



# HOW DOES IT GET THERE?

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International humanitarian assistance is not a direct transaction between the donor and recipient. Funding moves through chains of transaction of varying lengths and complexity. Donors choose to direct their funding through a first level 'channel of delivery', such as a UN agency, the Red Cross and Red Crescent Movement (RCRC) or a non-governmental organisation (NGO), which in turn decides how to reach the intended recipient. They may do this directly themselves, or indirectly by providing funding to another delivery agency – for example, a UN agency may fund an international NGO, which may in turn partner with a local NGO to deliver the assistance.

In 2012, the most recent year for data on channels of delivery, the largest proportion of international humanitarian assistance from government donors (61%) was channelled through multilateral agencies – 88% of which went through UN agencies. In contrast, according to data reported to the UN Office for the Co-ordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), private donors tend to channel the larger share of their funding through the RCRC and NGOs<sup>1</sup>. National and local NGOs form an essential part of the humanitarian response, but in 2013 only directly received US\$49 million – just 0.2% of the total international humanitarian response.

In 2013, over US\$1 billion (4.7% of all international humanitarian assistance) was channelled through pooled funds, representing a 6% increase on the previous year (US\$966 million). The United Kingdom (UK) is the largest contributor to pooled funds, providing US\$1.3 billion between 2009 and 2013 – nearly US\$600 million more than Sweden, the second largest donor. The Democratic Republic of Congo (DRC) was the largest recipient of pooled funding between 2009 and 2013, receiving US\$592 million.

After a significant peak in 2010, the amount of humanitarian assistance reported as channelled through the military declined drastically, accounting for just 1% of humanitarian funding from Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) donor governments and EU institutions in 2012. Given the levels of international support via the military in response to Typhoon Haiyan, this proportion may increase in 2013.

# Channels of delivery

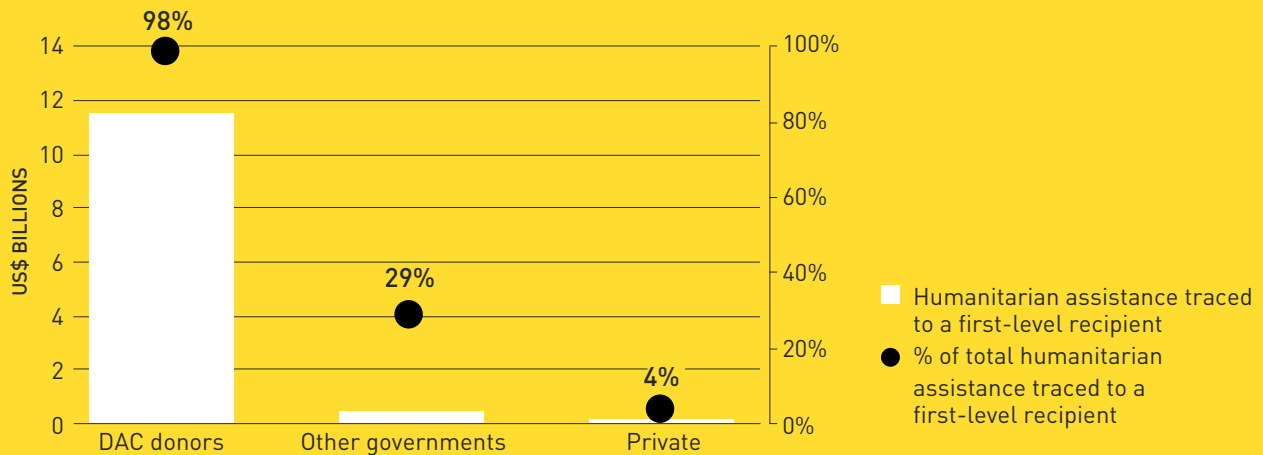
## DATA POVERTY: TRACEABILITY

The flow of funding in Figure 5.2 (opposite) is a partial estimate – and the data becomes increasingly sparse at each transaction level. In 2012, only US\$12.1 billion of the total international humanitarian response (70% of the total) could be traced to a first-level recipient – data on the remaining 30% was missing. The amount of information available varies substantially between different humanitarian providers – less than 4% of private funding reported to UN OCHA FTS was traceable to a first-level recipient in 2012.

Data is not systematically captured beyond this first level of transaction, so it is impossible to track humanitarian funding step by step from the donor to the crisis-affected person, or to have full accountability or understanding of the cost-effectiveness of the various transaction chains. The International Aid Transparency Initiative (IATI) ultimately aims to provide a common reporting system that will allow funding to be geocoded and fully traceable from donor to recipient (see Chapter 9 for details).

FIGURE 5.1

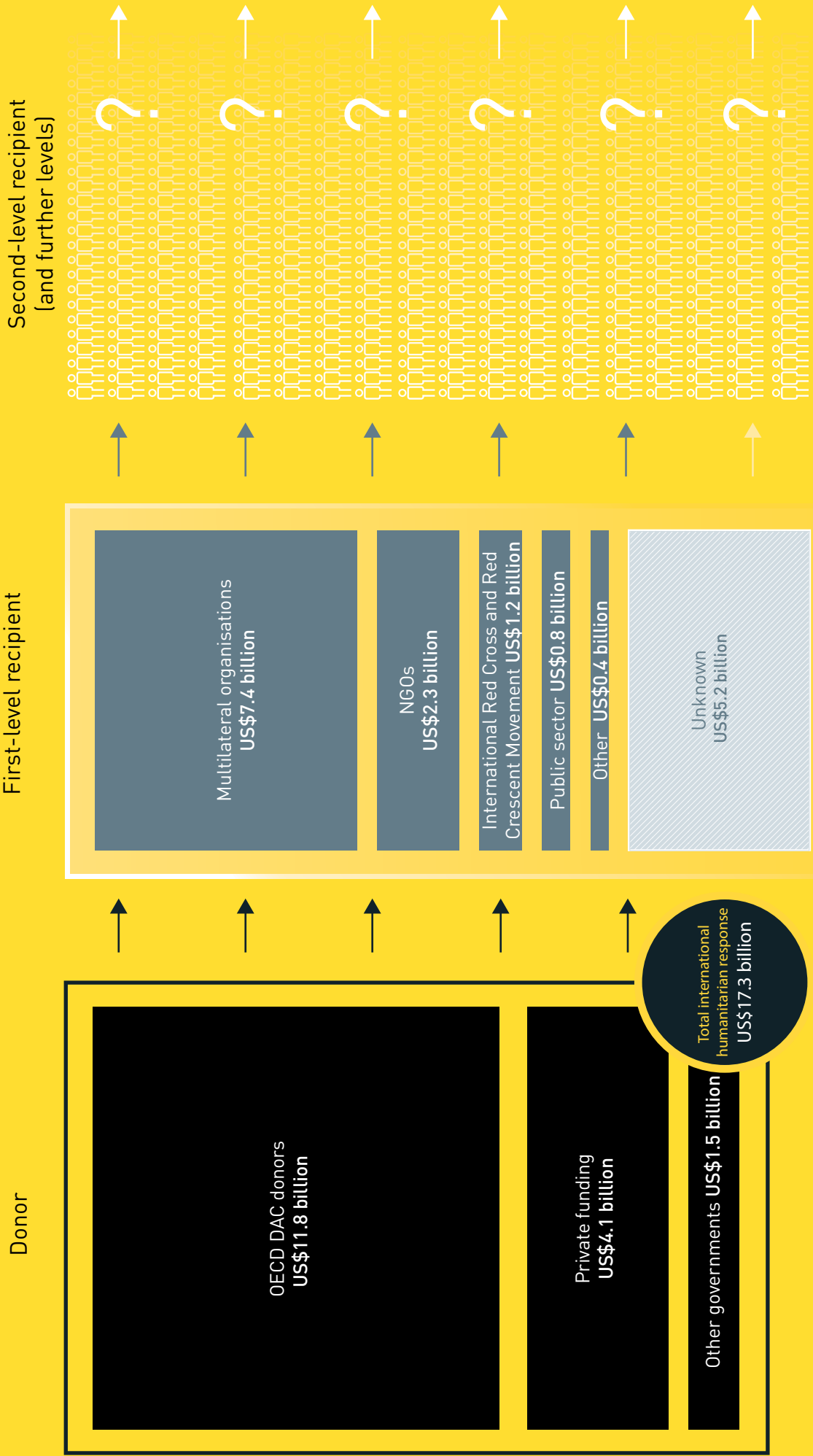
Humanitarian assistance traced to first-level recipients by donor type, 2012



