in 2009. Ethiopia is seen by the United States as a key ally in the 'war against terror'.

How much humanitarian funding has Ethiopia received?

Ethiopia is a major recipient of humanitarian aid: between 2001 and 2010, Ethiopia received 6% of the total international humanitarian assistance from governments and private donors.

Humanitarian aid to Ethiopia peaked in 2003 (US\$804 million) and 2008 (US\$886million) when severe droughts affected large numbers of the population. In 2003 12.6 million people were affected, while the drought in 2008 affected 6.4 million people.

Figure 1: Total international humanitarian assistance from governments and private donors, 2000-2010

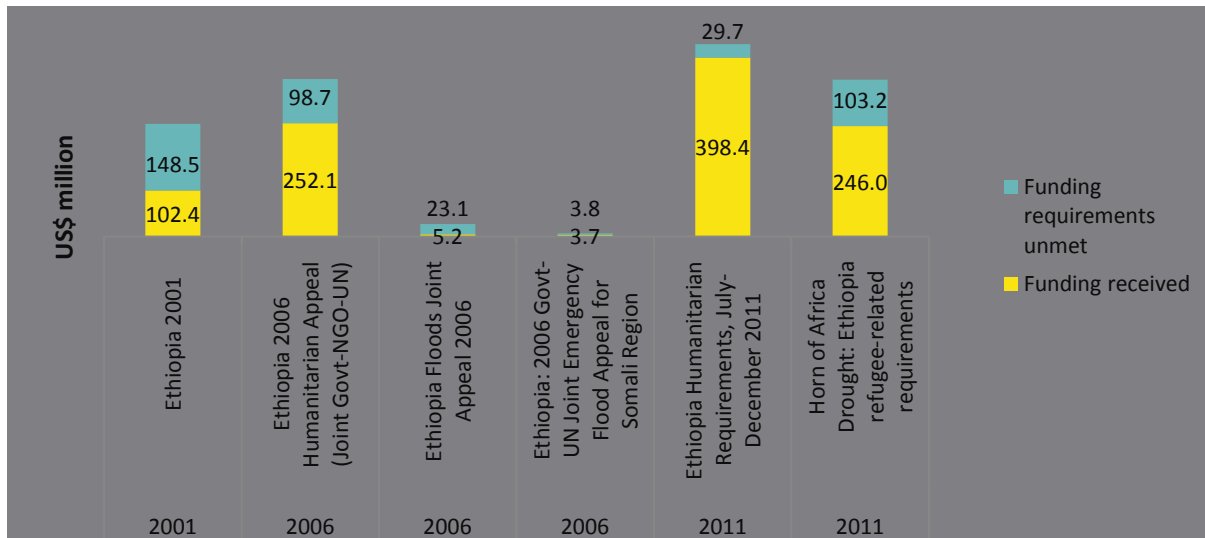


Source: Development Initiatives based on OECD DAC and UN OCHA FTS data (note that 2010 data is based exclusively on FTS data; in preceding years, humanitarian aid from OECD DAC member government donors is taken from OECD DAC data in constant 2009 prices and data for non-OECD DAC member governments from OCHA FTS data in current prices)

The Ethiopian government does not tend to appeal for international assistance through the UN system but sometimes does appeal independently. In 2005 Ethiopia appealed for US\$271.7 million to address food insecurity and in 2007 appealed for US\$179.3 million focusing on food, health and nutrition, water and environmental sanitation and agriculture. More recently, in 2011, two appeals have been targeting the devastating effects that the Horn of Africa drought has had in the country.

Since 2001 and in addition to the above mentioned Ethiopian government-led appeals, there have been four UN appeals. Only one appeal has been channelled through the UN consolidated appeals process (CAP): the Ethiopia 2001 consolidated appeal where 40.8% of the revised requirement of US\$250.8 million was funded. In 2006, there were also three UN appeals outside of the UN CAP process. The Ethiopia 2006 Humanitarian Appeal (Joint Govt-NGO-UN) was launched in January 2006 following a drought in 2005 which affected 2.6 million people. Needless to say, of the US\$350 million requested, 67% was for food assistance. Two appeals were launched later that year following the floods that affected 361,600 people.

Figure 2: Funding to Ethiopia’s appeals 2001-2011

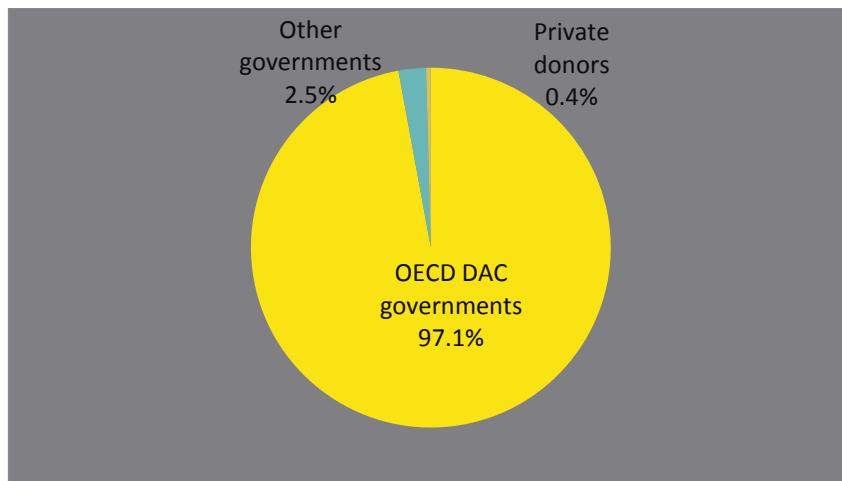


Source: Development Initiatives based on UN OCHA FTS data

Who are the main actors providing humanitarian funding?

