

Inception report

COORDINATING DECISION-MAKING: MEETING NEEDS

Mapping donor preferences in
humanitarian response

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Summary of key findings

1. Donor decision-making on the allocation of available humanitarian resources is not coordinated at the global level. This means that donors make individual (and potentially less effective) funding decisions

Almost three-quarters of Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) donors¹ outline in their policy documents the priority to coordinate with other donors in humanitarian response. However, at present, there is no regular and active forum to facilitate donors in coordinating decision-making on the allocation of available resources at the global level. Hence, while some donors use informal coordination channels, decision-making on the allocation of resources is largely made on an individual basis. This lack of coordination between donors potentially undermines the effectiveness of humanitarian response, affecting the predictability of funding and the coverage of global needs.

Donors fed back on these initial research findings in March 2015; most recognised and endorsed the need for more concrete processes and mechanisms for coordinated decision-making. They also emphasised the importance of developing separate processes for coordinated decision-making around responses to protracted and recurrent issues (early in the year) and rapid-onset crises/meeting peak demands (as they happen).

A number of donors noted the potential of building on existing coordination platforms such as the Good Humanitarian Donorship (GHD) platform, the European Council Working Party on Humanitarian Aid and Food Aid (COHAFA) and the Emergency Response Coordination Centre (ERCC). Integrating discussion and coordination into DAC donors' forward spending plans is another important aspect of this.

Some donors highlighted political incentives as a key challenge in achieving effective coordinated decision-making, recognising that, for this to work effectively, all donors (DAC donors at least) must be involved and buy in to the process. Moreover, some donors see the challenge as the lack of a common global needs assessment that prioritises needs in one crisis over another as a common basis for decision-making.

2. Donors state decision-making on 'where' to fund is primarily associated with responding to needs, yet a range of other factors are in play

Most donors (86%) broadly stated the ambition to allocate funding on the basis of 'needs'. However, given the absence of a common needs assessment and challenges associated with using appeals as the sole measure of needs, this research has not attempted to assess donor-stated policy priorities and funding allocation against global needs. However, this was identified as a crucial next step for further analysis.

When referring specifically to decision-making on 'where' they fund, 52% of donors stated that their policy was to allocate funding to different crises on the basis of both pre-defined geographical priorities and needs, and over one-third on the basis of needs alone. More than half of donors (55%) stated that they use UN appeals as a measure of needs and 41% stated that they use Red Cross Red Crescent (RCRC) agency appeals. Most donors (69%) state their ambition to channel funds through

¹ The term "donors" hereafter implies "OECD DAC donors"

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pooled funding mechanisms (particularly the Central Emergency Response Fund – CERF) in order to respond flexibly to changing needs and fill funding gaps at global and country levels.

Other factors identified through the research that influence donor decision-making about the allocation of resources are: intentions to align humanitarian assistance with foreign-policy objectives (which translates in practice as efforts to align such assistance with stabilisation/security/peacebuilding interventions in fragile states); countries/crises with which donors have a historical relationship; prioritisation of crises where local response/capacity is inadequate and crisis-affected governments request assistance (particularly in rapid-onset crises); vulnerability of populations; and crises where donors can add value. Decision-making about responses to rapid-onset and protracted crises is clearly distinct although, as a general trend, this distinction is not clearly articulated in policy documents.

3. *At the global level, there is some degree of overlap between the countries prioritised by the largest number of donors in policy documents and those receiving the largest proportion of funding, particularly with regard to longer-term crises*

A number of long-term major crises over the last decade unsurprisingly stand out as featuring in both the top ten countries prioritised for assistance in policy documents by donors and those receiving the largest proportion of funding during 2009–2013 – including Afghanistan, DRC, Ethiopia, oPt, South Sudan, Sudan and Somalia.² This is reflected to some extent by an alignment between the countries identified as priorities in policy documents and those receiving the highest level of funding from certain individual donors.

4. *However, policy documents are not generally indicative of donor practice and preferences for funding to different countries/crises*

In terms of the order of countries/crises identified as top priorities by donors and those receiving the largest proportion of funding, there is, however, a significant level of disconnect at the global level. Mali, oPt, South Sudan and Syria are among the top five recipient countries prioritised by donors in policies, but do not feature in the top five in terms of funding allocation; conversely, Ethiopia, Haiti and Pakistan appear in the top five recipient countries in terms of funding allocation but are not in the top five prioritised in donor policy statements.

This disconnect can be explained by the fact that policy documents tend to reflect major crises at the time of policy creation and are not an accurate guide to ‘real-time’ donor geographical priorities. It also accounts for the fact that rapid-onset natural disasters attract funding for countries which are not established priorities in policy documents or in previous spending patterns.

This makes it difficult for donors to understand and anticipate each other’s behaviour, particularly in rapid-onset crises, limiting their ability to coordinate successfully – which in turn undermines the overall effectiveness of the humanitarian response. Consequently, there is a pressing need for alternative planning and communication tools to be established to provide early indications of funding decisions (in respect of both restricted and unrestricted funding), enabling donors to identify where their assistance could add the greatest value. DAC donors’ forward spending plans have a potentially important role to play in informing this process.

5. *Policy priorities and spending patterns show a similar deprioritisation of allocation to ‘forgotten states’*

² All references in this report to spending on humanitarian response relate to the period 2009–2013; the period is not, therefore, restated at every instance.

Despite more than one-third of donors stating their general intention to prioritise ‘forgotten crises’ in policy documents, this does not appear to play out in practice, where individual crises appearing on the European Commission Department of Humanitarian Aid and Civil Protection’s (ECHO) [‘Forgotten Crisis Assessment’ index](#) are largely deprioritised in both spending patterns and policy statements.

