The Humanitarian Financing Landscape
Realities and Emerging Trends for NGOs

Content for this topic: The Humanitarian Financing Landscape - Realities and emerging trends for NGOs, was informed through a combination of contributions from individuals and desk research.

With special thanks to Sophia Swithern of Development Initiatives, Cyprien Fabré of OECD and Julian Srodecki of World Vision International, for their participation in this topic’s webinar, arranged in partnership with the International Association of Professionals in Humanitarian Assistance and Protection (PHAP).

This topic was also heavily informed through the 2016 Global Humanitarian Assistance Report.

FOLLOW UP QUESTIONS

“How often are financing polices and structures revised to cope with modern day challenges and global needs?” - Programs and Support Services Manager, INGO, Kenya

Julian Srodecki (World Vision International)

“The Grand Bargain contains a summary of the key reform areas that 15 of the world’s largest government donors and the major UN agencies have prioritized for action. This was a flagship product of the world humanitarian summit and a link can be found in my presentation in the seminar. On a global level donors meet regularly under the Good Humanitarian Donorship initiative and the IASC Humanitarian Finance Task Team also work to reform the global system. At the Nairobi level, I would recommend contacting the Interagency Working Group to find out what they are doing in this regard. There are also discussions with bilateral donors on a national level (in terms of country strategies) and in their capitals around evolving their aid programmes to better meet field needs.”

“Different donors (especially countries) have different priorities, what criteria govern such preferences?” – Co-founder, NGO, Libya

Julian Srodecki (World Vision International)

“Different country donors funding interests can be influenced by geography. For example, the Australians, the US and the EU do take a higher level of interest in regions that border them when compared to other donors. In addition, historic or post-colonial ties can be important for many donors as well. Other factors can include geopolitical strategic interests (e.g. in the Middle East) or the level of concern and affinity that the general public in the donor country may feel for a particular country or situation. Most donors also want to follow needs, and may have other criteria as well like good governance. Generally, you can find this out on their websites – either in strategy documents or by looking at where they disburse their money. The Global Humanitarian Assistance website has a data section that can serve as an initial one-stop shop for an overview by donor or recipient country. Sophia’s presentation in the seminar also touched upon different donor patterns for different emergencies.”

“In light of the growing shortfall in humanitarian funding, how accurate do you think the measurement methods we use and the figures we reach regarding ‘humanitarian requirements’ are?” - Humanitarian Funding Manager, INGO, UK

Sophia Swithern (Development Initiatives)

“There is no global figure for humanitarian requirements, not for the total required from international actors, nor from national and local responders. In the absence of this, we can use the requirement figures from the UN
coordinated appeals as an indication (as well as appeals from the RCRC and others). As you know, the accuracy of these is something that is regularly raised, including recently by the High Level Panel on Humanitarian Financing. How to cost requirements better, more consistently and more transparently is something that I know OCHA and the IASC are currently looking into.”

“There is a danger that the Global Humanitarian Assistance (GHA) report, humanitarian appeals and the Financial Tracking Service (FTS) numbers present a falsely specific perspective— are people who use them sufficiently aware of the limitations of the data?” – Head of Humanitarian Policy, INGO, France

Sophia Swithern (Development Initiatives)
“In the GHA reports [published by Development Initiatives] we do our best to make the data limitations clear, indicating when figures are estimates and approximations and drawing attention to areas of ‘data poverty’ where we believe the world needs more (and more accurate data). We do hope that users read and appreciate these caveats when they use our figures! I agree that there are many areas of reporting on humanitarian financing and requirements where the available data is simply not good enough and we hope that by publishing what is available together with showing where the limitations lie, we can encourage improvements.”

Julian Srodecki (World Vision International)
“The majority of donors, UN Agencies and Global Financing staff that engage in global groups like the IASC Humanitarian Finance Task Team and the Grand Bargain are aware of the limitations of the data. There is a transparency work stream in the Grand Bargain work led by the Dutch Government that seeks to improve the quality of our data. There is also an Assessment work stream in the Grand Bargain that is looking at increasing the quality of operational data for appeals. That said, the GHA Report data remains a very credible source, that is an excellent starting point for NGO analysis of financing trends.”

“What is the ratio of aid received between NGOs & INGOs?” - Country Administrator, INGO, Pakistan

Cyprien Fabre (OECD)
“From the OECD’s side, the Development Assistance Committee (DAC) is not measuring this yet. Work is underway to define how to better capture what is received by local actors.”

Julian Srodecki (World Vision International)
“Currently, there are not universally agreed definitions for different types of NGOs. The most widely known set of definitions in current use are in the Global Humanitarian Assistance 2016 report. This does an estimated breakdown by different types of NGO.”

