



# PRIVATE FUNDING

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An emerging trend in humanitarian donorship

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## INTRODUCTION

Private support to international development and humanitarian assistance has become increasingly important in recent years. From major charitable trusts and foundations injecting funds into global health and poverty reduction initiatives, to businesses and corporations financing aid programmes under corporate social responsibility programmes, from spontaneous individual donations for humanitarian emergencies around the world to public involvement in international aid campaigns, private voluntary giving is no longer a marginal element of aid.

This trend has not escaped aid agencies, which are paying special attention to private donors. Regular fundraising campaigns in the media, through the post or face to face are a familiar feature in most developed countries. Moreover, the financial and economic crisis of the past four years and the subsequent squeeze in many government donors' budgets have prompted aid organisations to intensify their collaboration with private donors. For many organisations, private money is the answer to the dilemma of how to keep responding to the growing number of aid challenges when there are limited government resources available.

Major humanitarian crises in the past decade have prompted unprecedented amounts of private donations: the tsunami that caused widespread devastation across the Indian Ocean in December 2004 saw US\$3.9 billion raised in private aid; the response to the January 2010 earthquake in Haiti generated at least US\$1.2 billion in contributions from the general public; and US\$450 million was channelled in response to the 2010 floods in Pakistan. While global private support to large-scale emergencies is relatively easy to gauge, it remains unclear how much private money is out there in any given year. While the absence of dedicated tracking mechanisms for this type of financing certainly does nothing to improve clarity, it is the lack of consistent reporting on the income and expenditure of private aid funding globally that makes any attempt at tracking it a near impossible mission.

Over the past three years, the Global Humanitarian Assistance (GHA) programme has worked to understand the volume of private funding and how it is used. We have done this by studying the role that delivery agencies play in mobilising private support to humanitarian crises. For the purpose of this research we mean any organisation with a mandate to deliver humanitarian assistance to affected populations, whether non-governmental organisations (NGOs), United Nations (UN) agencies or the International Red Cross and Red Crescent Movement. For people in need, delivery agencies are the key element in the humanitarian assistance chain, and very often the only recognisable face of international support. They also marshal and implement the vast majority of private support for international aid.

This report examines private funding trends in recent years and presents revised data from our own previous research.

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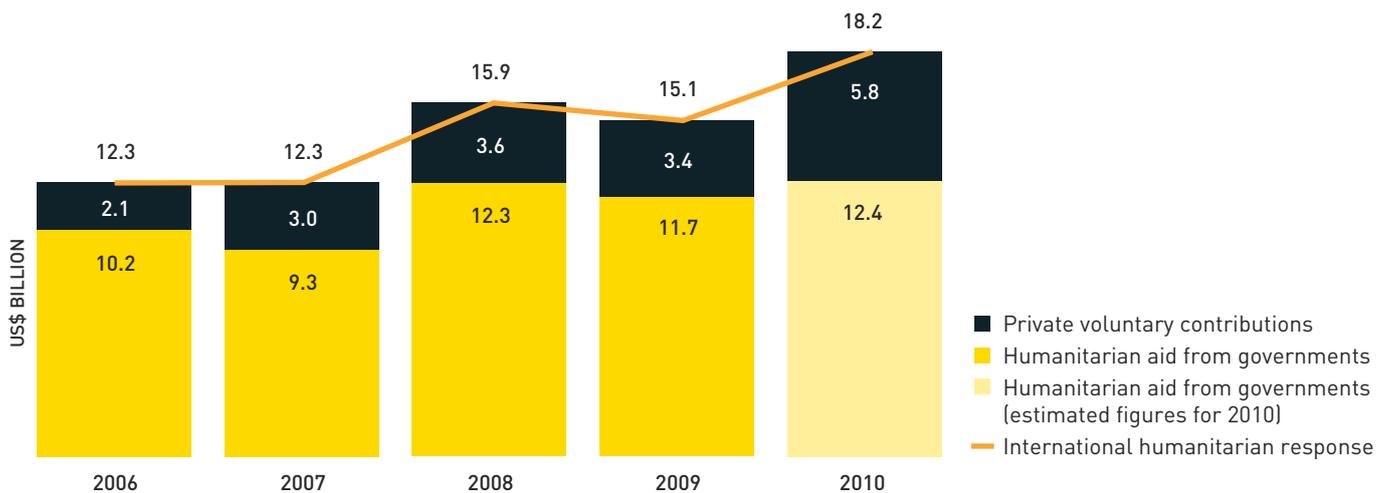
## HIGHLIGHTS

In the past decade, governments worldwide have contributed at least US\$97.8 billion to assisting victims of humanitarian crises. More than half of this money – 57% – has been spent in the past five years, and 2010 saw the highest level of humanitarian funding ever. The international humanitarian response – accounting for government as well as private giving to emergencies – amounted to US\$73.9 billion for the period 2006 through to 2010. Nearly a quarter (24%) of this funding came from private voluntary contributions. Private funding as a share of the total humanitarian response grew

from 17% in 2006 to 32% in 2010, based on preliminary figures for governmental humanitarian aid.

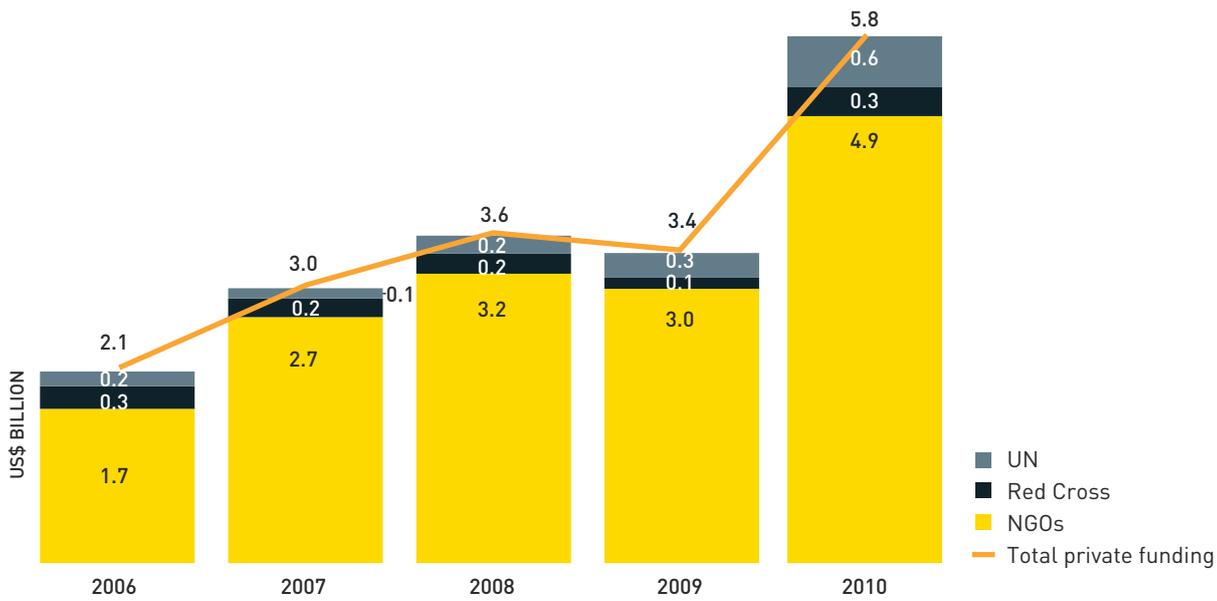
Based on a conservative estimate, at least US\$18 billion was raised from private donors in response to humanitarian needs between 2006 and 2010. US\$5.8 billion was donated in 2010 alone, largely prompted by the emergency operations in Haiti and Pakistan. What is more important is that private funding has remained consistent, even without the driver of mega-disasters and despite a severe global financial crisis.