6. At the regional level, donor behaviour is more predictable

There is a trend of some donors prioritising in policy documents countries and regions with which they have historical ties, and others prioritising their neighbouring regions (e.g. New Zealand prioritising Asia-Pacific and Australia/Japan/Republic of Korea prioritising South-East Asia), and this is reflected in spending patterns. However, while this division of regional focus areas is apparent for some donors, overall spending patterns and policy statements do show a primary donor focus on sub-Saharan Africa for humanitarian assistance, which is mirrored in funding patterns.

7. There is a predominant focus in donor policy on disaster risk reduction (DRR), preparedness, and resilience, which is part of a wider effort to link humanitarian assistance and development

Compared to other thematic issues, the largest proportion of donors (76%) stated the priority to fund DRR and preparedness, closely followed by the prioritisation of resilience (55%) in donor strategies and policies. This focus on DRR and resilience is more broadly aligned to the stated priority of 86% of donors to link humanitarian assistance with longer-term development programming in their strategies, yet few articulate how they intend to achieve this in practice.

Just under one-fifth of donors state the aim of aligning geographical priorities for humanitarian assistance with development cooperation as a mechanism for achieving this. Several donors have produced stand-alone policies on DRR and preparedness, and resilience, as an indication of their deeper commitment in this area. Australia, the EU, Germany, Japan, the Republic of Korea, New Zealand, Switzerland, the UK and the US appear to lead at the policy level on these issues.

8. Gender equality is the most frequently stated cross-cutting issue among donors, yet this is not clearly reflected in funding allocation

Gender equality is the most popular cross-cutting issue amongst donors (prioritised by 23 donors (79%)). Eleven donors (38%) identified addressing ‘Gender-based Violence’ (or ‘women, peace and security’) as a specific priority issue for funding. However, [recent analysis by the Global Humanitarian Assistance \(GHA\) programme on funding to gender](#) as per the Inter-Agency Standing Committee (IASC) gender marker found that the combined proportion of donor funding to projects that make a ‘significant’ or ‘principal’ contribution to funding fell from 35% in 2012 to 19% in 2014. This may, however, reflect a decline in reporting on gender; the proportion of projects reported to UN OCHA’s Financial Tracking Service (FTS) not coded using a gender marker increased from 57% in 2012 to 68% in 2014.

9. Compared to other sectors, the largest proportion of donors state in policy documents their priority to fund the ‘food’ sector (66%), followed by the ‘protection’ and ‘health’ sectors (55%) – while the smallest proportion prioritise the ‘shelter’ sector (17%)

This is mirrored in spending patterns and the proportion of needs met in respect of food/food security and health. The ‘food’ and ‘health’ sectors received the highest and second-highest proportion of funding of all sectors – 24% and 8% respectively – and at the same time were the

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largest and third-largest in terms of UN-coordinated appeal requirements and the proportion of these requirements met (84% and 59% respectively). However, the prioritisation of the protection sector in policy documents is not reflected in funding allocation or the proportion of needs met. The protection sector only received 3% of funding to all sectors, and simultaneously received the lowest proportion of UN-coordinated appeal requirements met during this period (32%). Among donors that have produced stand-alone policies on food and food security/agriculture, Australia, Canada, the EU, France, Ireland, Norway and the US appear to lead at the policy level on this issue.

10. The intention to channel funds primarily through UN/multilateral agencies is reflected both in policy documents and funding allocation

Most donors (86%) identified in policy documents the UN agencies as priority funding channels. This is reflected in funding patterns, where the highest proportion (61%) of spending by donors was directed through multilateral channels. Donor decisions to channel funds through multilateral agencies are largely associated with the aim of strengthening the international aid system and the coordination role that these agencies play in international humanitarian response, as well as the stated preference by 38% of donors to fund partners with whom they have an existing relationship. The provision of 'core' unallocated funding to these agencies is reportedly intended to strengthen flexibility and the ability of these agencies to respond quickly and effectively to rapid-onset crises.

11. Most donors (72%) prioritise funding to international non-governmental organisations (INGOs) in policy documents

Prioritisation of support for INGOs is reflected in funding allocations: 88% of all funding to NGOs was channelled through INGOs. More than half of donors (55%) stated the priority to channel funding to member organisations of INGOs based in their respective donor countries (e.g. MSF Germany).

12. Priority to channel funding through local/national NGOs in policy documents is not reflected in funding patterns

The importance of localising the humanitarian response is widely recognised in donor strategies and policies. More than half of donors stated their intention to promote the participation of local actors in humanitarian response, while less than one-third stated the intention to channel funding through local/national NGOs. However, only 0.8% of donor funding to NGOs was directly channelled to local/national NGOs. Smaller donors (e.g. the Czech Republic and Luxembourg) tended to allocate larger proportions of their NGO funding to local/national NGOs than other donors.

13. In order for donors to make coordinated needs-based decisions on the allocation of available resources to different crises, they need accurate information both on what resources are available and on global needs

To achieve this, there needs to be:

- a. A better understanding of the proportion and value of each donor's budget that is available for allocation to crisis-affected countries in the first place. This often includes dedicated funding for protracted crises and a ring-fenced unallocated proportion of each donor's budget for rapid-onset crises. More generally, it requires a greater understanding of how donors determine the overall humanitarian budget split between 'where' (particularly relevant regarding the allocation of available resources to different crises), 'who' and 'what' they fund – including the breakdown of allocated and unallocated funding in each of these areas. This split is not generally clear from donors' policy documents.

- b. A common global needs assessment that prioritises needs in one crisis over another as a common basis for donor decision-making.

1. Background

International context

While international humanitarian assistance reached record levels in 2013, it is still not enough to fully meet needs. Globally, over one-third of funding requirements went unmet in UN-coordinated humanitarian appeals alone during 2013 (only US\$8.5 billion of the US\$13.2 billion required). Despite the emergence of new donors, the number, scale and severity of crises is outstripping resourcing. At the same time, humanitarian assistance is being called on to cover an ever-broader agenda, from preparedness to recovery.