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

FIGURE 5.2

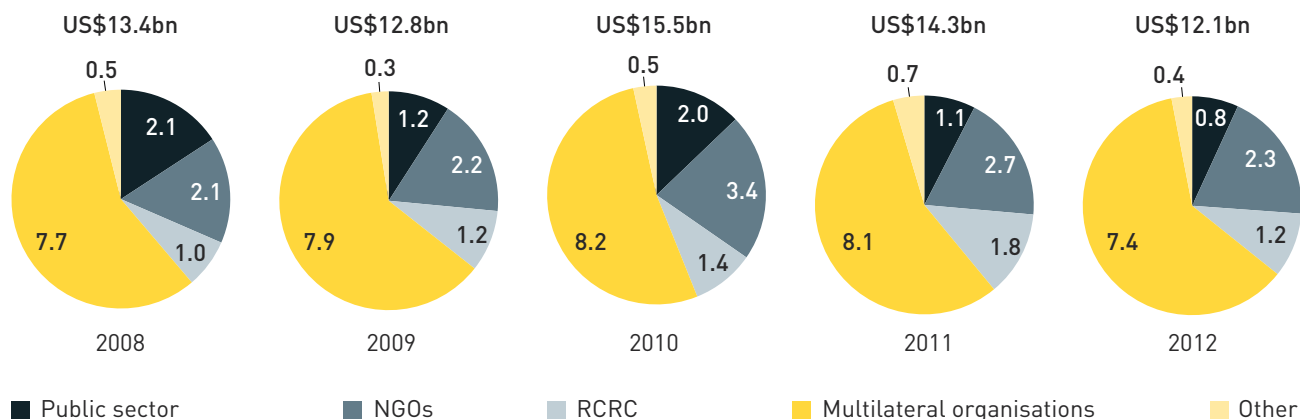
# Humanitarian funding channels, 2012



Source: Development Initiatives based on OECD DAC, UN OCHA FTS, UN CERF data and GHA's unique dataset of private voluntary contributions

FIGURE 5.3

First-level recipients of international humanitarian assistance, 2008–2012



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

Note: The 'other' category is driven by OECD DAC data and includes funding to public private partnerships, to be defined, and other.

Nearly two-thirds (61%) of international humanitarian assistance in 2012 went directly to multilateral organisations, primarily UN agencies. NGOs were the next largest first-level recipients of humanitarian assistance, directly receiving US\$2.3 billion (19%).

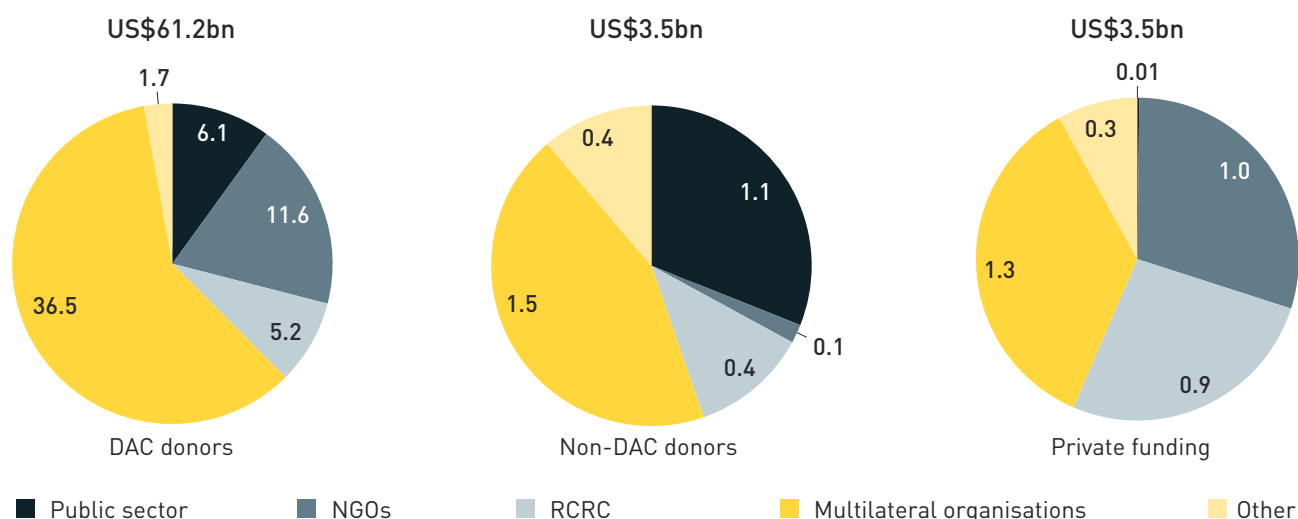
Donors display different preferences for delivery channels. Overall, those outside the OECD DAC group are more likely to channel their assistance through the public sector. Public

sector channels include central, state or local government departments in both donor and recipient countries,<sup>2</sup> and may also include situations where the donor delegates implementation of a given activity to another donor country. Over the 2008–2012 period, governments outside the OECD DAC channelled nearly one-third (31%) of their humanitarian funding through the public sector (US\$1.1 billion), compared to just 10% for OECD DAC donors.