FIGURE 1: TOTAL HUMANITARIAN AID FROM GOVERNMENTS AND TOTAL PRIVATE VOLUNTARY CONTRIBUTIONS TO HUMANITARIAN AID, 2006–2010



Note: 2010 humanitarian aid from governments is a preliminary figure only. Sources: Development Initiatives based on OECD DAC and FTS data for aid from governments and Development Initiatives' own research for private funding

FIGURE 2: TOTAL PRIVATE VOLUNTARY CONTRIBUTIONS FOR HUMANITARIAN CRISES BY TYPE OF RECIPIENT ORGANISATION, 2006–2010



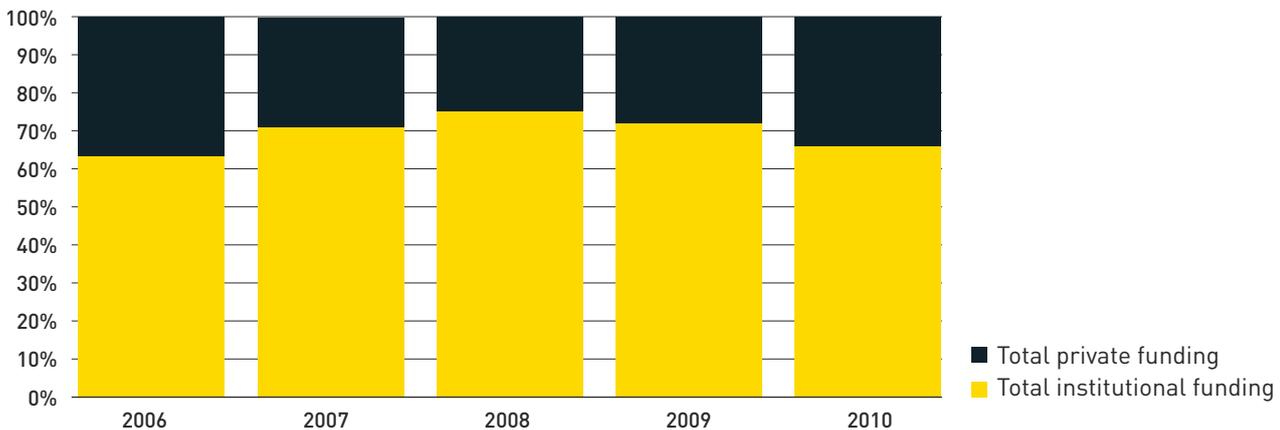
Source: Development Initiatives

NGOs have been the main channel for private support and have seen their net private income increase steadily during the period, with a slight drop in 2009 following a relatively quiet year from an emergency perspective. UN agencies and Red Cross organisations present a rather more fluctuating trajectory, ending the period with two-fold and three-fold increments respectively from the 2009 values.

2010 was the worst year for humanitarian crises since 2005, which was dominated by

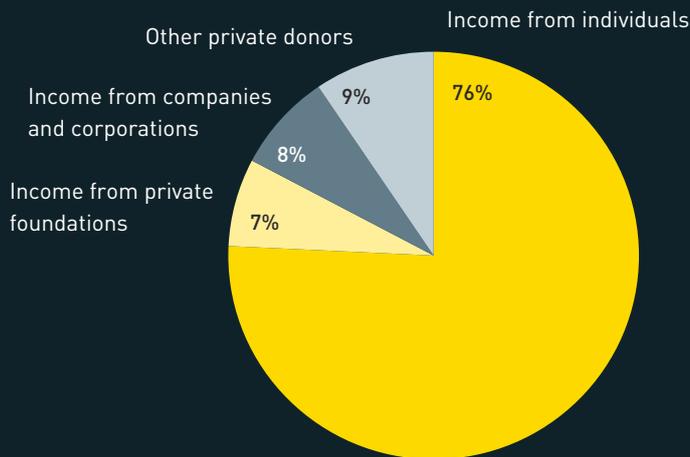
the Indian Ocean tsunami and the South Asia earthquake. In Haiti, over 4 million people, or 41% of the population, were affected by the earthquake of January 2010 and the subsequent cholera outbreak, while in Pakistan at least 20 million people suffered as a result of the severe floods that hit the country between June and August. Such extensive destruction of lives and livelihoods warranted large-scale relief operations, which prompted a sharp increase in humanitarian financing, including private funding.

FIGURE 3: SHARES OF PRIVATE AND INSTITUTIONAL FUNDING FOR HUMANITARIAN ORGANISATIONS, 2006–2010



Source: Development Initiatives

FIGURE 4: TOTAL ESTIMATED PRIVATE CONTRIBUTIONS BY TYPE OF DONOR, 2006–2007



Source: Development Initiatives

This rise in private money has been accompanied by a sustained increase in the total volume of institutional funding, i.e. income from governments and multilateral organisations. Their share has been on average 70% of all funding channelled through humanitarian organisations and amounted to US\$42.4 billion between 2006 and 2010.

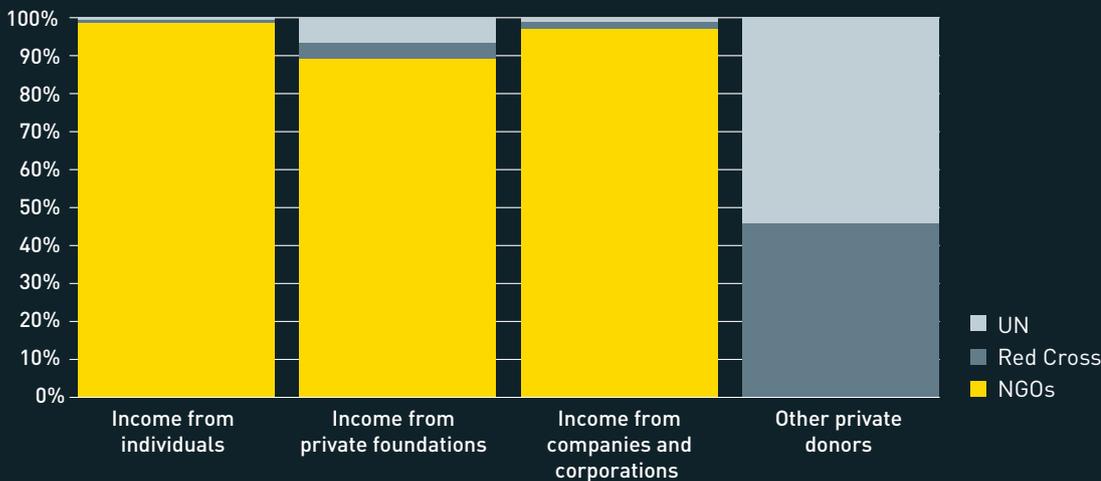
However, despite the severe humanitarian crises, institutional funding in 2010 was

only 28% more than in the previous year, compared with a 70% increase in private funding for the same period. And while 2010 was the year of highest volumes of both institutional and private income during the period, in nominal terms the former remained very near its 2008 levels.