The scale of needs calls for a different response. New and innovative sources of funding must be found and scaled up and, at the same time, existing resources must be used more effectively. Strengthening the effectiveness of the humanitarian response and filling the current funding gap through new approaches to financing is a topic of growing international interest and a central component of the consultations in the lead-up to the World Humanitarian Summit in 2016.

Coordinated needs-based funding

To use existing sources of funding more effectively and ensure that finite resources are allocated to where they can have the greatest impact on humanitarian needs, there is a pressing need for better coordination and coordinated decision-making between donors on how to divide up the humanitarian caseload and who is best placed to allocate resources to a particular crisis.

All donors make individual decisions and choices about who, what, where and how to fund in response to humanitarian crises, and this differs between rapid-onset and protracted crises. As government budgets tighten, country priorities and thematic approaches have also become streamlined – with a number of donors narrowing their focus to fewer countries and policy areas. These priority areas are often reflected in their policies, strategies and commitments, but they can also be politically driven – donors will often fund certain crises, regions and contexts because of historical ties, regional proximity, or language and cultural considerations.

At present, decisions on who is best placed to allocate resources to particular crises is neither made in a coordinated manner nor communicated comprehensively, and there is no regular and active forum for consultation at the global level between donors on this specific issue. The result is a set of established and high-profile recipients and an entrenched set of forgotten crises, as well as certain sectors/needs receiving greater attention than others. At the same time, for rapid-onset or escalating crises, there is no forum or comprehensive evidence base for quickly creating a rational ‘division of labour’.

To move towards a more equal response to humanitarian needs at the global level through better coordination and coordinated decision-making about the allocation of available resources, it is necessary first to understand how donors are currently prioritising and funding humanitarian

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assistance, and what the net result of this means in terms of a global coverage of needs, as a basis to these discussions.

Purpose of the research

Development Initiatives is currently undertaking research to fill this gap in information and map the humanitarian policy priorities of the 29 OECD Development Assistance Committee (DAC) donors, as outlined in their policy and strategy documents, against their humanitarian funding as reported to the UN Office for the Coordination of Humanitarian Affairs' (OCHA) Financial Tracking Service (FTS).

The purpose of this research is to assess the extent to which donors are currently prioritising and funding different crises, countries and contexts – referencing particular channels of delivery, funding mechanisms and approaches, thematic/sector focus areas and allocation criteria where relevant. The prioritisation and allocation of donors' allocated funding is particularly relevant to this research, as it is the decision-making related to this aspect of donors' humanitarian budgets that determines which crises and sectors are funded.

We hope that the outcomes of this research will be used by, and help to initiate discussions between, donors on who does and funds what; as well as informing the exploration of concrete processes and mechanisms for coordinated decision-making about the allocation of available resources. The research does not at this stage seek to assess donor policy priorities and funding allocation against global needs.

Scope of the research

In this first phase of the research, we focus primarily on **where** donors allocate funding, but also touch on assessing and comparing **what** and **how** donors fund, as well as the decision-making by donors that underpins this.

To date, our research has focused on analysing the priorities and spending patterns of the 29 donors as they are members of the OECD DAC and therefore a comparative group, and have relatively accessible policy documents and expenditure data. It is, however, recognised that these are not the only, nor in some contexts the most important, donors and that others also play a critical role. Analysis of other donors' priorities may follow in a second phase of research.

Initial analysis provides a broad overview of trends in donor allocation priorities through desk-based research, validated through consultations and feedback from some donors. Donor feedback on the outcomes of desk research and responses to a questionnaire on donor decision-making ('why donors fund') was requested in March 2015, and the research findings outlined in this report incorporate all feedback received (nine donors responded).³

The research in this phase has comprised two parts: a desk review of all relevant publicly available policy documents, strategies, budgets and reporting documents to analyse stated donor priorities; and analysis of actual donor spending priorities, based on data from OCHA's FTS between 2009 and 2013 to show a five-year trend, and to align to the period when most donor policy documents reviewed as part of this research were produced. The full methodology is given in Annex 1.

³ Austria, Canada, EU, Germany, Republic of Ireland, Luxembourg, Netherlands, Norway, Slovenia.

2. Key findings

This section provides an overview of key findings from the research, drawing out trends in donor priorities and funding allocation where this is evident, noting in particular evidence of **where** donors appear to be prioritising and/or funding similar crises, countries and contexts; channels of delivery; funding mechanisms and approaches (**how and to whom**); and thematic/sector focus areas (**what**). Where relevant, a brief analysis of the factors influencing donor decision-making in these areas will also be provided, drawing upon qualitative research findings. Comparisons will be made between priorities and funding where data on spending is available (see ‘Methodology’ section, Annex 1).

2a. WHERE donors fund

This subsection gives an overview of key research findings and trends regarding ‘where’ donors fund. Annex 2 provides a detailed breakdown of research findings for each donor and recipient country.