While multilateral organisations are the preferred channel of delivery for all international donors, this preference is strongest for OECD DAC donors. In the past five years, OECD DAC donors have given 60% of their funding to multilateral organisations. This compares with 44% for non-DAC donors and 35% for private contributors.

FIGURE 5.4

First-level recipients of international humanitarian assistance by donor type, 2008–2012



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

## Funding to UN agencies

UN agencies are the largest first-level recipients of humanitarian assistance. In 2012, US\$6.5 billion (54%) of international humanitarian assistance from government donors was channelled through UN agencies. Of this, 78% (US\$5.2 billion) went to four major UN agencies engaged in humanitarian response – the World Food Programme (WFP), the UN High Commissioner for Refugees (UNHCR), the UN Children’s Fund (UNICEF), and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Government donors provide the majority of funding to these UN agencies, and donors from the OECD DAC group provide the bulk of this – 97% in 2012 (US\$ 5.1 billion), a proportion which has increased from 92% in 2008. However, this high proportion may partly be due to more detailed reporting by this group of donors. The highest individual donors to these UN agencies in 2012 were the United States (US\$2.5 billion), the United Kingdom (US\$ 355 million) and Japan (US\$349 million).

The proportion provided by countries outside the OECD DAC group has

more than halved, from 8% (US\$429 million) in 2008 to 3% (US\$146 million) in 2012.

Pooled funds and private donors provide further sources of funding for UN agencies (see Chapters 3 and 5). In 2012 the CERF, ERFs and CHFs provided a total of US\$452 million to UNHCR, UNICEF, UNRWA and WFP combined.

WFP received more humanitarian funding than UNHCR, UNRWA and UNICEF put together over the 2008–2012 period. In the past five years, US\$14.1 billion of humanitarian assistance has been channelled through WFP – 52% of total funding to these four UN agencies. The proportion received by UNHCR increased steadily from 23% in 2008 to 33% in 2012, and it received the second highest amount in this period overall (US\$7.7 billion, or 28%).

UN agencies often play multiple roles, including coordinator (as cluster lead), donor, appealing agency and implementer. As Figure 5.2 shows, comprehensive data to show how much of the funding received by UN agencies is spent on the programmes

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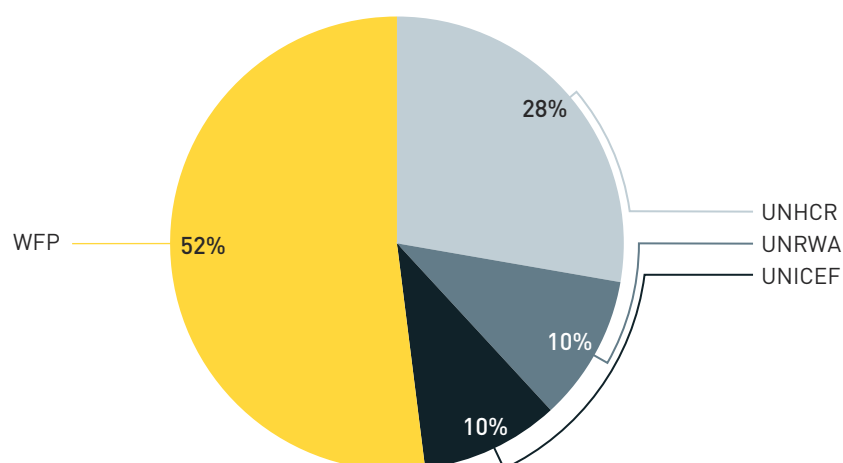
54% of international humanitarian assistance from government donors was channelled through UN agencies in 2012.

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they implement themselves, the costs directly incurred by these agencies, or how much is passed on to second-level recipients is not available. While some of this data is captured in the financial reports of individual agencies, it is not comprehensively gathered in a single reporting format.

FIGURE 5.5

Government funding to four UN agencies: UNHCR, UNRWA, UNICEF and WFP, 2008–2012



# Pooled funds

Humanitarian pooled funds aim to facilitate coordinated funding that is more responsive to changing crises, and can act as a counter-weight to bilateral donor preferences. They also provide a trusted channel for donors who are new to responding in a particular context.

An increasing volume (but not proportion) of funding is being channelled through pooled funds. In 2009 they received US\$824 million (5.0% of the total international humanitarian response); in 2013 they received over US\$1 billion (4.7%).

The Central Emergency Response Fund (CERF) provides funding to new – or sudden escalations in – crises, as well as to forgotten emergencies. It is managed at a global level by UN OCHA and disburses funds only to UN agencies and the International Organization for Migration (IOM). In 2013, 72 government and private donors provided US\$464 million through the CERF, which disbursed funds to 45 countries. Roughly half – 46% – of all pooled funds have been

directed through the CERF over the past five years.

At country level, pooled funding mechanisms include common humanitarian funds (CHFs), which typically support projects outlined in UN-coordinated response plans, and emergency response funds (ERFs, sometimes known as humanitarian response funds). ERFs aim to fill unforeseen needs outside of UN-coordinated response plans. They are designed to disburse smaller grants, predominantly through NGOs, which received 58% of ERF funding in 2013. Less funding was channelled through the 13 ERFs in 2013 (US\$178 million) than through the four CHFs (US\$382).

The total volume of pooled funds and the proportion of total assistance channelled through them varies between countries. In 2013, Sudan received the highest volume of pooled funds (US\$115 million, or 18% of international assistance to Sudan). Pooled funds constituted the highest proportion of humanitarian assistance for the Philippines (35%)