By far the largest amount of private voluntary contributions between 2006 and 2010 came from individual giving: at least US\$13.3 billion was raised from

individuals. Foundations and private corporations, such as the Bill & Melinda Gates Foundation and Crédit Suisse Group provided similar levels of funding, at US\$1.2 billion and US\$1.4 billion respectively. Additionally, US\$1.7 billion came from other unclassified private donors, the majority of which were national committees of UN organisations and Red Cross national societies.

FIGURE 5: TOTAL PRIVATE CONTRIBUTIONS BY TYPE OF DONOR AND RECIPIENT ORGANISATION, 2006–2010



Source: Development Initiatives

## PRIVATE CONTRIBUTIONS TO AID ORGANISATIONS

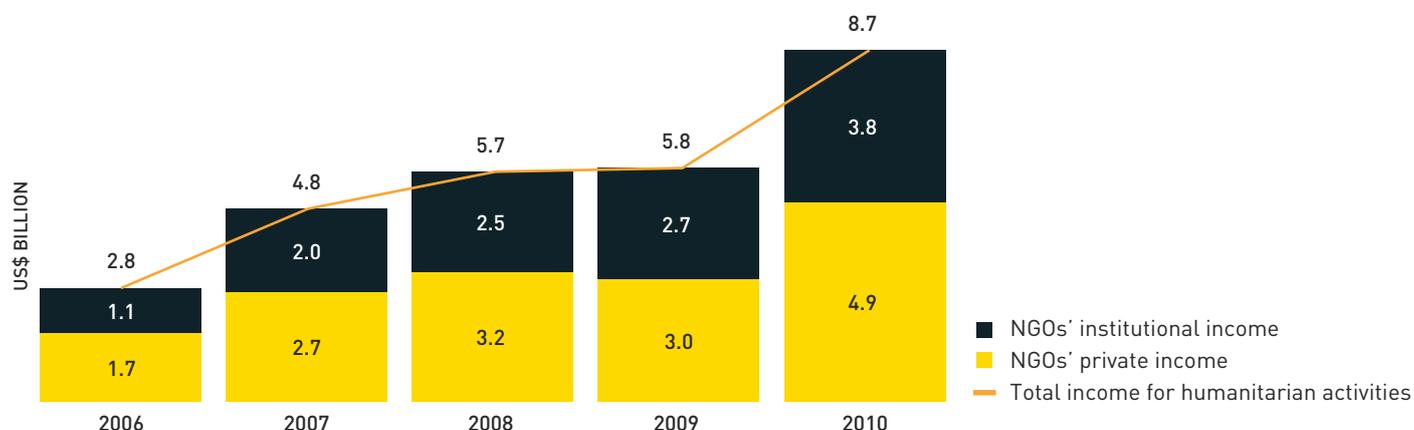
### PRIVATE CONTRIBUTIONS TO NGOS

NGOs are by far the main mobilisers of private funding. Their work on the front line of humanitarian programming and aid delivery invests them with high levels of legitimacy when it comes to fundraising, and it is natural to see them implementing large amounts of funding, from both official and private donors. Our estimates suggest that from 2006 to 2010, the NGO community received US\$1.7 billion, US\$2.7 billion, US\$3.2 billion, US\$3.0 billion and US\$4.9 billion of humanitarian financing in private income respectively in each of the five years. Humanitarian income from institutional sources, on the other hand, amounted to US\$1.1 billion, US\$2.0 billion, US\$2.5 billion, US\$2.7 billion and US\$3.8 billion for the same years.

It is worth noting that, in nominal terms, both institutional and private funding sustained an upward trend during the period, with only a slight reduction in private income in 2009 due to the absence of any extraordinary emergency appeals.

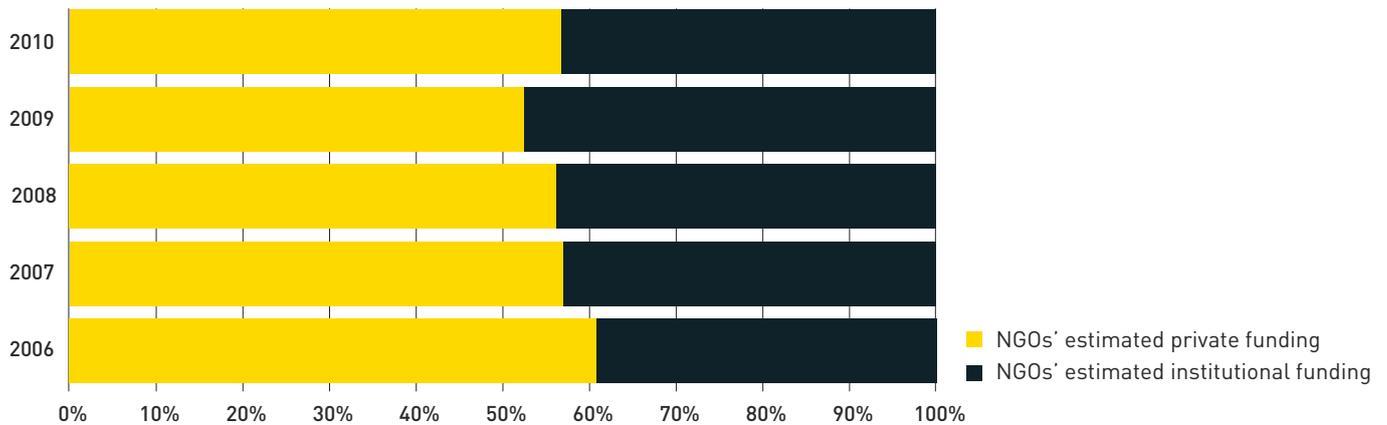
Our data suggests that an average of 57% of NGO income comes from private donors, the highest share of all aid organisations (for comparison purposes, only 5% of UN income and 28% of income for the Red Cross Movement came from private voluntary contributions during the same period).

FIGURE 6: NGOS' HUMANITARIAN INCOME FROM PRIVATE AND INSTITUTIONAL SOURCES, 2006–2010



Notes: Figures for NGO private income are slightly revised from those presented in previous GHA reports and represent a downwards revision of US\$0.5 billion for each of the years 2006–2008. The difference is due to a revision of the methodology used to estimate the percentage share of all humanitarian NGOs represented by the NGO study set analysed by GHA. The new methodology has decreased this percentage share, consequently reducing the total estimated NGO figure. For more details, please refer to the 'Methodology' section at the end of this paper. Source: Development Initiatives