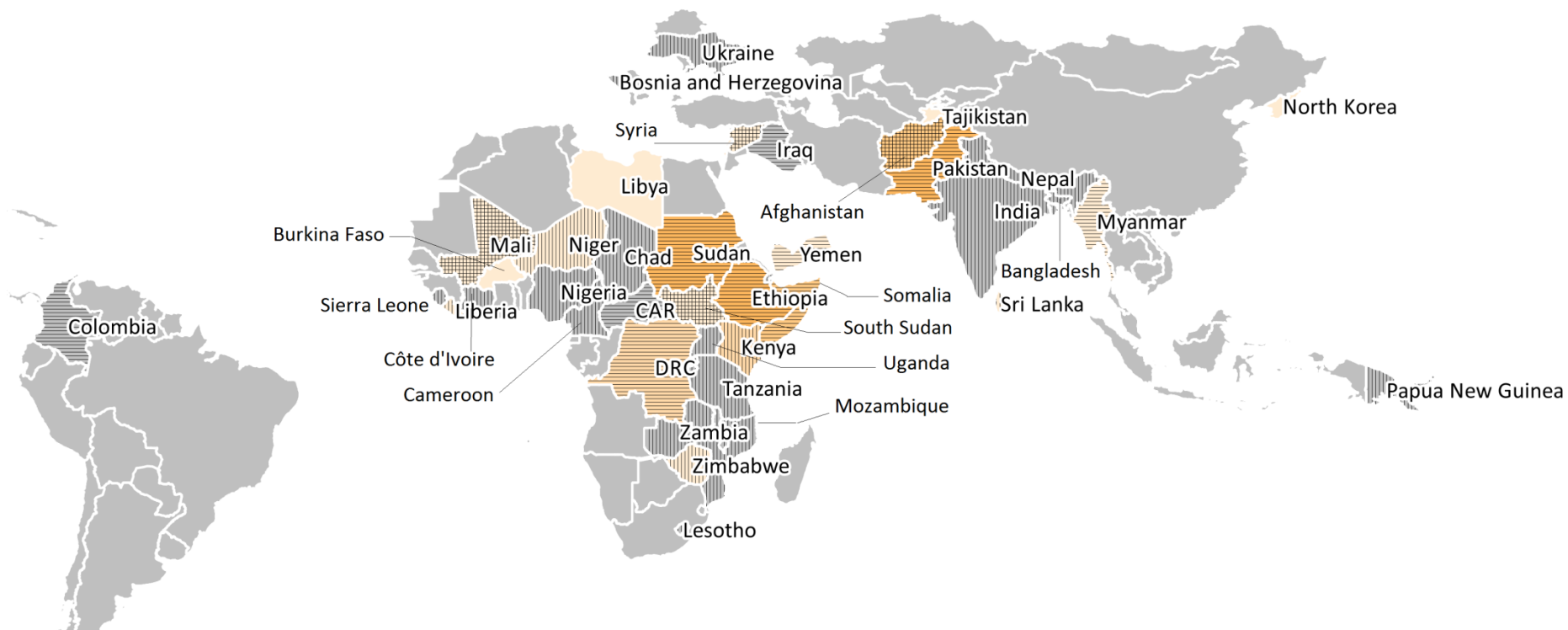
Priorities for assistance to various countries⁴

Table 1: Top ten recipient countries in terms of policy priorities and funding allocation

Top ten recipient countries (policy priorities)	Number of donors prioritising	Top ten recipient countries (funding allocation)	Funding allocation 2009–2013 (volume and % of total humanitarian funding)
oPt	12 (41%)	Sudan	US\$4.4 billion, 7.8%
South Sudan	11 (38%)	Pakistan	US\$4.1 billion, 7.3%
Afghanistan	10 (34%)	Ethiopia	US\$3 billion, 5.4%
Syria crisis	9 (31%)	Afghanistan	US\$2.7 billion, 4.8%
Mali	8 (28%)	Haiti	US\$2.7 billion, 4.7%
DRC	7 (24%)	DRC	US\$2.6 billion, 4.5%
Sudan and Ethiopia	6 (21%)	Somalia	US\$2.5 billion, 4.4%
CAR, Iraq, Myanmar and Somalia	5 (17%)	oPt	US\$2.2 billion, 3.9%
Colombia, Pakistan, Yemen	4 (14%)	Kenya	US\$1.9 billion, 3.4%
Haiti, Niger, Sierra Leone,	3 (10%)	South Sudan	US\$1.8 billion, 3.2%

⁴ The countries/crises included in this section are those that have been identified by donors as priorities for funding in their most recent humanitarian policy documents and/or budgetary planning documents. Some of the countries are prioritised specifically for DRR activities, but have been included in the research either because the distinction between DRR and humanitarian response is not clear in policy documents or because they have been specifically referenced as priorities in humanitarian policy documents (which often depends on whether the particular donor regards DRR activities as an integral aspect of humanitarian response and funds these activities through humanitarian as well as development budget lines).

Map 1: Top recipient countries for donor policy priorities and funding allocation



Source: Development Initiatives, based on FTS data (downloaded and coded April 2014)

Notes:

- Humanitarian assistance to recipient countries 2009–2013 represents cumulative funding to the top five recipients for each DAC donor
- While responding to the Ebola crisis is referenced as a policy priority by a number of donors, the funding response is not captured in the data
- Data for Syria captures funding coded more widely for the ‘Syria crisis’ on the FTS
- Data for EU funding includes four FTS entries (EC Humanitarian Aid Office, EC, EU, EC EuropeAid Development and Cooperation/EC Directorate General for Development)
- Funding coded as ‘region’ and ‘none’ is excluded from the analysis
- Deflated data have been used
- A number of countries are too small to show on the map: Burundi, Djibouti, Fiji, Haiti, Lebanon, Malawi, the occupied Palestinian Territories (oPt), the Philippines, Rwanda and Samoa

Number of donors prioritising recipient country in their policy document

- ||||| 0 - 3
- ==== 4 - 7
- ##### 8 - 12

Total humanitarian assistance to recipient countries 2009-2013 (US\$ Mn)

- 0.1 - 800
- 801 - 1400
- 1401 - 2200
- 2201 - 4500

Spending patterns and policy statements similarly show the deprioritisation of funding allocation towards 'forgotten crises'

Over one-third of donors (ten donors) stated their intention to prioritise 'forgotten crises' for funding – as identified through the European Commission Department for Humanitarian Aid and Civil Protection's (ECHO) '[Forgotten Crisis Assessment' index](#) (FCA). It is predominantly European donors that have identified this priority in policy documents, which may relate to the leadership of ECHO in terms of undertaking assessment on needs, vulnerability and forgotten crises, and in influencing the focus of other donors on these crises.