Ethiopia has received relatively small contributions from both non-OECD DAC donors and private donors who provided 2.5% and 0.4% of the total international humanitarian assistance respectively, between 2000 and 2010.

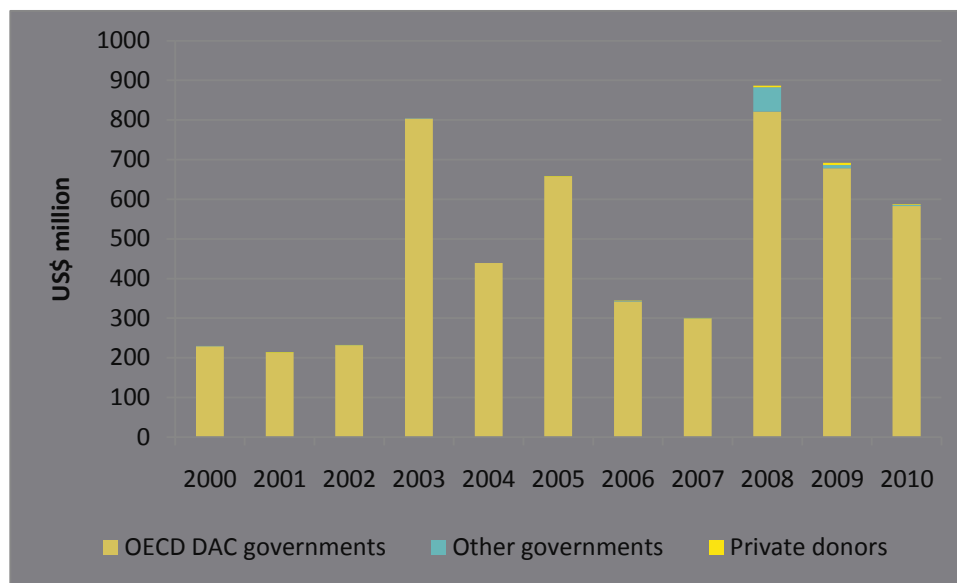
Figure 3: Ethiopia’s international humanitarian aid by funding source, 2006-2010



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

In most years, contributions from non-OECD DAC governments were small but in 2008 – a year in which Ethiopia suffered major food insecurity – Saudi Arabia provided a large single donation of US\$25.1 million becoming the second largest government donor in that year.

Figure 4: Ethiopia's international humanitarian aid by donor type, 2000-2010



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

The leading government donor of humanitarian aid for the period 2000-2009 is the United States, which has contributed an extraordinary 63.1% of the total (US\$3 billion).

Figure 5: Humanitarian aid contributions from top five government donors to Ethiopia, 2005-2009, US\$ million (constant 2009 prices)

2005	2006	2007	2008	2009
US	US	US	US	US
547.0	178.2	213.3	567.8	393.5
EU institutions	UK	EU institutions	EU institutions	UK
25.6	66.8	27.2	61.2	75.2
Canada	Canada	UK	Saudi Arabia*	Spain
16.9	24.9	15.3	59.7	54.8
Netherlands	EU institutions	Sweden	UK	EU institutions
16.4	17.5	10.5	56.0	39.0
UK	Norway	Norway	Netherlands	Canada
12.7	12.8	9.6	41.2	26.2