FIGURE 7: SHARES OF NGOS' INCOME BY TYPE OF DONOR, 2006–2010



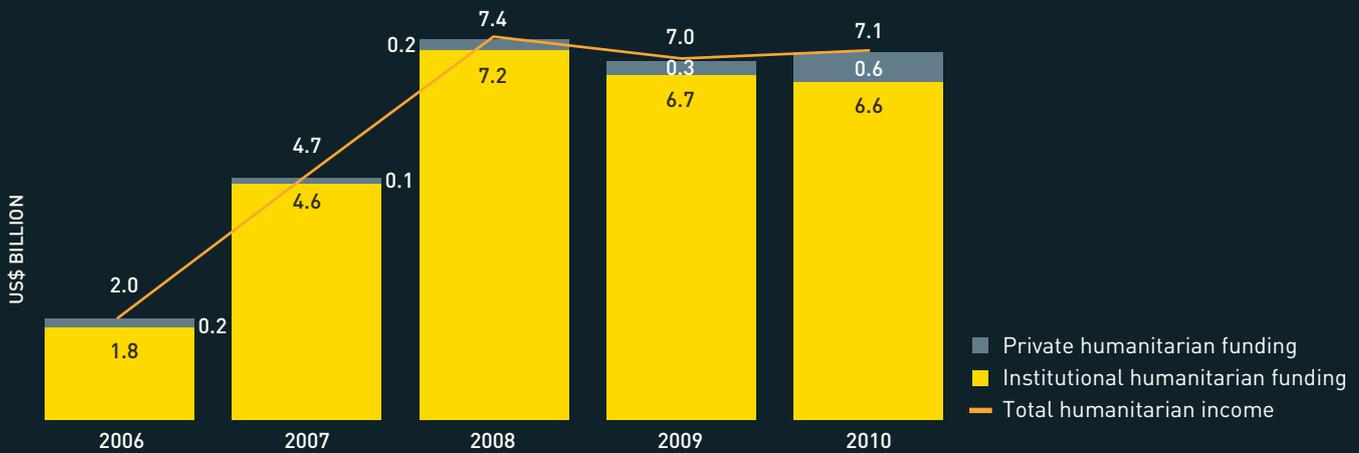
Source: Development Initiatives

Overall figures for the NGO community, however, hide considerable variations within the group. Médecins Sans Frontières (MSF) is the organisation that receives the largest proportion of its income as private money. On average, only 10% of all MSF funding is raised from governments and institutional donors. In contrast, the Norwegian Refugee Council relies on official funding for an average of 98% of its income. The Danish Refugee Council displays similar trends, with a typical split between private and institutional funding of 3.5% and 96.5% respectively.

MSF is also exceptional for its sheer volume of private income: in 2010 the NGO received US\$1.1 billion. If it were a country, MSF would have been the second largest humanitarian donor after the United States and ahead of the United Kingdom, based on preliminary data for government donors.

NGOs are not only the main mobilisers of private income, but they also implement a considerable share of funding on behalf of other organisations, namely UN agencies. Assessing the total volume of funding that is passed from one part of the delivery system on to another for implementation is very challenging. With the exception of the United Nations High Commissioner for Refugees (UNHCR), UN agencies do not systematically collect data on the volume or share of their expenditure that has been implemented by partner organisations. Nevertheless, it is remarkable that UNHCR alone transferred US\$2.0 billion to NGOs between 2006 and 2010, equivalent to a quarter of all its expenditure.

FIGURE 8: UN AGENCIES' AGGREGATE HUMANITARIAN INCOME BY TYPE OF DONOR, 2006-2010



Source: Development Initiatives

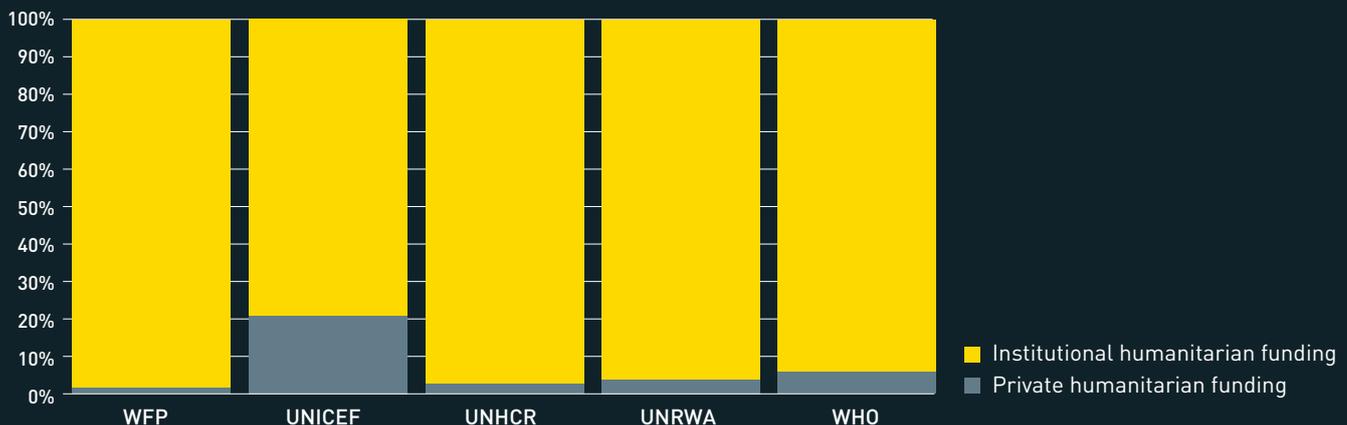
### PRIVATE CONTRIBUTIONS TO THE UN

UN agencies, funds and organisations are collectively a big player in humanitarian assistance. Five UN agencies with humanitarian mandates – UNHCR, the World Food Programme (WFP), the United Nations Children’s Fund (UNICEF), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the World Health Organization (WHO) – collectively reported a total budget for humanitarian activities of US\$7.1 billion in 2010, with WFP alone managing US\$3.2 billion. However, of this, only US\$569 million, or less than 8%, was private money.

UN agencies’ share of private contributions is consistently low, with an average of only 5% for the years from 2006 through 2010. As with NGOs, this overall figure hides variations from one organisation to another: for example, while UNICEF received on average more than 20% of its income from private donors, WFP relied on institutional financing for 98% of its humanitarian budget. UNHCR and UNRWA had similar priorities, depending on official sources for 97% and 96% of their incomes respectively. Finally, WHO raised 6% of its humanitarian income from private sources, and the remaining 94% from governments and other public institutions.

UNICEF’s income from private sources is raised through 36 national committees, which support its work through fundraising, advocacy and education in their home countries. This structure gives UNICEF a physical presence in the richest countries of the world and accounts for the relatively high percentage of private money that the organisation mobilises on a regular basis.

FIGURE 9: AVERAGE SHARE OF UN AGENCIES’ INCOME PRESENTED BY TYPE OF DONOR



Source: Development Initiatives

## A GROWING ROLE FOR PRIVATE FUNDING IN THE CENTRAL EMERGENCY RESPONSE FUND

A key element of the humanitarian reform process that formally began in 2005 was the need to improve funding for humanitarian crises on a global scale, especially through the use of pooled funding. This resulted in the evolution of the global revolving fund, which had a loans facility of US\$50 million, into the present-day Central Emergency Response Fund (CERF), with its substantial grant-making possibilities as well as the original loan element.

The CERF provides both donor governments and the private sector with the opportunity to pool their financing on a global level to enable timely and reliable humanitarian assistance to those affected by natural disasters and armed conflicts. Since its inception in 2006, the CERF has received total contributions of US\$2.1 billion and

a further US\$254 million in pledges from more than 150 government and non-government donors, together with a great number of individual contributions from private citizens.