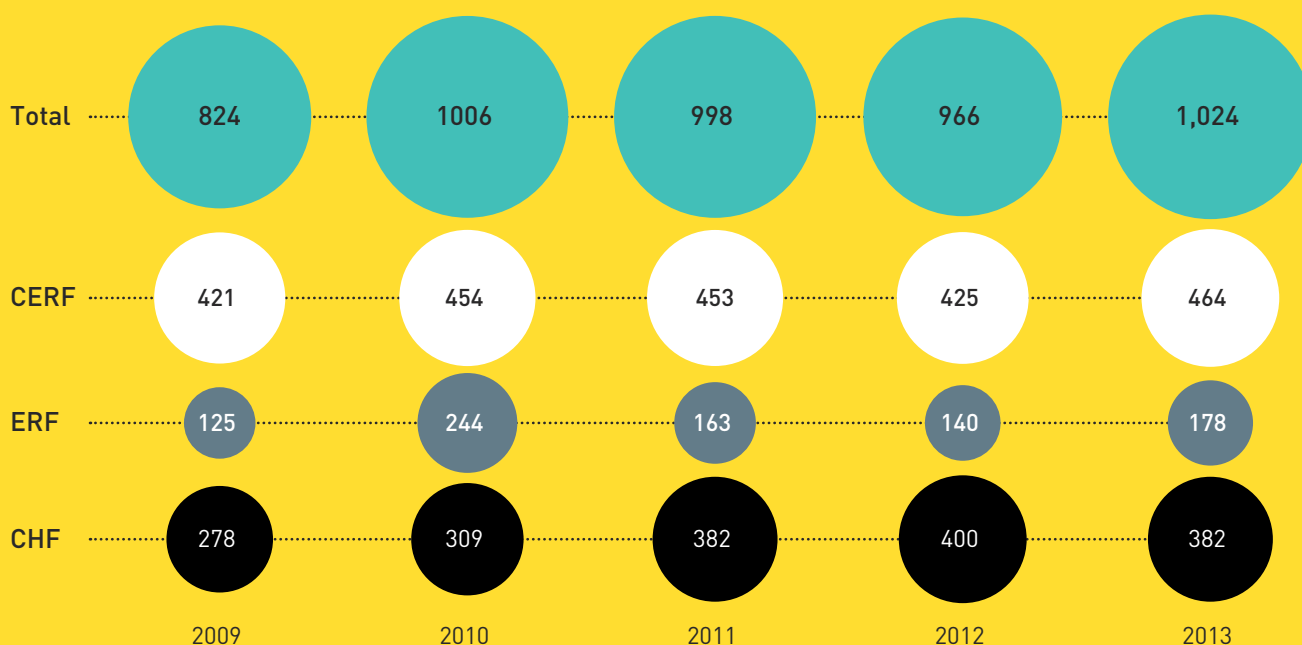
– but only 2.2% of the humanitarian assistance directed to the West Bank and Gaza Strip.

Humanitarian pooled funds are a small part of the complex architecture of multi-donor funding mechanisms. Some countries have a myriad of funds – including for humanitarian assistance, recovery, reconstruction, stabilisation, peace-building and development. Some are country-specific, such as the UN Stabilization and Recovery Funding Facility in Democratic Republic of Congo (DRC). Others, like the Millennium Development Goals (MDG) Achievement Fund, have global coverage. The volume, accessibility and speed of disbursement vary enormously between these different mechanisms. With the exception of the World Bank Afghanistan Reconstruction Trust Fund, which disbursed almost US\$700 million last year, none of these funds released significant volumes for the top 10 recipients of humanitarian assistance in 2013.

FIGURE 5.6

## Total funding to humanitarian pooled funds, 2009–2013

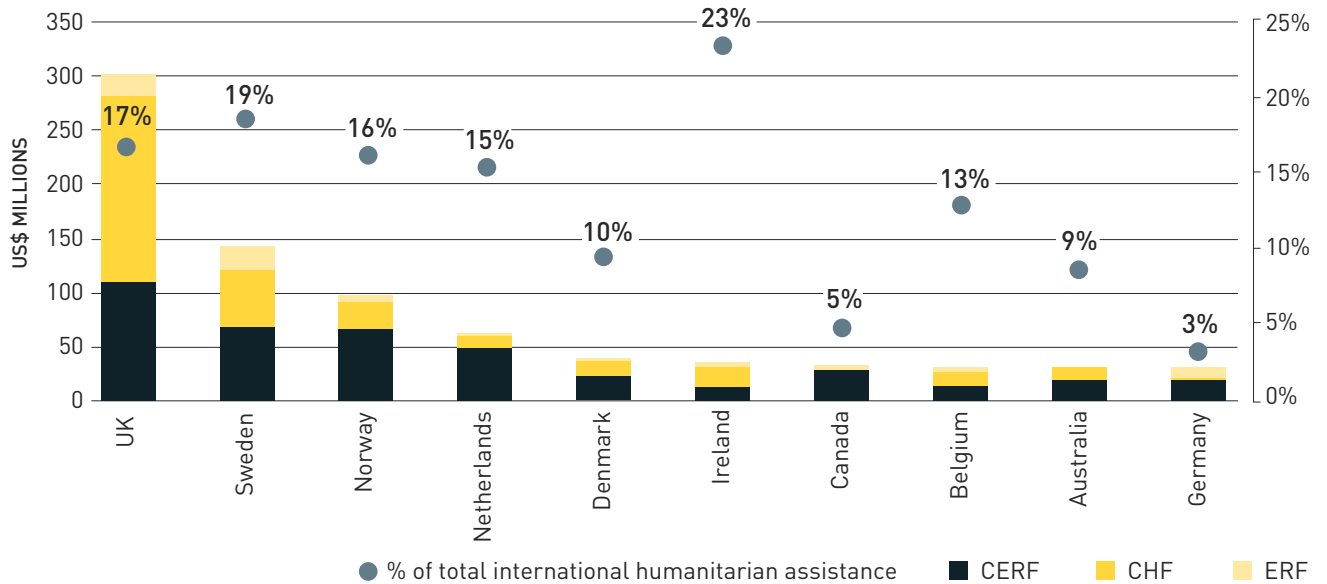
US\$ millions



Source: Development Initiatives based on UN OCHA FTS and CERF data  
 Note: Constant 2012 prices.