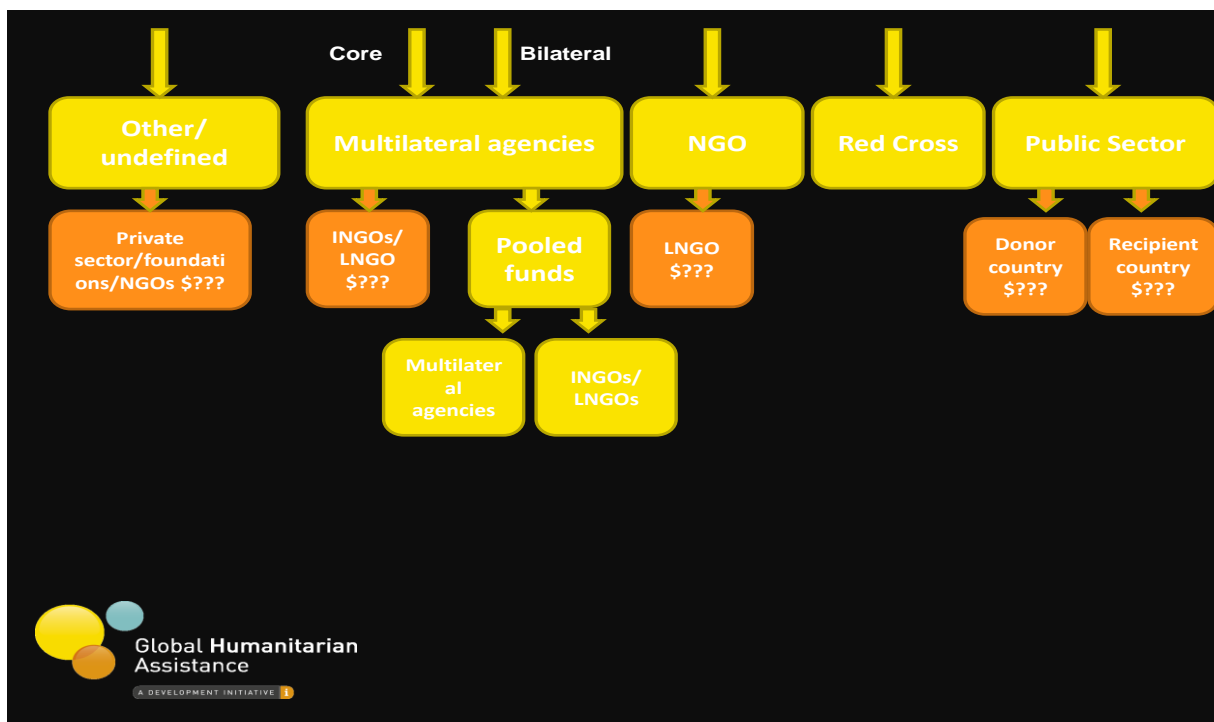
Source: Development Initiatives based on OECD DAC and UN OCHA FTS data. * denotes contributions from non-OECD DAC member governments and where data is derived from the UN OCHA FTS and is in current prices.

What are the main modalities used to disburse humanitarian funding?

Tracking humanitarian aid financing throughout the system to its final point of disbursement is problematic with the existing aid data. Data reported to the OECD DAC is reported to the first level recipient, but aid is in many instances, and particularly in the case of multilateral agencies, sub-contracted onwards to third parties to implement programme activities. This second level of contracting is not comprehensively captured within the existing aid data.

We cannot therefore say with certainty how much humanitarian financing was ultimately at the disposal of any grouping of recipient actors.

Figure 6: Illustration of known (yellow) and unknown (orange) humanitarian financing flows through recipient agencies



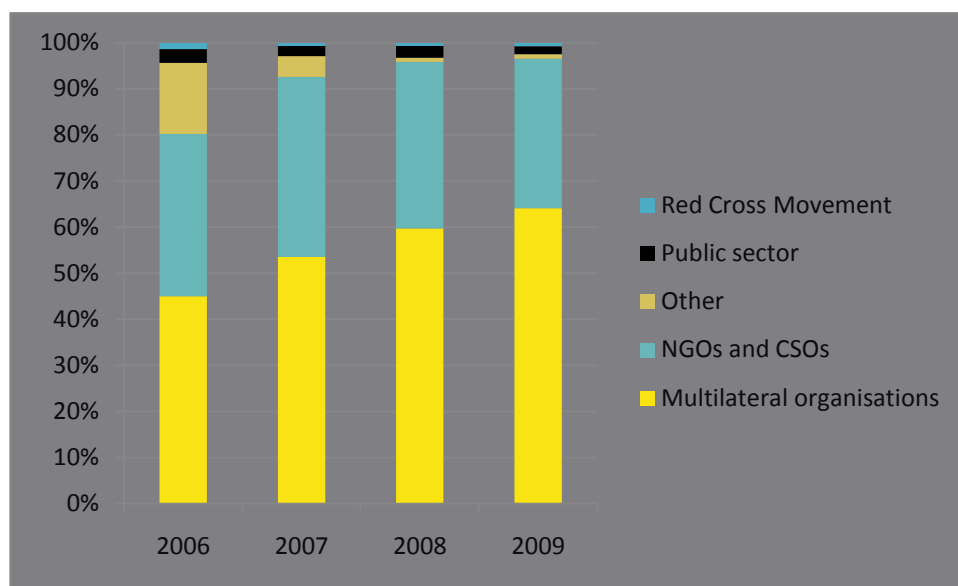
When interpreting data on funding volumes channelled to first level recipient agencies it is worth noting that a proportion of the funds attributed to 'multilateral agencies' within the OECD DAC data, may in fact be donor contributions to humanitarian and, in some instances, reconstruction pooled funds. These funds are not at the disposal of the first level recipient agency but will be passed on to multilateral and NGO third party implementing agencies. Donor contributions to pooled humanitarian funds were equivalent to 9.6% of the total international humanitarian response funding channelled via multilateral agencies in 2009. It is possible to disaggregate the volumes of funds channelled through pooled humanitarian funds by recipient agency grouping.