Between 2006 and 2010 the CERF received US\$6.8 million in funding from individuals and the private sector. Private funding ranged from 0.1% of all CERF income in 2006 to 1.2% in 2010, driven up by the mega-disasters in Haiti and Pakistan. On average, however, private contributions remained low at 0.4% during the period. The number of private donors, on the other hand, has seen a constant increase, from only two in the first year of the CERF to 22 in 2010. In percentage terms, this means that private donors now account for nearly a quarter of all CERF contributors.

FIGURE 10: TOP 20 UNICEF NATIONAL COMMITTEE DONORS, 2010

NATIONAL COMMITTEE	DEVELOPMENT INCOME US\$m	HUMANITARIAN INCOME US\$m	TOTAL PRIVATE INCOME US\$m
Japan	167	27	194
United States	43	85	129
Germany	78	27	105
Netherlands	58	25	83
France	51	20	71
Italy	58	12	70
United Kingdom	30	27	57
Spain	37	18	55
Sweden	40	5	45
Republic of Korea	31	5	36
Switzerland	31	4	35
Belgium	15	14	29
Hong Kong, China	15	8	23
Denmark	14	8	22
Canada	5	16	21
Norway	14	5	19
Finland	15	3	18
Australia	8	8	16
Greece	6	4	10
Ireland	4	6	9

Source: UNICEF Annual Report 2010

## PRIVATE CONTRIBUTIONS TO THE RED CROSS MOVEMENT

The International Red Cross and Red Crescent Movement, made up of the International Federation of the Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC) and 186 national societies, is the world's largest humanitarian network, with a presence and activities in almost every country.

The Movement has a complex resource architecture that includes bilateral pathways (direct funding between two elements of the Movement, such as between national societies) and multilateral pathways (when funds are channelled through several elements – for example, from one national society to another via IFRC), with resources mobilised from various sources – governments, multilateral organisations, private contributions and commercial enterprises, amongst others. Currently, the volumes and trends of resources within the Movement as a whole are not being captured as data and funding flows within the different pathways are not compiled into a single analysis.

In 2011, GHA conducted a preliminary study on the financing of Red Cross national societies. Our analysis showed that 68% of their global income potentially came from private donors and only 32% was raised from official sources, according to the latest available data. However, when combined with financial information for

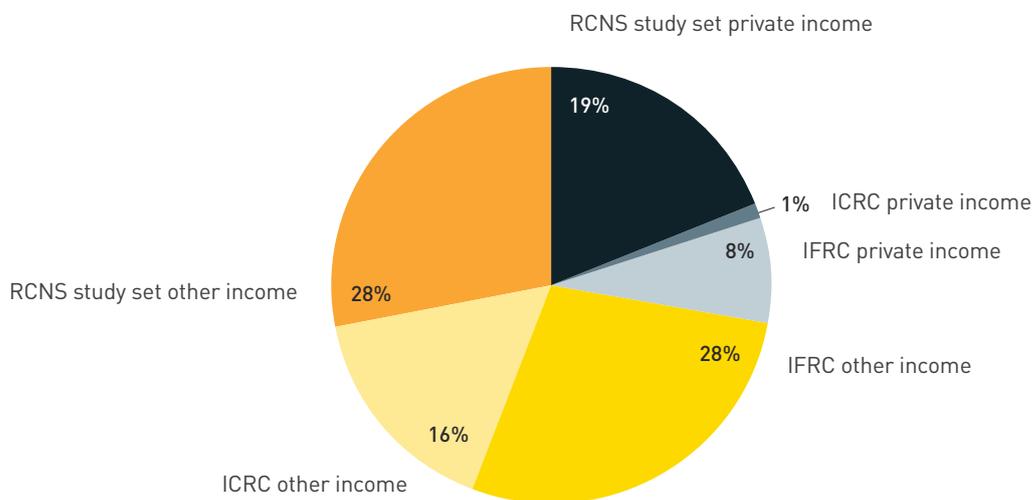
IFRC and ICRC, these shares look quite different: only 28% of income originated from private donors and 72% came from government donors.

This section presents our analysis of IFRC and ICRC data on multilateral funds. This analysis gives only a partial picture; for example, in 2009 IFRC estimated that multilateral funding provided only 30% of the Movement's total income. Although some national societies detail financial statements in their annual reports, using these statements for analysis is extremely challenging as the data is not comparable. IFRC is currently establishing a Federation-wide reporting system for national societies and its Secretariat, which includes total income and total expenditure as indicators. In the long term, IFRC is hoping to capture greater detail, such as sources of income and patterns of expenditure.

### THE INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES (IFRC)

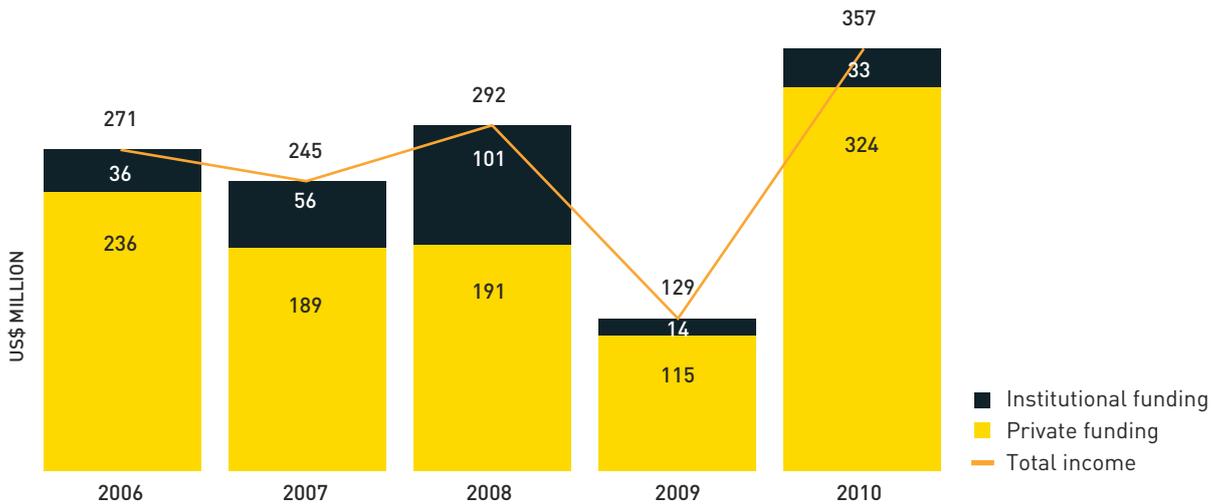
IFRC's funding patterns place it closer to the NGO group than to the UN agencies we have examined. In the period 2006–2010, the Federation mobilised US\$1.3 billion for humanitarian aid, two-thirds of which was private money. The Red Cross national societies provide the largest share of IFRC funding from both private and government sources, while IFRC's federal body, the Secretariat, raises only limited funding directly.