Despite this intention, however, few donors have explicitly identified countries experiencing forgotten crises (as identified on the FCA) as priorities for humanitarian assistance. The EU was the only donor to identify Bangladesh, Cameroon, Côte d'Ivoire, Djibouti, India, Nepal and Papua New Guinea as priorities – all of which have appeared on the FCA during the period 2004–2014. (Note that this analysis was undertaken before the 2015 Nepal earthquakes, and consequently donor priorities for Nepal are likely to have changed.)

As illustrated in Map 1, only a small number of donors have identified other countries appearing on the FCA during this period as priorities – such as Colombia (the EU, Germany, Spain, Switzerland), Pakistan (Denmark, the EU, Germany and the US), Western Sahara (Germany, Spain) and Yemen (the Czech Republic, the EU, Germany, the Netherlands).

This is to some extent mirrored in spending patterns, where Bangladesh, Cameroon, Colombia, Djibouti, India, Nepal, Papua New Guinea and Western Sahara (all appearing on the FCA in 2004–2014) each received less than 0.5% of total humanitarian funding during 2009–2013, receiving low levels of funding from a minimal number of donors in each case – five donors in the case of Papua New Guinea and Western Sahara.

There is some overlap at the global level between the countries prioritised in policy documents by the largest number of donors and receiving the largest proportion of funding, particularly in respect of longer-term crises

Map 1 illustrates that, for example, Afghanistan, as well as being prioritised in policy documents by the third-largest proportion of donors, received the fourth-largest proportion of humanitarian funding to any individual country (5%, US\$2.7 billion). Similarly, DRC was prioritised by the sixth-largest proportion of donors in policy documents and received the sixth-largest proportion of funding (4.5%, US\$2.5 billion). As shown in Table 1, a number of long-term major crises over the last decade unsurprisingly stand out as featuring in both the top ten countries prioritised for assistance in policy documents by donors and those receiving the largest proportion of funding – including Afghanistan, DRC, Ethiopia, oPt, Pakistan, Somalia, South Sudan and Sudan.

At the individual donor level, this is matched by an alignment between the countries identified as priorities in policy documents by, and those receiving the highest level of funding from, certain donors. For example, the Czech Republic, Denmark, the EU, Germany, Iceland, the Netherlands and Norway have each prioritised in policy documents at least two countries that also appear in their top five recipient countries. However, this only applies to donors that predefine their geographical priorities for funding allocation in policy documents (while other donors do not specify their geographical priorities in advance and state the intention to allocate funding flexibly in geographical terms on the basis of need – see below).

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However, policy documents tend to reflect major crises at the time of policy creation and are not an accurate guide to overall donor geographical priorities

As an overarching global trend illustrated in Map 1, there is a significant level of disconnect in the order of countries/crises identified as priorities by donors and those receiving the largest proportion of funding. Table 1 shows that Mali, the oPt, South Sudan and Syria are among the top five recipient countries prioritised by donors in policies, but do not feature in the top five countries in terms of funding allocation; conversely, Ethiopia, Haiti and Pakistan appear in the top five recipient countries in terms of funding allocation but are not in the top five countries prioritised in donor policy statements.

Similarly, Chad and Kenya were each only explicitly prioritised by two donors (the EU and Germany), yet respectively received the ninth and twelfth-largest proportion of funding received by any individual recipient country (3.4% and 2.6% respectively) and each received contributions (to varying levels) from 26 and 23 donors respectively.

This disconnect can be explained by the fact that policy documents tend to reflect major crises at the time of policy creation, and consequently do not cover new crises that have emerged since the relevant policies were published. This can also explain the fact that a relatively small proportion of donors (17%, five donors) have identified the Central African Republic (CAR) and Iraq as priorities for assistance, despite their current classification by UN OCHA as Level 3 emergencies.

It also explains the finding that rapid-onset crises attract funding for countries that are not established priorities in policy documents or in previous spending patterns. For example, Haiti received the fifth-highest proportion of total humanitarian funding during 2009–2013 (4.7%), yet was only explicitly prioritised by three donors (10%). Similarly, the response to the Pakistan floods (during 2009–2010) may explain the fact that it received the second-highest proportion of humanitarian funding overall during this period (7.3%, including contributions from 28 donors), despite being identified as a longer-term priority by only four donors (Denmark, the EU, Germany, the US).

The period of analysis for funding allocation may also partly explain this disconnect. For example, the rise in funding to South Sudan since the renewed conflict in 2014 is not captured in our funding analysis for this research, which covers the period 2009–2013.

Priorities for assistance to various regions

There is a high correlation between donors prioritising in policy documents and allocating funding to sub-Saharan Africa

Just under half of donors identified sub-Saharan Africa as a priority for humanitarian assistance (45%, 13 donors). In terms of sub-regions within sub-Saharan Africa, 24% (seven donors) identified 'Western Africa and the Sahel' and 21% (six donors) identified 'Eastern/Horn of Africa' as priorities. Following sub-Saharan Africa, Asia was prioritised for humanitarian assistance by the largest proportion of donors (21%, six donors), followed by the Middle East and Latin America/Caribbean (17%, five donors in each case). The lowest proportion of donors prioritised North Africa (3%, one donor).

This is reflected in funding allocation, where 'sub-Saharan Africa' received the largest proportion of humanitarian funding (53%), followed by 'South and Central Asia' (20%) and 'Middle East' (13%). In line with policy prioritisation, Europe received the lowest proportion of funding overall (0.1%).

Certain donors state in policies that they prioritise neighbouring regions, and/or those with which they have historical ties

There does not appear to be a clear division of responsibilities between donors in terms of regional prioritisation. However, certain trends have emerged, including the prioritisation by particular donors of neighbouring regions (e.g. New Zealand and Australia prioritising the Asia-Pacific; the Republic of Korea, New Zealand and Australia prioritising South-East Asia; and the Czech Republic prioritising the Western Balkans). This is reflected in spending trends, where New Zealand allocated by far the largest proportion of funding to the 'Asia-Pacific' and 'Oceania' (25%), followed by Australia (2%); and the Republic of Korea allocated the largest proportion of its funding to South-East Asia (48%), followed by New Zealand (24%) and Australia (15%).

