This document provides a summary of discussions from the Future Humanitarian Financing (FHF) cross-sectoral dialogue hosted by the International Council of Voluntary Agencies (ICVA) in Amman on 17th November 2014.

Emerging themes

- The existing package of humanitarian coordination, fundraising and tracking systems are not sufficiently accessible to or inclusive of the full range of financing and responding actors in the region.
- Private funding to the region has a set of very particular characteristics which are currently only understood to a very limited extent by western international humanitarian actors. This limits the visibility of these contributions, the inclusion of rising actors and the practical feasibility of achieving an impartial coverage of needs.
- Humanitarian actors in the region are currently facing the prospect of having to provide financial support to a large refugee population for an extended period of time with the expectation that humanitarian funding will contract significantly in the medium-term.
- There is a lack of confidence in the definition of needs and financing requirements represented in the UN’s coordinated appeal. Financial flows from emerging actors are not effectively captured in financial tracking and analysis and there is a perception that the scope of ambition of humanitarian action may have widened considerably, which may be over-stating the perceived increase in humanitarian needs.
- Muslim and Arab state donors are underrepresented in the current formal humanitarian system. A frequently stated opinion was that these donors want to contribute more than money to the system. Achieving greater diversity in donor fora was an agreed priority.

The following sections elaborate some of the major discussion themes examined during the dialogue event.

Inclusive financing response

Muslim and Arab state donors to the region perceive that their financial contributions are not commensurate with their inclusion in decision-making processes, particularly in UN processes. This may be in part due to differences in reporting of contributions which means that their contributions are not always visible. The overall perception however is that the existing international architecture, systems and processes were built through the efforts and to meet the needs of western donors and are not yet fully open to rising actors.

The Organisation for Islamic Cooperation (OIC) is engaged in a variety of processes, including the World Humanitarian Summit (WHS) to strengthen the voice and influence of Muslim and Arab state donors and to improve inter-operability of financial reporting systems. Concerns were also raised around perceived inefficiencies in UN agencies and funds, a lack of transparency and lack of direct access to funding for local and national organisations.
The accessibility of international funds for national civil society organisations is particularly challenging, with organisations flagging unfamiliar and cumbersome procedures and requirements and particularly counter-terrorism legislation and clauses acting as a barrier to accessing international funds.

Language and culture were flagged as major barriers to dialogue, coordination and partnership at all levels. UN-led coordination mechanisms were felt to be not well adapted to the needs of local and national NGOs in the region, who have instead established their own networks and coordination forums.

Private giving

Private giving for responses in the region are thought to be significant and under-reported and the majority is thought to be completely un-tracked in official statistics, posing challenges for gap analysis and coordination and under-representing the role of regional actors in the collective financing response.

Examples were cited of a Jordanian NGO meeting the needs of host populations which raises 95% of its funds from private donations within Jordan and in the Jordanian diaspora in the region. They recently for example ran an SMS message campaign among Jordanian expatriates working in the United Arab Emirates.

There are tax incentives in some countries in the region to encourage private giving and religious giving (zakat and waqf) are particularly favoured with tax incentives. Waqf and zakat funds are often received and administered by governments in the region and choice of partner and activity therefore typically reflects government priorities. Private foundations in the region – particularly in Gulf States - are often linked to the royal families and also therefore reflect official policy priorities. Domestic private fundraising drives for humanitarian response similarly, are often organised and administered by governments. Among civil society organisations, there may be operational and cultural differences between those who are patronised by official and royal funders and those who are funded through independent sources.

The contribution of private businesses to humanitarian action is thought to be much less significant than in other regions and there is a limited culture of corporate social responsibility, though this may be an area for future growth.

Funding from private donors to the region (both regionally based and international donors) often comes with very specific earmarking criteria – which may be based on personal preferences, religious affiliation or kinship – and which poses challenges to achieving a needs-based and impartial response. The increased availability of information via the internet may be enabling donors to ask more critical questions and place more specific demands on funding recipients. Principled humanitarian organisations are having to adjust by investing time and resources to educate donors about the need for impartial targeting and in piecing together funding from a variety of sources to achieve an impartial coverage overall.
About the Future Humanitarian Financing Initiative

FHF is convened on behalf of the Inter-Agency Standing Committee (IASC) task team on humanitarian financing and is led by a steering group comprising CAFOD, the UN Food and Agriculture Organisation (FAO) and World Vision and funded by the Government of Germany and FAO.

The purpose of the FHF initiative is to discuss the potential of new and emerging approaches to financing and investigate how these might support both a more open and adaptive humanitarian endeavour as well as new business models fit to meet the changing nature and scope of humanitarian crises.

The FHF initiative will follow a multi-stakeholder exploration of the potential and implications of financing approaches used outside, and at the margins of, the humanitarian sector – including the opportunities and risks these pose to the key actors and current modes of humanitarian response.

Dialogue events were held in London and key centres of regional humanitarian coordination including Amman, Dakar and Bangkok, with a final synthesis to be held in Geneva in January 2015.

Expected outcomes of the FHF initiative include:

- a more robust understanding within the humanitarian community of the characteristics and comparative advantages of alternative financing approaches – and their potential to address humanitarian needs;
- a set of recommendations for the IASC Principals and members that will constitute an agenda for research, experimentation, adaptation and engagement with emerging financing approaches as well as linked recommendations proposing adjustments to existing financing approaches;
- the beginnings of an expanded collaborative network of humanitarian financing actors, which may be developed and sustained beyond the lifetime of the FHF initiative.