FIGURE 11: ANALYSIS OF RED CROSS MOVEMENT INCOME SOURCES, 2010



Note: The Red Cross National Societies (RCNS) study set is composed of the national societies of Belgium, Canada, Colombia, Denmark, France, Sweden and the United Kingdom. Source: Development Initiatives

FIGURE 12: IFRC HUMANITARIAN INCOME BY TYPE OF DONOR, 2006–2010



Source: Development Initiatives

IFRC’s work is split between humanitarian (or emergency) and development (or long-term rehabilitation and reconstruction) activities, where humanitarian aid accounts for, on average, 60% of all expenditure. IFRC’s humanitarian work is very much linked to emergency response, and therefore it is not surprising that humanitarian income dramatically decreased in 2009, due to the absence of any major crisis. Nevertheless, the Federation responded to as many as 383 disasters that year. While development

income decreased in 2009 only marginally, humanitarian funding plummeted by 56% compared with 2008, which saw a severe hurricane season in the Caribbean and Cyclone Nargis in Myanmar.

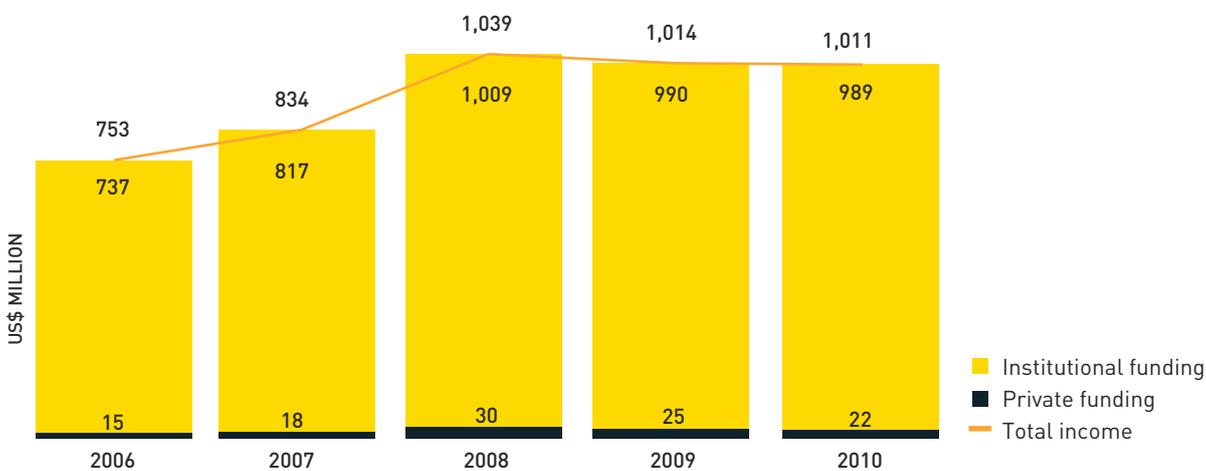
**THE INTERNATIONAL COMMITTEE OF THE RED CROSS (ICRC)**

The ICRC is a major humanitarian player, regularly managing a budget of over US\$1 billion. It differs from the IFRC in its overall mandate, which is exclusively humanitarian regardless of the duration

of the crisis or the extent of the activities implemented. It also has quite a different pattern of funding from that of the Federation.

On average, 98% of ICRC financing comes from institutional donors and a mere 2% is raised from private donors. Within this small proportion, between 2006 and 2010 over 80% of all private contributions to ICRC came from individuals (35%) and foundations (47%), with corporate giving accounting for 15% of the total.

FIGURE 13: ICRC HUMANITARIAN INCOME BY TYPE OF DONOR, 2006–2010



Source: Development Initiatives

## KEY RECIPIENT COUNTRIES

Since 2000, government donors have spent at least US\$104 million on international humanitarian response. Africa has taken the largest share of the funding, followed by Asia and the Middle East. Sudan has been the largest recipient of international response from donor governments over the past decade with US\$8.9 billion. Palestine, or the Occupied Palestinian Territory (OPT), takes second place with US\$7.2 billion, Iraq and Afghanistan are in third and fourth positions with US\$5.1 billion each and Ethiopia ranks fifth, with US\$4.8 billion. The Democratic Republic of Congo (DRC), Somalia, Pakistan, Indonesia and Lebanon complete the list of the ten top recipients.

Humanitarian funding is allocated by international and national donor governments but is delivered on the ground by the humanitarian delivery system, made up of an array of implementing organisations: international and national NGOs, the Red Cross Movement and UN and other multilateral agencies. It is therefore not surprising that the top 20 recipients of humanitarian aid channelled through our study set of delivery agencies closely echo the recipients of governmental humanitarian aid.

Only four countries do not appear on both lists: Haiti, Syria, Colombia and Niger are major concerns for aid organisations, but they are replaced by Bangladesh, Burundi, Myanmar and Indonesia in the priorities of government donors. Such a discrepancy may be partially explained by a caveat in the data for humanitarian assistance from donor governments: it is only available up until 2009 and the latest five-year period therefore runs from 2005 through to 2009. Hence figures for humanitarian aid from governments exclude the colossal relief efforts in Haiti in 2010, but include those of the 2005 Indian Ocean earthquake/tsunami, which would account for the inclusion of Indonesia amongst the major recipients of humanitarian aid.

FIGURE 14: AGGREGATE FUNDING TO TOP 20 RECIPIENT COUNTRIES OF HUMANITARIAN AID CHANNELLED THROUGH DELIVERY AGENCIES, 2006–2010

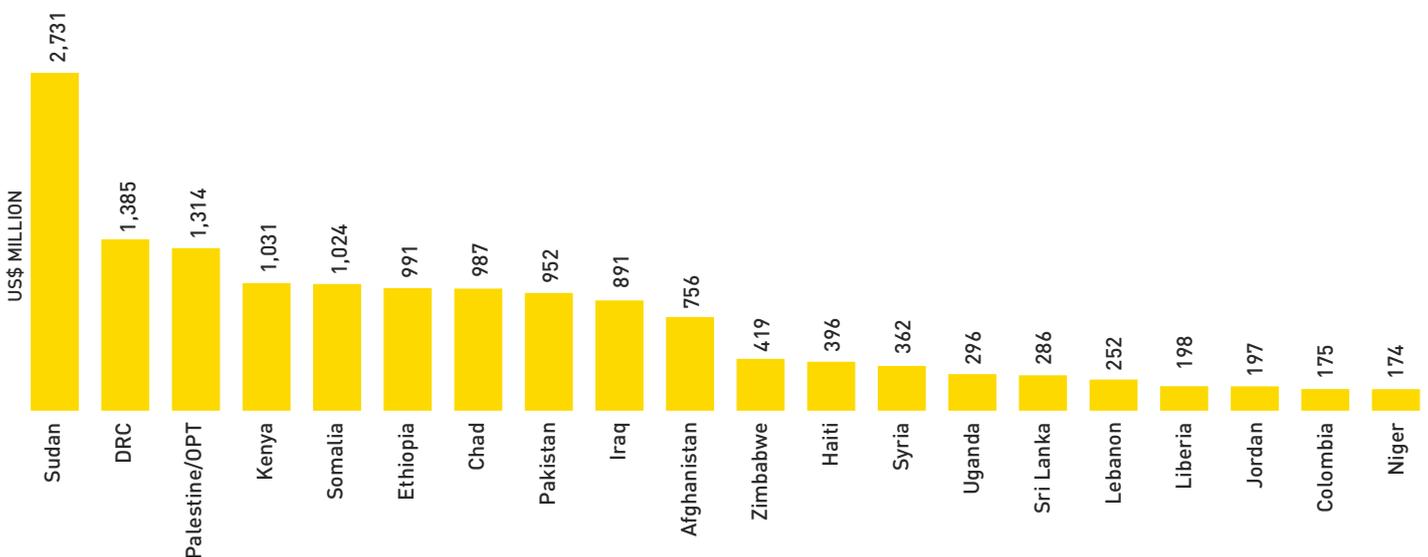


FIGURE 15: TOP 20 RECIPIENT COUNTRIES OF HUMANITARIAN AID CHANNELLED THROUGH AID ORGANISATIONS IN US\$ MILLION, 2006–2010