FIGURE 5.7

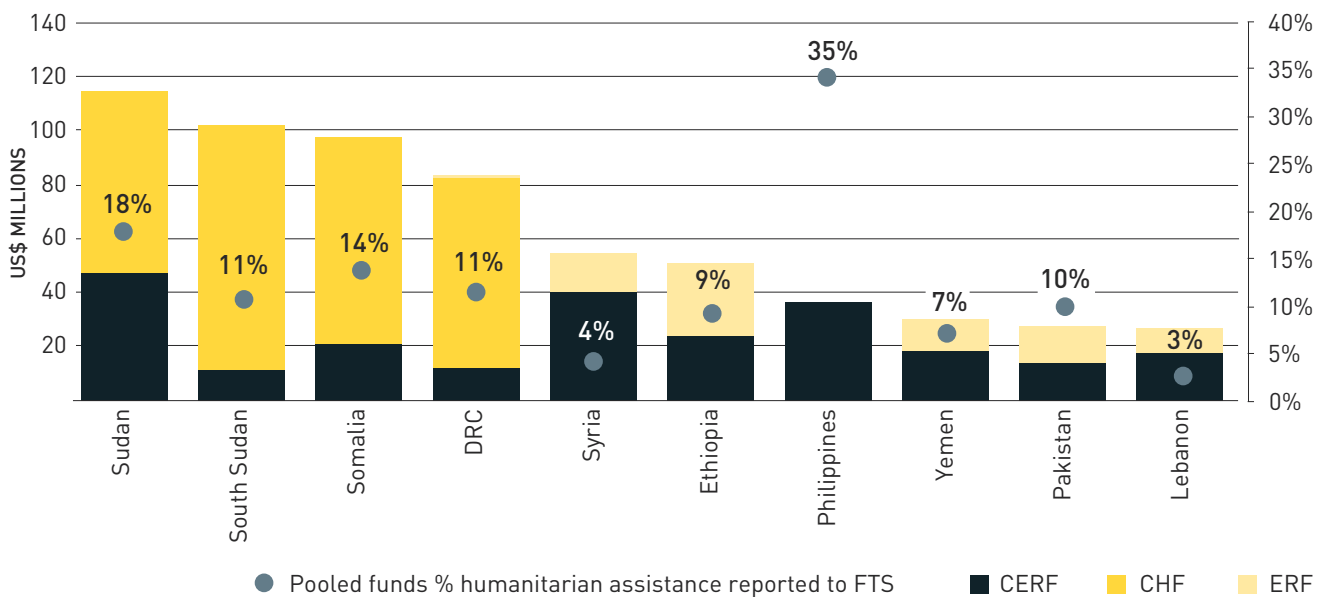
## Top 10 government contributors to humanitarian pooled funds, 2013



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

FIGURE 5.8

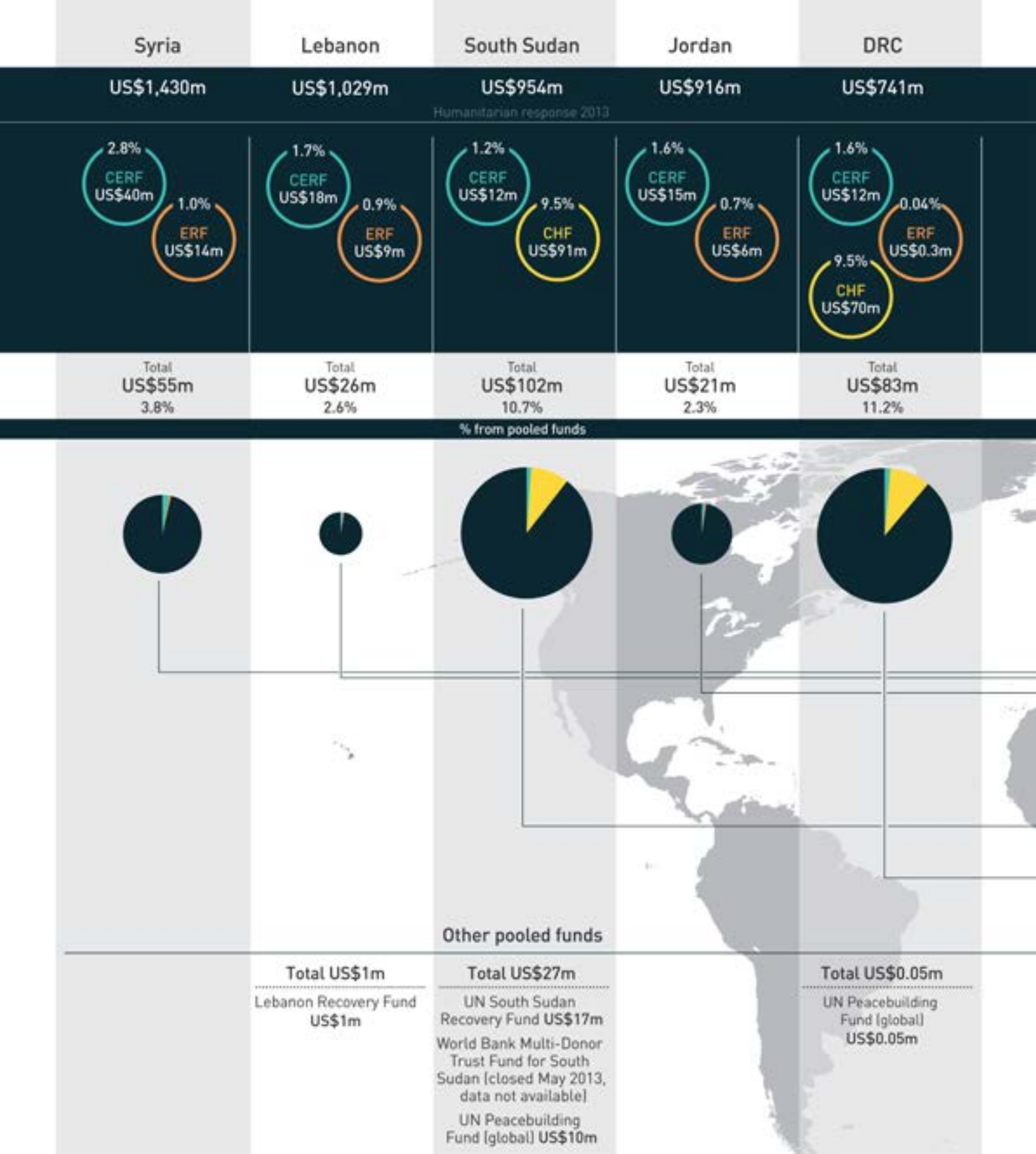
## Top 10 recipients of money channelled through pooled funds, 2013