In addition, certain donors prioritised regions with which they have historical ties (e.g. Belgium's prioritisation of the Great Lakes and France's prioritisation of the Western Sahel and North Africa), which is reflected to some extent in funding patterns: Belgium allocated the largest proportion of its funding to the Central Africa region (29%), greater than any other donor; and France allocated the second-largest proportion of its funding to 'West Africa and Sahel' (18%).

Priorities for assistance to protracted and rapid-onset crises

There is no clear division between donors prioritising assistance to rapid-onset and protracted crises in policy documents, but a significantly higher proportion of funding is allocated to 'complex' emergencies.

Most donors specify their intention to respond to both protracted and rapid-onset crises (see Annex 1 for an explanation of our use of terms). Over two-thirds of donors (76%, 22 donors) set out the priority to direct assistance to protracted crises, and a slightly higher proportion stated their intention to respond to rapid-onset crises (83%, 24 donors). Of these, New Zealand and the Republic of Korea stated the priority to respond primarily to rapid-onset disasters.

However, in terms of spending, most donors allocated a significantly higher proportion of funding to 'complex emergencies' (using UN OCHA FTS categories for classification) than to natural disasters. On average, donors allocated just over half (58%) of funding to complex crises during this period, and 19% to natural disasters.

Smaller donors tended to allocate a larger share of their humanitarian budget to natural disasters, with the Slovak Republic allocating 63% of its humanitarian assistance to responding to this type of crisis, followed by Portugal (43%) and Slovenia (36%).

Donor decision-making on 'where' to fund

Over half of donors state in policies that they prioritise assistance to fragile states

Sixteen donors (55%) stated their priority to channel funding to fragile states (specifically through humanitarian assistance, but this also refers to development assistance where the division between humanitarian and development funding is not clearly articulated in donor policy documents). This reflects a growing focus in donor policy on fragile states in line with the ['Principles for Good Engagement in Fragile States'](#) (2007) and efforts to link humanitarian assistance with efforts on stabilisation, security and/or peacebuilding, which often takes the shape of support to or in fragile states.

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Just over one-third of donors (34%, ten donors) stated their intention to link humanitarian assistance with work on conflict, peace, security and/or stabilisation, particularly in fragile states, in order to promote greater integration. In many cases, this is associated with foreign-policy objectives to strengthen global stability and promote peace in the interests of donors' own national security (see below). Linked to this, 14% of donors (four donors) stated the aim to align geographical priorities for engagement in fragile states with priorities for humanitarian assistance.

With regard to engagement in fragile and conflict-affected countries, just under one-third of donors (31%, nine donors) explicitly stated the ambition to promote conflict sensitivity in humanitarian response, largely in terms of understanding the crisis context in order to, and in alignment with the principles of, 'Do no harm' (as opposed to actively promoting peacebuilding efforts through humanitarian response).

Half of donors state that their policy is to allocate funding to individual crises on the basis of both predefined geographical priorities and needs, and one-third on the basis of needs alone

Most donors (86%) stated the broad ambition to allocate funding on the basis of 'needs'. When referring specifically to decision-making on 'where' they fund, just over half (52%, 15 donors) stated that their policy was to allocate funding to individual crises on the basis of a mixture between predefined geographical priorities (identified on the basis of existing needs assessments and UN/RCRC appeals at the time of planning or other non-needs-related donor priorities) and needs.

Just over one-third of donors (37%, 11 donors) did not identify any predetermined geographical priorities for humanitarian assistance in policy documents and instead stated the aim to allocate funding flexibly (often annually) in terms of geography on the basis of 'needs'. This has meant that a higher number of donors have allocated funding to particular countries/crises than the number identifying them as explicit priorities in policy documents (for example, 12 donors explicitly referenced oPt as a priority for funding in policy documents but, in practice, all 29 donors provided contributions (with varying amounts of funding) to the crisis during 2009–2013).

Allocating funding on the basis of 'needs' in either case is associated with funding in response to UN/RCRC appeals launched or undertaken in response to new crises emerging since the time of planning/budget allocation, and/or through the provision of unallocated funding to pooled funding mechanisms (e.g. the CERF) to fill funding gaps at global and country level and enable a flexible response to changing needs. Just over half of donors (55%, 16 donors) stated the priority to use UN appeals as a measure of the scale of needs; more than one-third (41%, 12 donors) the priority to use RCRC appeals, and 31% (nine donors) the priority to use ECHO Global Needs Assessments (which have since been replaced by INFORM).