COUNTRY	2006	2007	2008	2009	2010
Afghanistan	97	134	164	156	205
Chad	100	153	167	280	286
Colombia	24	31	40	38	42
DRC	149	186	231	452	367
Ethiopia	4	10	98	393	486
Haiti	14	24	36	41	281
Iraq	41	168	204	225	254
Jordan	11	56	60	64	7
Kenya	85	118	145	384	299
Lebanon	52	41	74	48	37
Liberia	75	76	26	15	6
Niger	25	24	33	41	51
Palestine/OPT	203	272	259	305	275
Pakistan	106	64	56	256	469
Somalia	72	108	177	398	268
Sri Lanka	27	74	82	64	39
Sudan	278	338	362	876	878
Syria	0	55	108	102	96
Uganda	49	75	29	95	48
Zimbabwe	4	15	57	225	118

KEY 0–62 63–125 126–250 251–500 500–1000

Source: Development Initiatives

Colombia has the dubious distinction of being the country with the second highest number of internally displaced persons (IDPs), after Sudan. The Colombian Government estimated that there were at least 3.6 million IDPs in the country at the end of 2010, while non-governmental sources put the figure at up to 5.2 million.

Unsurprisingly, Colombia is a high priority for the ICRC, which has spent over US\$146 million there in the past five years, and for the Norwegian Refugee Council, which has contributed US\$29 million in the same period.

Niger, on the other hand, is a major priority for humanitarian organisations such as IFRC, MSF and Concern Worldwide, and this helps make it the 20th largest key recipient country of aid channelled

through humanitarian organisations. MSF alone has allocated US\$131 million to this disaster-stricken country in the past five years. From the perspective of international humanitarian response, Niger is the 28th largest recipient, with aggregate humanitarian funding of US\$319 million.

Humanitarian aid channelled through delivery agencies shows annual variations. While countries such as Sudan saw their allocations grow dramatically in the last two years of the period (with an increase of 142% in 2009 compared with the previous year), humanitarian aid to Liberia has been steadily decreasing. Zimbabwe, on the other hand, presents a more irregular trend, with a dramatic rise in funding between 2006 and 2009, when average country expenditure tripled, followed by a 47% dip in funding in 2010.

## KEY RECIPIENTS OF PRIVATE VOLUNTARY CONTRIBUTIONS

If tracking total private voluntary contributions for humanitarian aid is a challenging task, gauging where this private money goes is an even more difficult enterprise. Very few humanitarian organisations report their private country or sector expenditure separately from their overall funding allocation. GHA aspires to assess whether private income is used differently from other sources of funding and to verify whether it does indeed go towards supporting neglected emergencies and sectors of aid.

However, only five organisations from our study set were able to provide disaggregated expenditure by source of income: Canadian Foodgrains Bank, the Danish Refugee Council, International Medical Corps, Médecins Sans Frontières and the Norwegian Refugee Council. Such a limited sample hardly allows for reliable extrapolation of data or sound examination of trends. Yet it does reveal a relevant picture of private expenditure that is worthy of analysis in its own right.

Collectively, these five organisations allocated a total of US\$2.6 billion to recipient countries in the years 2006–2010. Over half of the private expenditure – 53% – went to the top ten recipients.

There are few remarkable differences between the key recipients of private voluntary contributions and those of overall humanitarian aid channelled through delivery agencies. While previously Palestine/OPT was the third largest recipient of humanitarian aid (second in terms of donor governments' allocations for the past decade), private expenditure in that country was negligible. Even if the totality of private humanitarian income to UNRWA was used as a proxy of private allocation to Palestine/OPT, it would still be outside the ten main recipients, in 17th place.

Afghanistan, Iraq and Pakistan – three of the key countries of interest for total official humanitarian assistance – are also very low priorities when it comes to private expenditure. The situation is quite the opposite in Niger and Central African Republic (CAR): these countries suffer from chronically low funding levels, but are key areas for allocations of private voluntary contributions for humanitarian aid.

FIGURE 16: TOP 10 RECIPIENT COUNTRIES OF PRIVATE VOLUNTARY CONTRIBUTIONS FROM CANADIAN FOODGRAINS BANK, DANISH REFUGEE COUNCIL, INTERNATIONAL MEDICAL CORPS, MÉDECINS SANS FRONTIÈRES AND NORWEGIAN REFUGEE COUNCIL: AGGREGATE DATA FOR 2006–2010

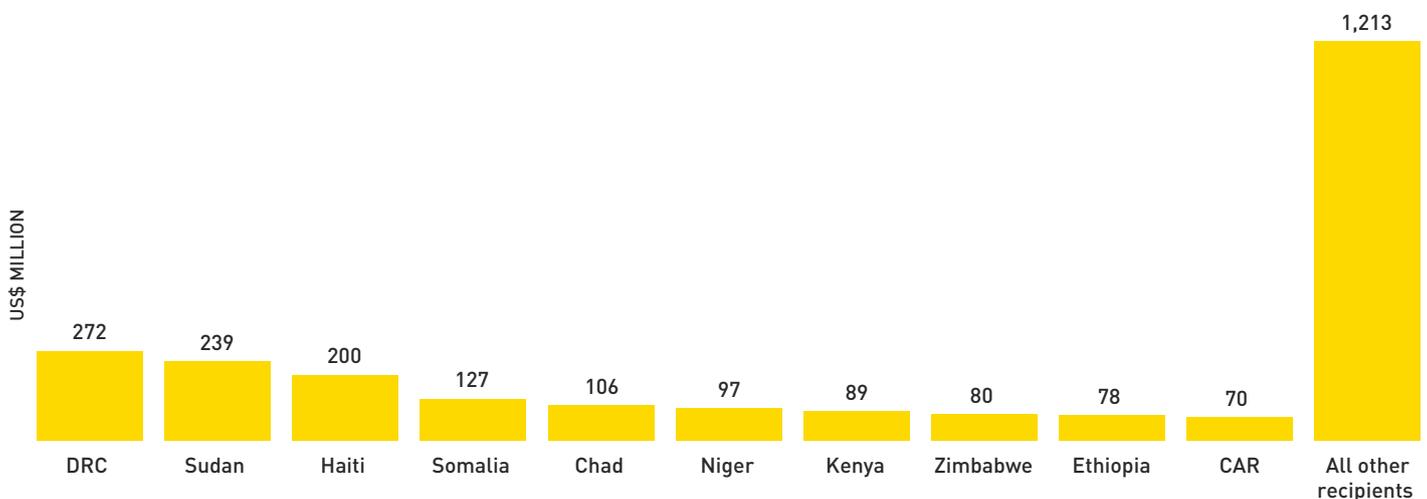


FIGURE 17: PRIVATE EXPENDITURE FROM MÉDECINS SANS FRONTIÈRES, NORWEGIAN REFUGEE COUNCIL, DANISH REFUGEE COUNCIL, CANADIAN FOODGRAINS BANK AND INTERNATIONAL MEDICAL CORPS TO TOP 20 RECIPIENT COUNTRIES, IN US\$ MILLION, 2006–2010