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

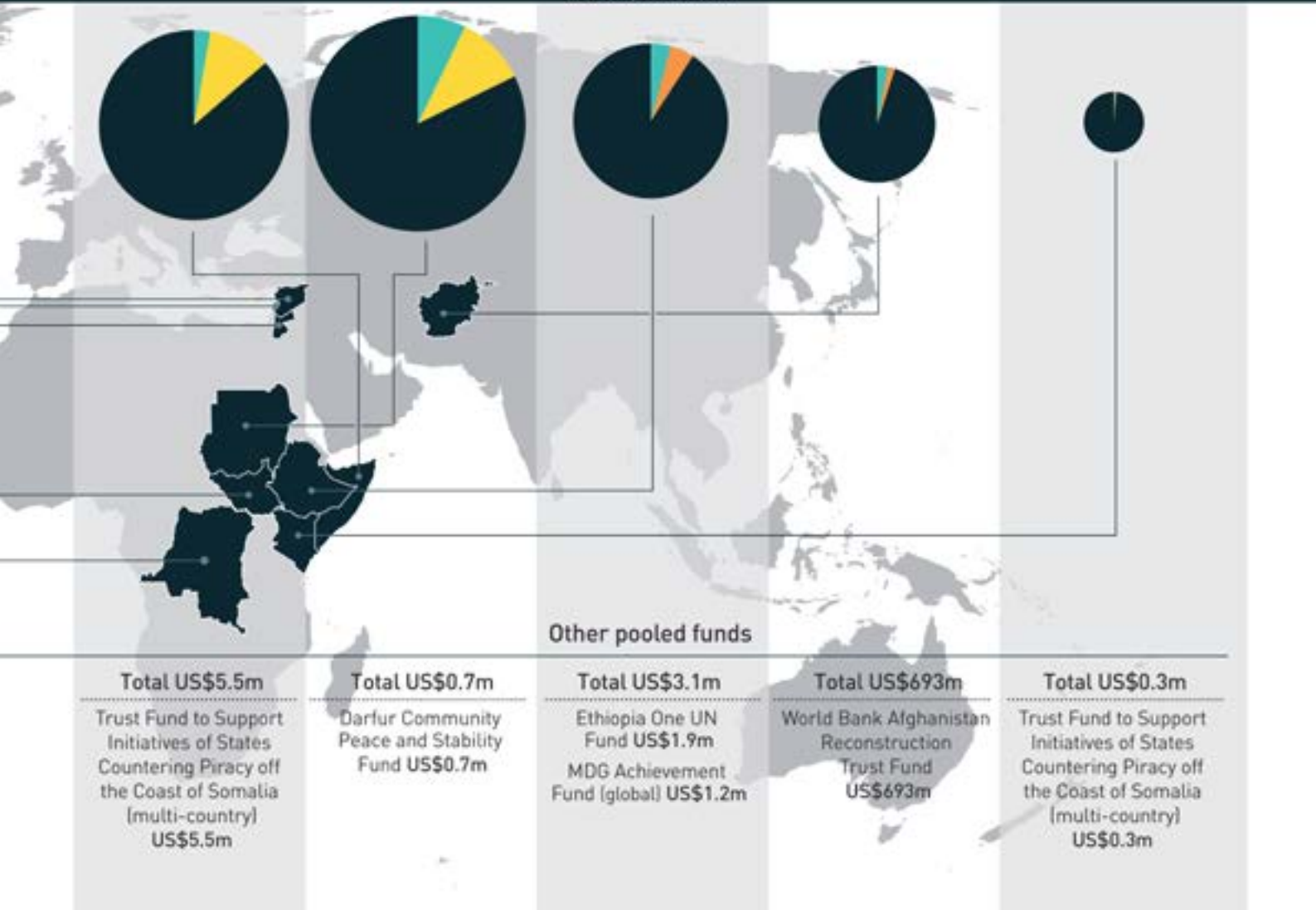
FIGURE 5.9

Top 10 recipients of humanitarian assistance 2013, by pooled funding mechanism type



Source: Development Initiatives based on UN OCHA FTS, CERF, UN Multi-Partner Trust Fund Office and World Bank data





## Funding channelled through domestic NGOs

National and local NGOs directly access a tiny share of international humanitarian funding but represent an essential part of the humanitarian response; they have presence, access and knowledge where international actors often do not. In 2013, only 93 national NGOs and 22 local NGOs were recorded as having received funding in the UN OCHA FTS, compared with 294 international NGOs.

Between 2009 and 2013, local and national NGOs combined received a total of US\$212 million – 1.6% of the total given directly to NGOs and 0.2% of the total international humanitarian response over the period. However, this represents only the amount they received as first-level recipients, and both types of NGOs access unreported quantities of funding further down the transaction chain. Direct funding to national NGOs peaked at US\$45 million in 2011, US\$16 million of which was for Somalia – an operating environment largely inaccessible to international humanitarian agencies.

ERFs and CHFs are designed to be accessible to NGOs, including national and local NGOs, while CERF funding is only available to UN agencies and the IOM. ERFs are predominantly intended to facilitate the work of NGOs in an emergency and to support local NGO capacity-building. However, in the past five years national and local NGOs have only accessed US\$31 million of the US\$464 million disbursed through

ERFs. This represented 12% of the total disbursed to all NGOs by ERFs in the period compared with the 82% received by international NGOs, many of whom may have then allocated funding to local or national partners.

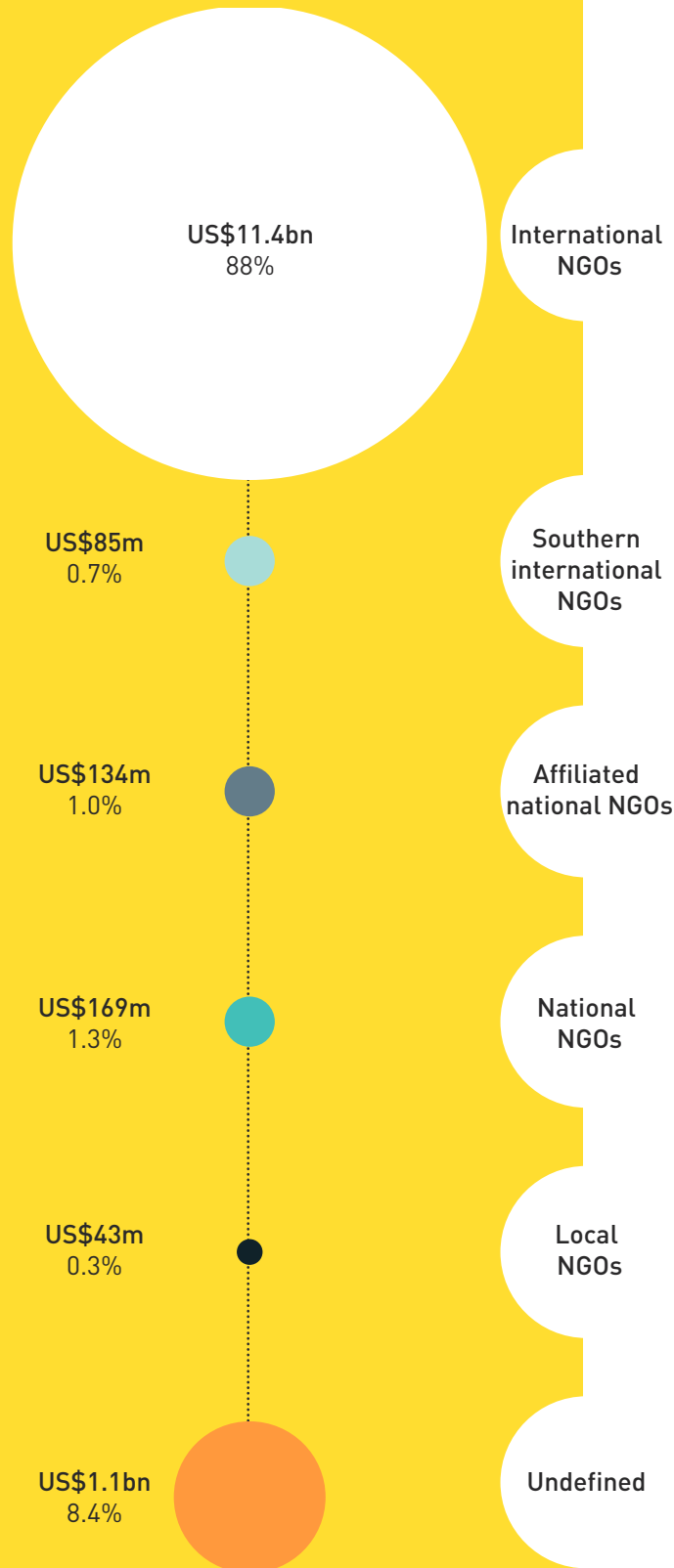
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FIGURE 5.10