The 'public sector' category is particularly problematic as it includes the public sectors of both the donor and the recipient country.

Finally, reporting to the OECD DAC against the 'channel of delivery' codes has only become widespread from 2008 onwards. In earlier years, large volumes remain in the 'other/undefined' grouping. It is difficult to determine therefore if apparent trends in the pre-2008 data are simply a function of changing reporting practices.

In the case of Ethiopia however, a growing share of humanitarian assistance has been channelled via multilateral agencies and funds in the first tier of disbursements to recipient agencies. This is consistent with the large proportion of humanitarian assistance channelled to the World Food Programme (WFP) and with the establishment of a country-level pooled humanitarian funding mechanism managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA).

Figure 7: Ethiopia's first-level recipient channels of delivery of international humanitarian aid, 2006–2009



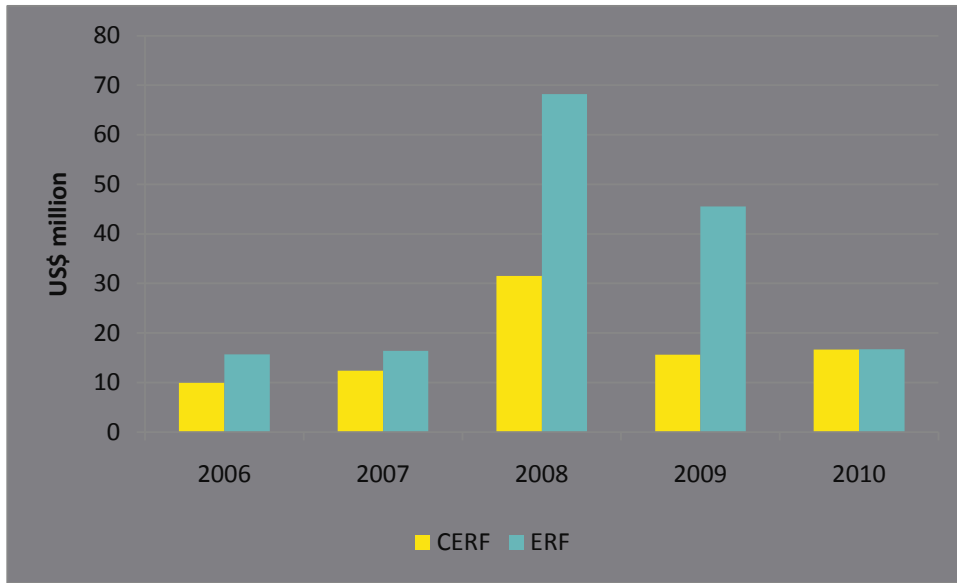
Source: Development Initiatives based on OECD DAC and OCHA FTS data

Two pooled funding mechanisms have been used to channel funds to Ethiopia – the Central Emergency Response Fund (CERF) and the Humanitarian Response Fund (HRF), the equivalent of an Emergency Response Fund (ERF).

Between 2006 and 2010, Ethiopia received US\$86.2 million through the CERF, which represents 3.1% of the total international humanitarian aid channelled to Ethiopia in that period.

A total of US\$162.6 million (5.8% of total international humanitarian aid) has been channelled via the country-level HRF between 2006 and 2010. Funding to the HRF peaked in 2008 when eight donors contributed funds; the United Kingdom provided the largest contributions in that year at US\$28.5 million, followed by the Netherlands, which gave US\$25.7 million. Funding to the HRF has fallen significantly in 2009 and 2010.

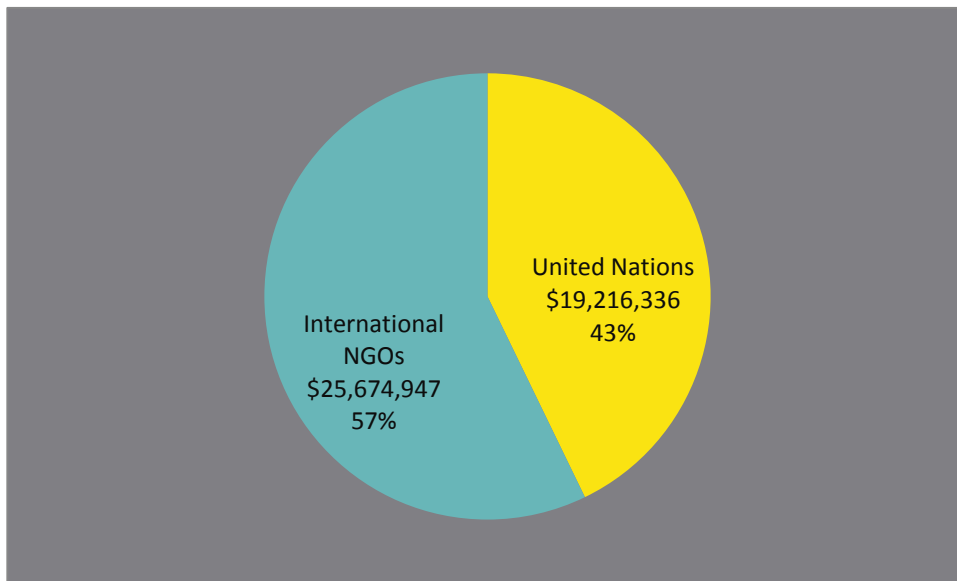
Figure 8: Ethiopia’s humanitarian aid channelled via pooled humanitarian funds, 2006-2010



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

Publicly available data on disbursements by the HRF is scarce, but we know that the largest share in 2008 was passed on to international NGOs.