Aside from self-declared FTS donations, how are private contributions tracked?” - Independent Consultant, Australia

Sophia Swithern (Development Initiatives)
“To supplement the data from the DAC and FTS, we at GHA also do our own research to calculate the scale of private contributions. Each year, we obtain data from a large group of humanitarian organizations to understand how much they receive from private donors (individuals, trusts and foundations, and companies and corporations) and we use this to come up with a global figure as well as more detailed analysis. You can find out more in chapter 4 of our GHA report.”

Cyprien Fabre (OECD)
“As far as OECD is concerned, only the Bill and Melinda Gates Foundation is reporting to the DAC. Their funds are not reported as ODA, but as “Private Grants.”
“Cyprien offered some reasons why donors find it difficult to partner directly with local organizations (scale, capacity to know all the local orgs, etc.) Given the political impetus of the Grand Bargain, we’re going to have to find ways around that. What are some solutions?” – Humanitarian Funding Manager, INGO, UK

Cyprien Fabre (OECD)

“Donors are well aware that more direct support to local responders is an important element. Besides the legislative or technical difficulties mentioned during the presentation, one have to take into account the diversity of local organizations. A rural woman’s group doesn’t have the same capacity than national branch of an international network. This is why Partner capacity assessment are a crucial element. They have to be harmonized, to avoid any NGO to fill dozens of them for each donor, but this might be a way for a donor to be more confident and take calculated risks in supporting directly a local organization.”

“The Charter for Change says 20% of funding will go to Southern-based NGOs by 2018. That can be misleading as most organizations are getting registered in the global south. In that case, if funds continue going to INGOs the status quo will be maintained. What do you think?” – Executive Director, NGO, India

Julian Srodecki (World Vision International)

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“Where can we follow country-based pooled funding development efforts?” - Finance and Grants Adviser, Norway

Julian Srodecki (World Vision International)

“A good way to do this is to contact Ben Garbutt at Oxfam who is the NGO representative on the pooled fund working group. He shared his e-mail during my presentation.”

“What is the ‘fine’ line between development and humanitarian programming? There are obvious overlaps (e.g. resilience, DRR conflict management programming). Is this quite fluid or are there two streams of funding quite distinct?” – Humanitarian Partnership Coordinator, INGO, Switzerland

Cyprien Fabre (World Vision International)

“The two streams are still well distinct. Humanitarian funding is managed by different units within governments and agencies and they have generally different funding mechanisms. Humanitarian funding is designed to be faster, therefore taking more risks than development funds. However, most of the big donors have set up or are setting up transition funding, acknowledging that crisis are more protracted and joint effort is needed. The initial path was to bring resilience, disaster risk reduction (DRR) into the humanitarian portfolio, which is rather detrimental to humanitarian funding and to the essence of what is resilience and DRR for instance. Transition funding often takes the form of support to pooled fund, mixing emergency, recovery or transition programming. Globally, with more un-earmarked funds, the trend is to some extent a shift from donor deciding what they want to fund to UN agencies/ pooled fund management. This gives more flexibility, but also make reporting more complex.”

“Do you have examples of countries or organizations leading on developing risk financing” – Communication for Development Specialist, UN Agency, Iraq

Cyprien Fabre (World Vision International)
“Risk financing is relatively new to humanitarian, but is not recent in disaster risk reduction. You may want to read the OECD report Financing in Crisis that is addressing risk financing amongst other topics, and more specifically on risk financing: A Calculated Risk. As you can see in this latter report, Mexico is generally viewed as a good example to study, as they have been creating the whole range of risk financing tools, including insurance paid by the Government for small scale farmers, using parametric triggers. Funds are allocated against a pre-determined criteria (generally weather-related) and not based on individual loss report, as a traditional insurance would function. It greatly simplifies the fund management for the Government, and it gets close to social safety nets when these are in place in some countries. The World Bank group also has several papers on this issue.”

“Julian mentioned the difficulties of complying with anti-terror regulations. How does World Vision address this issue?” – Research Assistant, Israel

Julian Srodecki (World Vision International)

“NGOs that receive grant funding directly from donors in the US, UK, Australia and others are required to have specialist staff in those countries to deal with the relevant anti-terror legislation in each country. Full compliance with these requirements is a critical component to acquire and effectively manage grants around the world. NGOs that cannot prove compliance with donor HQ regulations are normally not eligible for these grant funds. More information and guidance for NGOs on complying with counter-terrorism related clauses for humanitarian grants can be found on the PHAP site.”

USEFUL FURTHER READING

- Sinisa Milatovic, Ingrid Macdonald & Kate McGrane, "Risk Management Toolkit in Relation to Counterterrorism Measures." Norwegian Refugee Council, December 2015