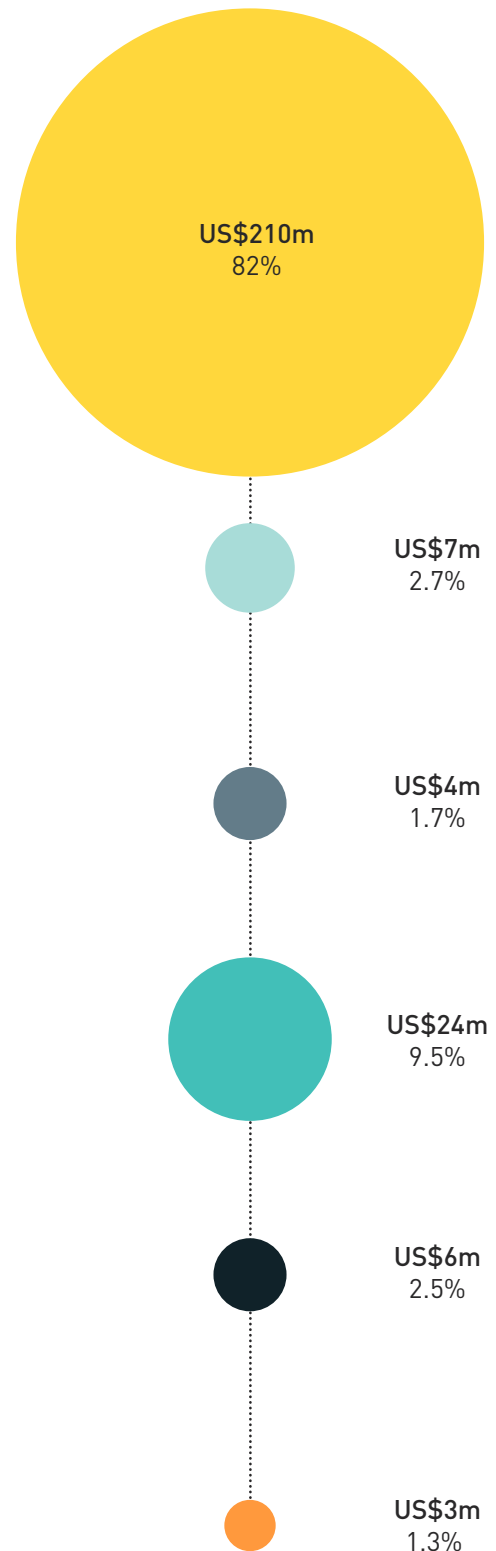
### Humanitarian assistance to NGOs, by type, 2009-2013



Source: Development Initiatives based on UN OCHA FTS data  
 Notes: Scaled by percentage. NGO coding methodology, see Data & guides.

FIGURE 5.11

### ERF funding channelled through NGOs, by type, 2009-2013

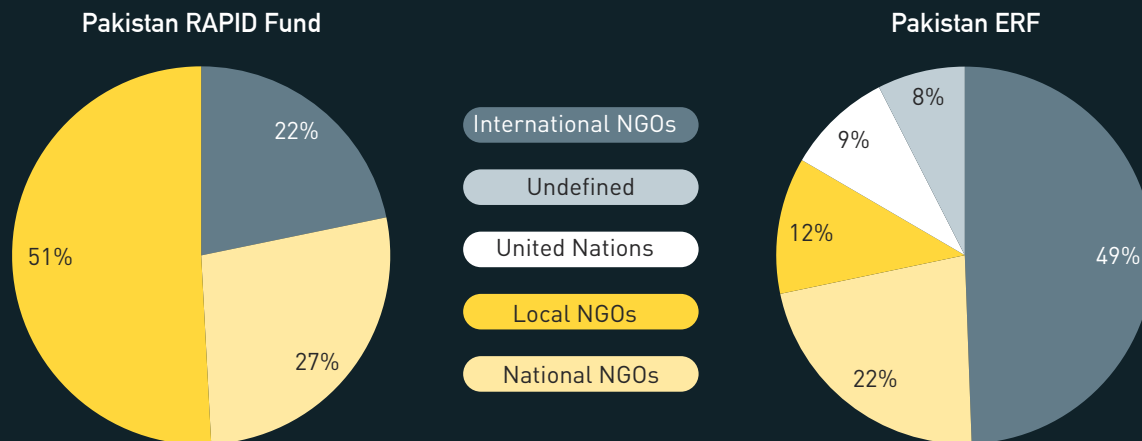


Source: Development Initiatives based on UN OCHA FTS data  
 Notes: Scaled by percentage. NGO coding methodology, see Data & guides

## In focus: NGO-led pooled funds

FIGURE 5.12

Breakdown of allocations from Pakistan ERF<sup>5</sup> and RAPID fund by recipient organisation type, 2013



Source: Development Initiatives based on UN OCHA FTS and RAPID Fund data

NGO-led pooled funds are smaller in number and financial volume than those led by multilaterals but provide complementarity and innovation in terms of focus, agility and balance of recipients.

In South Sudan, the Small Grants Mechanism within the South Sudan Recovery Fund (SSRF), managed by United National Development Programme (UNDP) and coordinated by BRAC South Sudan, awarded US\$2.7million in grants to national and local NGOs and community-based organisations between 2009 and 2012. In Sudan, the Small Grants Scheme within the larger Darfur Community Peace and Stability Fund, aims to engage and build capacity of local NGOs and community-based organisations in peace-building and is implemented by Catholic Relief Services, World Vision and the Sudanese Community Development Association.