Figure 9: Ethiopia: ERF fund disbursement by recipient group, 2008, (US\$ million)

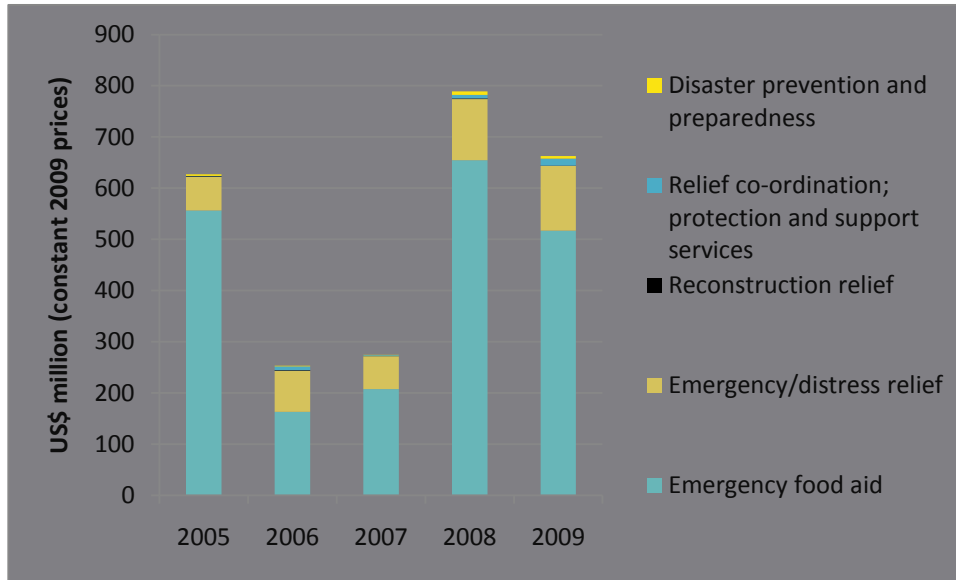


Source: UN OCHA

Which sectors/programmes receive humanitarian funding?

The overwhelming majority of humanitarian funding to Ethiopia (80.5% between 2005 and 2009) is in the form of emergency food aid. Just over half a percent of humanitarian aid has been spent on disaster prevention and preparedness between 2005 and 2009.

Figure 10: Ethiopia's humanitarian aid sectors, 2005-2009

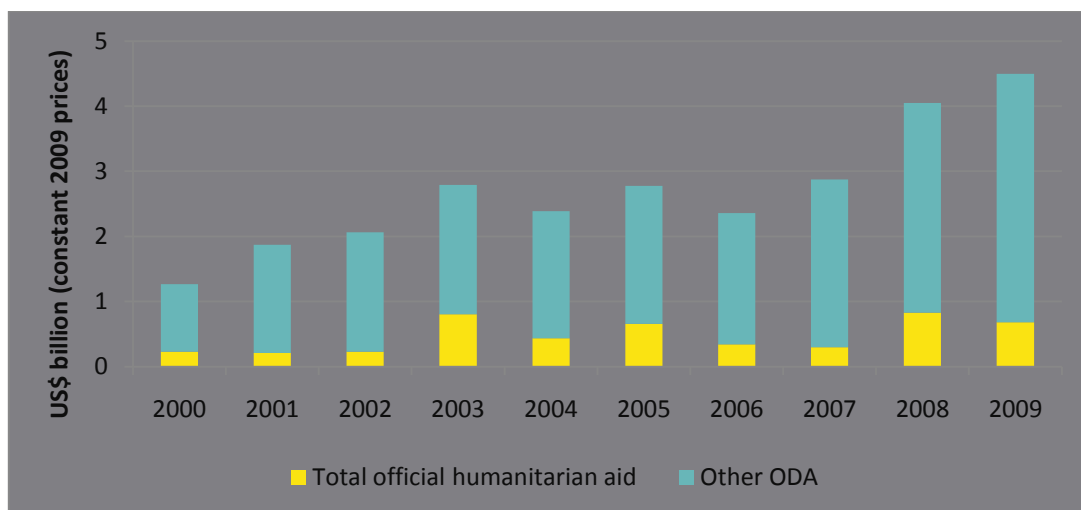


Source: Development Initiatives based on OECD DAC data

How does humanitarian aid relate to other resource flows?

Ethiopia received an above average share of its official development assistance (ODA) in the form of humanitarian aid – 17.6% between 2000 and 2009.