COUNTRY	2006	2007	2008	2009	2010
Afghanistan	0.1	0.2	1.3	0.7	0.8
Bangladesh	0.2	0.4	0.4	0.4	0.0
CAR	8.4	9.9	17.1	16.5	18.4
Chad	14.9	28.7	25.9	15.4	21.4
Colombia	0.1	0.2	0.0	0.1	0.3
DRC	41.9	47.9	55.4	59.9	66.7
Ethiopia	11.1	9.7	26.5	13.1	17.2
Haiti	11.2	16.1	18.1	15.5	138.6
Iraq	2.3	13.9	17.9	16.9	17.2
Côte d'Ivoire	10.0	8.2	3.7	0.3	0.9
Kenya	14.8	17.5	19.8	19.4	17.6
Liberia	16.6	10.7	9.2	6.8	5.5
Myanmar	4.7	7.8	8.4	7.8	8.8
Niger	18.5	19.4	24.5	14.6	20.3
Nigeria	6.7	6.7	13.2	13.3	23.1
Pakistan	13.6	5.6	7.7	13.1	30.0
Somalia	13.4	28.7	32.3	26.1	26.1
Sudan	47.6	50.5	60.4	38.7	42.2
Uganda	9.5	9.1	11.8	7.7	10.5
Zimbabwe	9.4	11.7	16.0	19.1	23.4
All other recipients	155.8	149.4	179.3	168.2	196.0

KEY 0.0–9.5 9.6–19.0 19.1–38.0 38.1–76.0 77.1–140.0

Source: Development Initiatives

## THE MANY PATHS OF DELIVERING AID

Delivery agencies managed more than US\$62 billion of humanitarian aid between 2006 and 2010. This is important, but in fact there is much more to delivery agencies than simply the volume of money. Their incredible diversity is also of particular note.

Agencies range from huge organisations working in multiple settings with multi-sector mandates to single-country organisations with highly focused working areas. They receive, donate and of course deliver, often all at the same time. And they are involved in so much more beyond the direct use of money. They work in advocacy, campaigning, coordination,

policy formulation and other areas. Their choices of where and when to undertake activities, though in part related to donor funding, are also rooted in their own mandates and priorities, while those organisations that raise substantial private contributions have control over substantial flexible funds.

Their definitions of humanitarian assistance are highly variable, as is their classification of what constitutes humanitarian activities. While some organisations have a more long-term approach, others link their humanitarian assistance directly to emergency response, which by definition has a

shorter lifespan than the effects of the crisis and its impact on levels of vulnerability.

This range of activities, these individual facets of structure or mandate, the variety of roles that delivery agencies play, the different contexts within which they choose to work and what they choose to do – all of this matters just as much as the US\$62 billion of humanitarian aid. Each of these elements determines the path down which funding flows, empowering some to the loss of others, and each choice about who does what determines that which a beneficiary might receive.

## METHODOLOGY

Until relatively recently, our understanding of humanitarian financing to and through the spectrum of delivery agencies has been limited to the funding received from traditional donor governments.

Private voluntary contributions for international development have become an increasingly relevant phenomenon in recent years. With the emergence of major private donors, such as the Bill & Melinda Gates Foundation, who rival traditional donor governments in terms of the scale of their funding, awareness has risen of the relevance of this form of financing. Moreover, it is increasingly accepted that our understanding of the efficiency and effectiveness of aid will not be complete unless a better grasp of other resources spent in aid contexts is acquired. However, assessing the total volume of private voluntary contributions available at any given moment remains very challenging.

There is currently no single data repository that systematically collects information on private funding worldwide. Different initiatives track private contributions on a national level, but methodologies differ and direct aggregation of data is not possible. The GHA programme has developed a methodology which allows us to estimate the global volume of private funding, as well as to understand how this funding is raised and spent and by which part of the international aid system.

For that purpose, we approach delivery agencies directly and gather financial information on their income and expenditure by means of a standardised data set, developed by the GHA programme. Where direct data collection is not possible, we use organisations' annual reports and audited accounts to extract key data and complete the standardised data set. For the purpose of our work, delivery agencies include NGOs, UN agencies and Red Cross organisations.

Thus, our sources of information for this report are as follows:

- direct information and analysis of annual reports for a study set of 62 NGOs that form part of ten representative and well-known NGO alliances and umbrella organisations, such as Oxfam International

- direct information and analysis of annual reports for five key UN agencies with humanitarian mandates: World Food Programme (WFP), United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the World Health Organization (WHO)

- direct information and analysis of annual reports for the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC) and a study set of seven Red Cross national societies (Belgium, Canada, Colombia, Denmark, France, Sweden and the United Kingdom).

The time period covered in our research is 2006 through to 2010. The actual financial figures are guided by the accounting years of the organisations concerned; these may vary considerably, ranging from a calendar year to a year ending 31 March, 30 June or 30 September. Different accounting or financial years have been combined in the analysis; therefore, in practice, the figures represent more than a 12-month period.

Our estimation of total private voluntary contributions worldwide is composed of an estimate of total private income for all humanitarian NGOs, the private income reported by the five UN agencies analysed in this paper and the private income of the IFRC, ICRC and the study set of seven Red Cross national societies. In order to estimate the total private voluntary contributions raised by NGOs worldwide, we have established the annual share that our NGO study set represents of all NGOs. This share is calculated on the basis of reporting to the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) Financial Tracking Service (FTS), which records humanitarian funding from a wide range of private and governmental donors. The share varies on an annual basis as the total number of NGOs and their overall income is driven by the number, type and geographic location of humanitarian crises around the globe.

FIGURE 18: NGO STUDY SET: TEN REPRESENTATIVE ALLIANCES AND UMBRELLA ORGANISATIONS

ORGANISATION	NUMBER OF MEMBER ORGANISATIONS IN THE STUDY SET
Action Contre la Faim	3
Canadian Foodgrains Bank	1
Caritas	17
Concern	3
Danish Refugee Council	1
International Medical Corps	2
Médecins Sans Frontières	19
Mercy Corps	2
Norwegian Refugee Council	1
Oxfam	13
<b>Total</b>	<b>62</b>

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# PRIVATE FUNDING

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## An emerging trend in humanitarian donorship

This report analyses the emerging role of private voluntary contributions in humanitarian donorship. It shows that private support to international development and humanitarian assistance has become increasingly important in recent years. This trend has not escaped aid agencies, which are paying special attention to private donors. The report examines the levels of private funding of the different types of humanitarian organisations and illustrates that some of them contribute more funding to the international humanitarian response than most donor governments. Finally, it looks at the major trends in private funding allocation to recipient countries.

Global Humanitarian Assistance (GHA) is a Development Initiative which aims to improve the efficiency, effectiveness and coherence of humanitarian response by further increasing access to reliable, transparent and understandable information on the aid provided to people living in humanitarian crises.



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