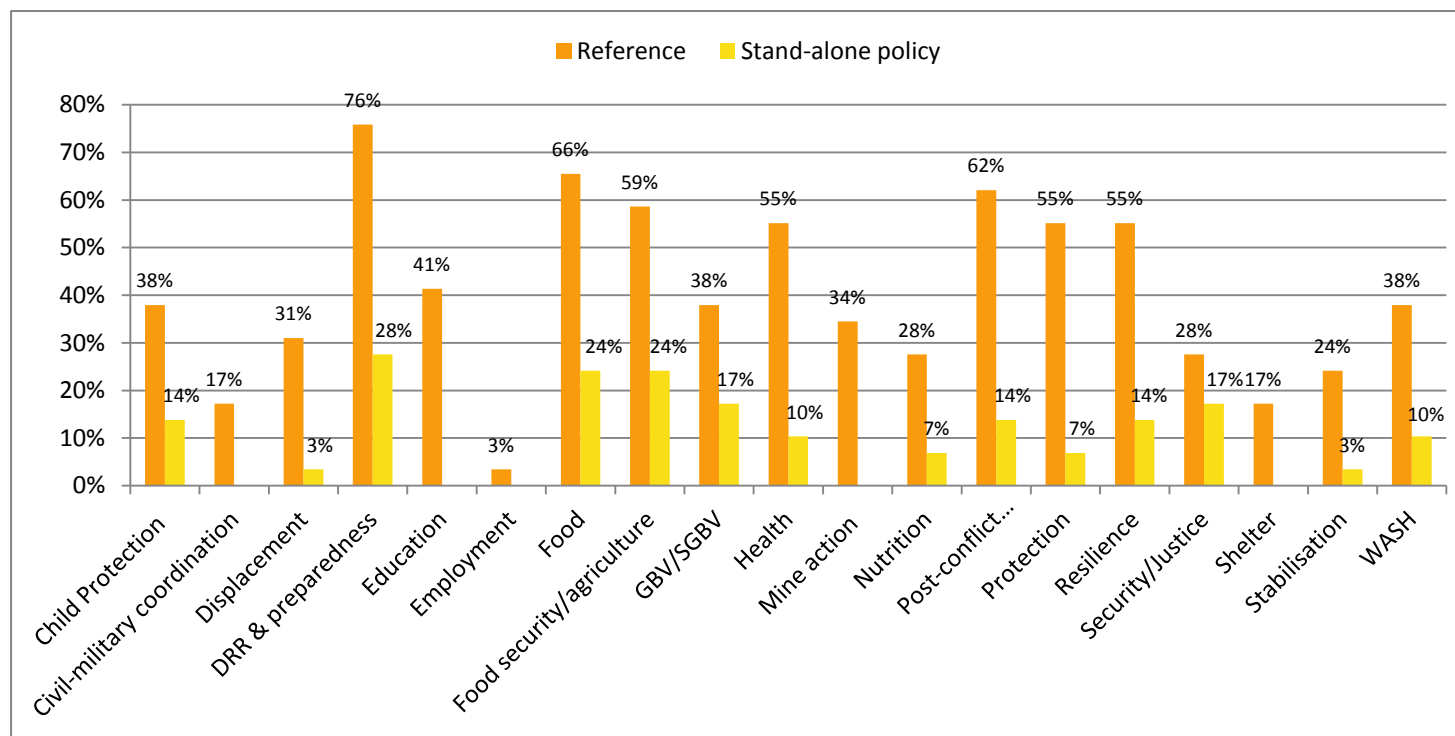
However, despite the overwhelming commitments within policy documents to respond on the basis of needs, other, additional factors often influence donors' decisions on where to allocate funding. On the basis of a review of policy documents and written responses from a number of donors in March 2015 to a questionnaire on 'why' donors fund, the research identified the additional factors listed below. Whilst important, the distinction in donor decision-making on rapid-onset and protracted crises is not always clear from policy documents and thus does not feature prominently in this section, although references have been made where possible.

- **Alignment of humanitarian assistance with foreign-policy objectives:** About half of donors (48%, 14 donors) referenced in policy documents the intention to align humanitarian assistance with foreign-policy objectives. This was often linked to wider political objectives of strengthening global stability and promoting peace in a donor’s own national security interests, and translates at the country/crisis level as efforts to link humanitarian assistance objectives with those on stabilisation, security and peacebuilding, particularly in fragile states
- **Prioritisation of countries/crises with which donors have a historical relationship:** 17% of donors (five donors) specified the priority to channel funding to countries with which they had historical ties or relationships
- **Prioritisation of crises where local response/capacity is inadequate:** About one-quarter (28%, eight donors) explicitly stated the intention to prioritise funding to crises where the local/government response was inadequate, and four donors (14%) stated the priority to respond to crisis-affected governments’ requests for assistance. These factors are predominantly referenced by donors with regard to decision-making on responding to rapid-onset crises
- **Vulnerability of population:** Linked to the overall focus on responding to needs, two-thirds of donors (66%, 19 donors) stated the priority to channel funding to the most vulnerable groups – including women, children, refugees, internally displaced persons (IDPs) and/or disabled persons
- **Prioritisation of crises where donor can add value:** About half of donors (52%, 15 donors) stated priorities to channel funds to crises where they added value and there was a gap in existing funding – referencing the use of OCHA’s FTS to identify funding gaps and existing coordination mechanisms as a tool for achieving this – including the EU Consensus on Humanitarian Aid (2007), COHAFa the Good Humanitarian Donorship (GHD) platform, OCHA’s Donor Support Group, the Food Assistance Convention (2013), the Hyogo Framework for Action (2015, HFA) and the Emergency Response Coordination Centre (ERCC). This is encouraging as it promotes coordination and a division of responsibilities between donors in funding to different crises in alignment with the overarching purpose of this research. More broadly, 22 donors (76%) stated the priority to coordinate with other donors in humanitarian response.

2b. WHAT donors fund

This section provides an overview of key research findings and trends in respect of ‘what’ donors fund. Matrix 2 (Annex 3) provides a detailed breakdown of research findings for each donor.

Figure 1: Proportion of OECD DAC donors prioritising different thematic and cross-cutting issues in stated policies



Source: Development Initiatives, based on analysis of OECD DAC donor policies

There is a predominant stated donor policy focus on disaster risk reduction (DRR), preparedness, and resilience, which is largely linked to wider goals to link humanitarian assistance and development

As illustrated in Figure 1, in comparison to other thematic and cross-cutting issues, the largest proportion of donors (76%, 22 donors) stated the priority to fund disaster risk reduction (DRR) and preparedness, closely followed donors prioritising resilience (55%, 16 donors) in their strategies and policies.

The predominance of DRR and resilience is reflected in 28% (eight donors) having stand-alone policies on DRR/preparedness. Funding in this area is channelled through a mix of development and humanitarian budgets, depending on the donor. It is not possible to compare policy priorities against funding in this area given that funding categories used in the FTS are sector-focused and a DRR or resilience marker is not currently used.