Figure 11: Ethiopia's humanitarian aid in relation to other aid flows, 2005-2009

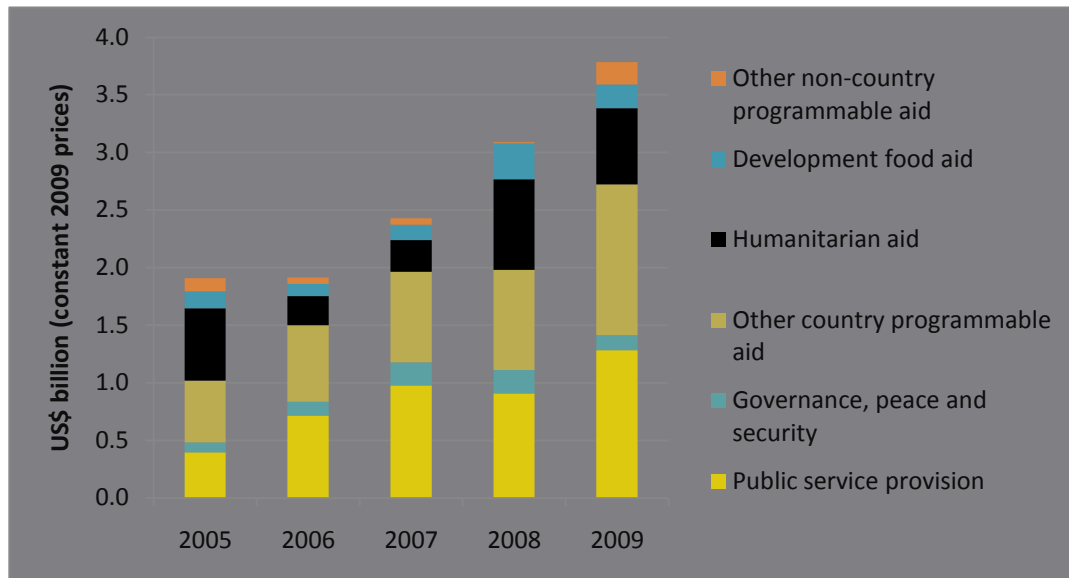


Source: Development Initiatives based on OECD DAC data

Yet despite the apparently low level of investment in humanitarian disaster risk reduction, non-humanitarian aid flows are also applied to addressing the root causes of humanitarian need to a significant extent. Therefore humanitarian aid flows should be considered in this wider context of aid investments in both cause and impact of humanitarian crisis.

Of particular note are donor investments in Ethiopia's Productive Safety Nets Programme (PNSP), launched by the Government of Ethiopia in 2005.

Figure 12: Ethiopia's humanitarian aid in relation to ODA flows for service provision, 2005-2009



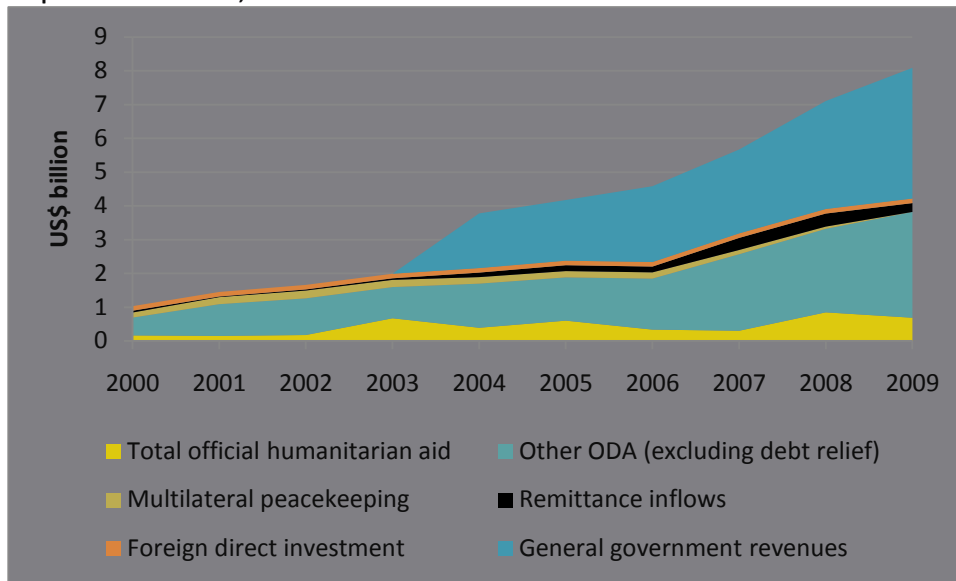
Source: Development Initiatives based on OECD DAC data

The PNSP targets 11% of the population, some 8.3 million food insecure people and is an intervention designed to shift Ethiopia's response to chronic food insecurity away from its dependence on emergency food aid. Major donors include the World Bank, the United States, the United Kingdom, EU Institutions, Canada and Norway. Since the PNSP includes a variety of interventions including cash transfers, food aid, investments in productive assets and infrastructure, aid contributions are reported across a wide variety of sectors including agriculture, food security, soil degradation control, environmental policy and direct budget support.