Also operating at a country level, the RAPID Fund in Pakistan is managed

by Concern Worldwide, with funding from USAID. Between 2009 and 2013, the RAPID Fund provided over US\$29 million to local, national and international NGOs. The fund is small in comparison to the Pakistan ERF, which disbursed US\$52 million in the same period, but fills a gap in terms of the speed and flexibility of disbursements. It has no fixed funding windows and takes an average of 9 or 10 days from proposal to disbursement, compared to the 75 days reported by the ERF in its 2013 annual report.<sup>3</sup> It also puts an emphasis on supporting local and national NGOs that otherwise may not be able to secure international funding. In 2013, 78% of grants went to local and national NGOs, compared to 34% from the ERF.

Operating at a global level, the Start Fund is described as a “multi-donor pooled fund managed by NGOs, for NGOs”.<sup>4</sup> It launched in April 2014 for an initial six-month trial period with a budget of US\$3 million from the UK government’s Department for

International Development (DFID) and Irish Aid. Grants are available to the 19 international NGO members of the START Network (formerly the Consortium of British Humanitarian Agencies (CBHA)) and their implementing partners.

The Start Fund is set up to fill identified gaps in emergency funding. It particularly focuses on small-to-medium-scale ‘under-the-radar’ emergencies, providing early response to slow-onset crises and rapid response to spikes in chronic emergencies. On receiving an alert from a member agency, the allocation committee must meet within 24 hours, funding must be disbursed within 72 hours and spent within 45 days. In the four months following its launch, the Start Fund disbursed over US\$2 million for crises in South Sudan, Myanmar, Somalia, Sierra Leone, Yemen and Cameroon, targeting around 1.3 million people.

## Military channels

In keeping with humanitarian principles, the delivery of humanitarian assistance through military channels should only be considered as a last resort, taking place in exceptional circumstances when other agencies are unable to deliver the assistance.

For the past two years, military delivery has indeed represented a small proportion of humanitarian assistance. This followed a peak in 2010 when donors spent relatively high levels of humanitarian assistance through their militaries, the overwhelming majority (US\$462 million of US\$500 million) of which was spent in Haiti. In 2012 it reached a new low, accounting for just 1% of humanitarian funding from OECD

DAC donors. The United States (US) is the main reporter of humanitarian assistance delivered through defence agencies.

Between 2008 and 2012, Afghanistan received US\$247 million of humanitarian assistance via military actors, including provincial reconstruction teams. This figure decreased substantially throughout the period from a peak of US\$125 million in 2008 to US\$8 million in 2012.<sup>6</sup>

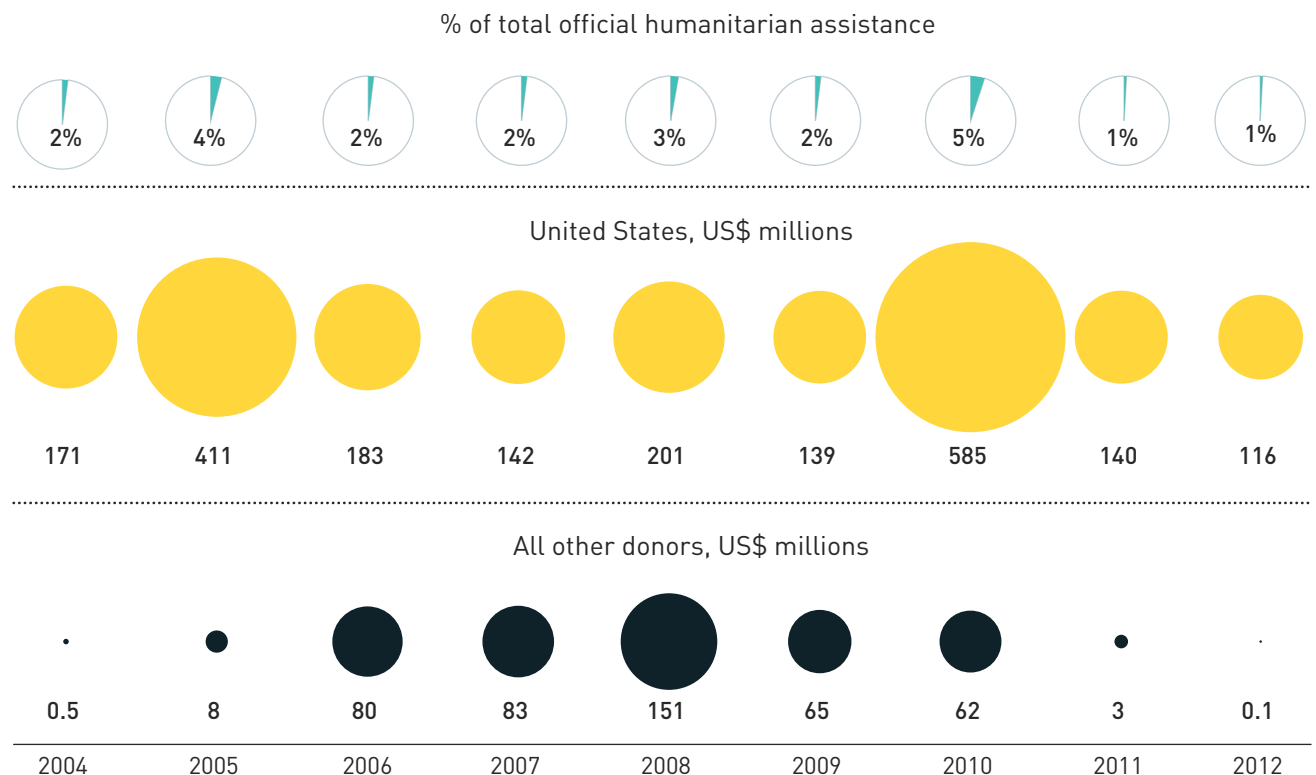
National militaries have played a significant role in the response to Typhoon Haiyan in the Philippines. At least 20 countries lent support through military assets. These assets ranged from the delivery of relief and airlifting of survivors to providing medical

response personnel. The US was one of the main countries providing military support but smaller countries such as New Zealand, Vietnam, Brunei and Singapore also contributed military assets and personnel. It will be interesting to see the extent to which this assistance is reflected in the 2013 data when this becomes available.

Reporting of humanitarian assistance channelled through the military is particularly poor. The data relating to almost three quarters of this type of assistance in 2012 failed to specify the recipient country.

FIGURE 5.13

### Official humanitarian assistance via donor defence agencies, 2004–2012



Source: Development Initiatives based on OECD DAC CRS data