Aid of course is just one among a variety of resource flows which can be applied to addressing the root causes of vulnerability and meeting humanitarian need. Seen in context with other resource flows, humanitarian aid represents a relatively modest contribution.

Most notably, both domestic government revenues and other non-humanitarian ODA flows have been growing in the last five years. While Ethiopia still has a significant aid dependency ratio, with ODA representing 14% of gross national income (GNI) in 2009, government revenues have grown by 53.6% between 2005 and 2009.

Figure 13: Ethiopia's resource flows, 2000-2009



Source: Development Initiatives based on IMF Regional Economic Outlook, OECD DAC, Stockholm International Peacekeeping Research Institute and World Economic Outlook data

While we do not yet have comprehensive data on the financial contributions of the Government of Ethiopia to risk mitigation and humanitarian response in their 2011 budget, the government made provision for US\$2 million for disaster prevention and preparedness.

Annex 1. Domestic contributions to humanitarian response

	National	Disaster Risk Management and Food Security Sector (DRMFSS) under the Ministry of Agriculture and Rural Development (MoARD): DMFSS oversees two directorates - the Food Security Program Directorate (FSPD) and the Early Warning and Response Directorate (EWRD).
Structures responsible for crises	Sub-national	At the regional, zonal and woreda levels, the Food Security (FS) and Disaster Prevention and Preparedness Bureaus (DPPB) are the authorities responsible for coordination.
Disaster risk reduction structure (if separate from above)		Unknown
Legislation		Unknown
Policies, guidelines etc.		<p><u>National Policy on Disaster Prevention and Management (NPDPM) (Ethiopia)1993</u></p> <p>The NPDPM defines objectives and basic principles. It describes the link between preparedness and prevention, sectoral integration, how the early warning information could trigger declaration of disaster, the development of a relief plan, the role of Emergency Food Security Reserve, the role of National Disaster Prevention and Preparedness Fund, and other preparedness and logistical procedures.</p> <p>Under the 2011 budget, the regions of Ethiopia received ETB 33.5 million (US\$2.0 million) for disaster prevention and preparedness.</p> <p>The Emergency Food Security Reserve, which currently maintains some 407,000MT of cereals, and the National Disaster Prevention and Preparedness Fund with a target of US\$55 million are the two main readily available sources of food and finance respectively.</p> <p>Within <u>the framework of the NPDPM</u>, a National Disaster Prevention and Preparedness Fund (NDPPF) has been established as an emergency fund, providing resources for carrying out relief. Its target is to maintain a cash reserve of US\$55 million to be built up through contributions from the national budget and donations. The minimum amount set for the Fund is US\$16 million.</p> <p>The Fund is owned at federal level and is managed by a National Disaster Prevention and Preparedness Fund Administration (NDPPFA).</p> <p>The NDPPFA is a relatively new and young institution and has not yet managed to reach even the minimum amount. However, it has become operational and in 2003 supported relief measures in three instances. When the Fund meets its target size, it is hoped that it will contribute to the improvement of relief measures through provision of loans until agencies' financial pledges arrive.</p>
Funding		
Coordination		The <u>UN cluster approach</u> was initiated in May 2007.

Annex 2. Aid contributions to Ethiopia in comparison with other recipients

	ODA as % of GNI (2009)	Total ODA (2009)	Share of total global ODA to recipient countries (2009)	Total official humanitarian aid (2009)	Share of global total official humanitarian assistance (2009)	Humanitarian aid as % of total ODA received (2009)
Recipient total		86,211.96		10183.30		11.8%
Afghanistan	67.0%	6,233.76	7.2%	577.95	5.7%	9.3%
Bangladesh	1.3%	1,225.81	1.4%	107.58	1.1%	8.8%
Brazil	0.0%	338.46	0.4%	3.18	0.0%	0.9%
Central African Rep.	11.8%	232.06	0.3%	49.33	0.5%	21.3%
Chad	9.6%	560.24	0.6%	318.02	3.1%	56.8%
China	0.0%	1,131.75	1.3%	17.80	0.2%	1.6%
Colombia	0.5%	1,060.19	1.2%	96.92	1.0%	9.1%
Congo, Dem. Rep.	20.8%	2,207.39	2.6%	560.92	5.5%	25.4%
Ethiopia	14.0%	3,813.92	4.4%	680.71	6.7%	17.8%
Haiti	n/a	1,098.46	1.3%	147.29	1.4%	13.4%
India	0.2%	2,502.15	2.9%	34.20	0.3%	1.4%
Indonesia	0.2%	1,048.10	1.2%	257.13	2.5%	24.5%
Iraq	4.0%	2,791.47	3.2%	490.93	4.8%	17.6%
Liberia	58.1%	378.27	0.4%	43.54	0.4%	11.5%
Nepal	6.5%	849.72	1.0%	78.67	0.8%	9.3%
Niger	9.0%	468.95	0.5%	52.33	0.5%	11.2%
Pakistan	1.6%	2,773.53	3.2%	544.30	5.3%	19.6%
Palestinian Adm. Areas	68.0%	3,026.10	3.5%	1187.53	11.7%	39.2%
Somalia	n/a	661.56	0.8%	528.46	5.2%	79.9%
South Africa	0.4%	1,075.02	1.2%	7.06	0.1%	0.7%
Sudan	4.4%	2,286.55	2.7%	1304.93	12.8%	57.1%
Turkey	0.2%	1,362.16	1.6%	23.56	0.2%	1.7%
Uganda	11.7%	1,784.99	2.1%	151.97	1.5%	8.5%
Yemen	2.0%	499.52	0.6%	72.96	0.7%	14.6%
Zimbabwe	16.1%	736.39	0.9%	389.93	3.8%	53.0%

Annex 3. Basic concepts, notes and definitions

INTERNATIONAL HUMANITARIAN AID

International humanitarian aid (sometimes referred to in this report as ‘international humanitarian response’) is used to describe the contributions of:

- international governments
- individuals, private foundations, trusts, private companies and corporations.

HUMANITARIAN AID FROM GOVERNMENTS

Our definition of government funding for humanitarian crises comprises:

- the humanitarian aid expenditure of the 24 OECD DAC members – Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the European institutions – as reported to the OECD DAC as part of an annual obligation to report on ODA flows
- expenditure by ‘other governments’ as captured by the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) Financial Tracking Service (FTS).

Our labelling of ‘governments’ is driven by the way in which they report their expenditure. ‘Other governments’ are sometimes referred to as ‘non-DAC donors’, ‘non-traditional donors’, ‘emerging donors’ or ‘south–south development partners’.

Note: For OECD DAC donors, we make an adjustment to the DAC-reported humanitarian aid figure so that it takes account of each donor’s multilateral (core and totally unearmarked) ODA contributions to the United Nations High Commissioner for Refugees (UNHCR), the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the World Food Programme (WFP) – see ‘total official humanitarian aid’ below. In this report, figures are in constant 2009 prices, unless otherwise stated.

PRIVATE CONTRIBUTIONS

Private contributions are those from individuals, private foundations, trusts, private companies and corporations.

TOTAL ‘OFFICIAL’ HUMANITARIAN AID

Total ‘official’ humanitarian aid is a sub-set of ODA. In this report, we use it when making comparisons with other development assistance. It takes account of humanitarian expenditure through NGOs, multilateral UN agencies and funds, public-private partnerships and public sector agencies – and, in order to take account of multilateral ODA contributions to UN agencies with almost uniquely humanitarian mandates, we make the following calculations:

- humanitarian aid as reported in DAC1 Official and Private Flows, item I.A.1.5 (net disbursements)

- total ODA disbursements to UNHCR, UNRWA and WFP, as recipients, reported in DAC2a ODA disbursements
 - we do not include all ODA to WFP but apply a percentage in order to take into account the fact that WFP also has a ‘developmental’ mandate
 - humanitarian aid reported to UNICEF, the United Nations Population Fund (UNFPA), the United Nations Development Programme (UNDP) and ‘Other UN’ in DAC2a tables is also included in our calculation.

Notes: (1) All of our humanitarian aid categories include money spent through humanitarian financing mechanisms such as the Central Emergency Response Fund (CERF) and country-level pooled funds. Where necessary, we impute amounts spent through the CERF in specific countries back to the donor (for example, if Norway contributed 10% of CERF funding in 2009 and the CERF allocated US\$10 million to Afghanistan, US\$1 million would be added on to Norway’s other humanitarian expenditure on projects in Afghanistan). (2) The European Commission (EC) functions both as a donor agency and as a multilateral recipient of EU member state funds. It provides direct donor support to developing countries as well as playing a ‘federating’ role with other EC institutions and EU member states. We treat the EC as a donor within our DAC donor analyses. However, totally unearmarked (‘multilateral’) ODA to the EC is a core component of some donors’ overall ODA/humanitarian aid contributions – so we calculate the EC’s humanitarian aid (including its own unearmarked multilateral ODA to UNHCR, UNRWA and WFP as a donor) and apportion a share of this to each DAC EU member state – Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

About us

Global Humanitarian Assistance is a Development Initiatives programme that receives grant funding from the governments of Canada, Denmark, the Netherlands, Sweden and the United Kingdom for its ongoing analysis of aid flows to people living in humanitarian crises.

In addition to the role we play in collating, analysing and communicating ‘humanitarian’ flows reported in the official aid statistics reported to the Development Assistance Committee (DAC) and UN OCHA Financial Tracking Service (FTS), our work allows us to provide insight and assistance on aid architecture and financing mechanisms; fragile states, human security and vulnerability; transparency and accountability. We have specific workstreams that focus on governments, delivery agencies, conflict, the scale of needs, the role of the affected state (‘domestic response’) and financing mechanisms.

Development Initiatives is an independent organisation that sees improving aid effectiveness as part of its commitment to the elimination of absolute poverty by 2025.



Global Humanitarian Assistance

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