This increased focus of donors on DRR and resilience is more broadly aligned to the stated priority by 25 donors (86%) to link humanitarian assistance with longer-term development programming in their strategies, through one or more of the following approaches: resilience, DRR, prevention, preparedness, early recovery. (Funding for these initiatives comes from development and/or humanitarian funding streams, depending on the donor.) Seven of these donors use the term 'Linking Relief, Rehabilitation and Development' (LRRD) with reference to this issue.

In practice, the stated aim to link humanitarian and development assistance plays out to some extent at the country level. More than one-third (38%, 11 donors) specified the priority to support early recovery and about one-fifth (24%, seven donors) the intention to provide multi-annual funding to specific crises in order to achieve these linkages – including Denmark, Finland, Germany, the Republic of Korea, Slovenia, Sweden and the UK. In addition, about one-fifth of donors stated the aim to align geographical priorities for humanitarian assistance with priorities for development cooperation (five donors, 17%), and in most cases the convergence of this assistance takes shape as planned support for DRR, preparedness and resilience.

Linked to the intention to link relief and development, about one-fifth of donors (21%, six donors) explicitly stated the intention to allocate funding to particular crises/countries on the basis of poverty levels.

Two-thirds of donors identified peacebuilding/post-conflict reconstruction as a policy priority

Some two-thirds of donors (62%, 18 donors) outlined priorities to channel funding to peacebuilding/post-conflict reconstruction – some in their humanitarian and others in their broader development cooperation policies/strategies, with 14% (four donors) publishing stand-alone policies on this issue, the third-largest proportion of donors producing a stand-alone policy on any thematic issue. It is not possible to compare policy priorities in this area against funding allocation, given that spending on peacebuilding is not coded.

Priorities in this area may be related to wider ambitions to link humanitarian assistance with efforts on peacebuilding, stabilisation and security in fragile states (see section on 'where' donors fund, above).

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In comparison to other sectors, the largest proportion of donors prioritise the 'food' sector in their policies, followed by the protection and health sectors – while the lowest proportion prioritise 'shelter'.

Food/food security

Figure 1 shows that two-thirds of donors (66%, or 19) prioritise the food sector and 59% (17 donors) identify food security/agriculture as a policy priority. This is mirrored in funding patterns, where the food sector received a larger proportion of funding (24%) than any other sector. It is also illustrated through the proportion of needs met, where the food sector was the largest in terms of UN-coordinated appeal requirements and the proportion of requirements met (84%).

There is also alignment regarding the policy priorities and spending of certain donors in this area, where Belgium, Canada, the EU, Finland, France, Germany, Luxembourg, Japan, Spain and the US allocated the highest proportion of their funding to the food sector, and identified it as a priority in policy documents, and/or – in the case of Canada, France, the EU and the US – have developed stand-alone policies on food/food security.

By contrast, a low proportion of donors stated the priority to fund nutrition (28%, eight donors). However, despite the de-prioritisation of nutrition in policy documents overall, a stand-alone policy on nutrition has been produced by a larger proportion of donors than on any other issue, indicating the overall commitment to this issue by donors.

About one-third of donors (34%, ten donors) stated the priority to channel assistance through either cash or vouchers.

Protection

Protection is also high on the agenda, with 55% of donors prioritising this sector in their documentation. This is not, however, reflected in funding patterns, as only 3% of overall funding was channelled to protection. It is also not illustrated through the proportion of needs met, where the protection sector received the lowest proportion of UN-coordinated appeal requirements met during this period of all sectors (32%). Divergence between thematic/sector priorities outlined in donor policy documents and spending patterns may, however, reflect gaps in donor reporting on different sectors, and/or the fact that certain sectors are more costly than others.

There is some alignment of the policy priorities and spending of certain donors on protection. Norway allocated a higher proportion of its funding to the 'Protection, Human Rights & Rule of Law' sector than any other donor, and Denmark the second-largest, and at the same time identified protection as a priority in policy documents.

Health

Like 'protection', 55% of donors stated the priority to fund the 'health' sector. This is largely reflected in funding patterns, where 'health' received the third-largest proportion (8%) of funding by donors of any sector. It is also reflected in the proportion of needs met, where the health sector was the second-largest in terms of UN-coordinated appeal requirements and received the third-largest proportion of requirements met (59%). There is some alignment of the policy priorities and spending of certain donors in this area, where ECHO produced a stand-alone policy on health and the European Commission channelled the second-highest proportion of its funding during this period to the sector (17%).

Shelter

Less than one-fifth of donors stated the priority to fund the 'shelter' sector (17%, five donors).

Certain donors lead from a policy perspective in the areas of DRR, resilience, food/food security and peacebuilding to a greater extent than others

It is difficult to identify clear trends in donors' intentions to prioritise different thematic issues and sectors, with most donors identifying a broad range of issues. However, on the basis of donors that have produced stand-alone policies on specific issues as an indication of their deeper commitment in these areas:

- Australia, the EU, Japan, the Republic of Korea, New Zealand, Switzerland, the UK and the US appear to lead at the policy level on the areas of DRR and resilience
- Australia, Portugal, Spain, Sweden and the UK appear to lead at the policy level in the areas of peace, security and stabilisation
- Australia, Canada, the EU, France, Ireland, Norway and the US appear to lead at the policy level on food and food security/agriculture. This is to some extent mirrored in spending patterns, where Canada, the EU, France and the US are also in the top five donors in terms of the proportion of their funding allocated to the food sector.

Gender equality is the most frequently stated cross-cutting issue among donors, while 'age' is the least

Gender equality is the most popular cross-cutting issue amongst DAC donors (prioritised by 79%, 23 donors), followed by the environment (69%, 20 donors) and human rights (52%, 15 donors). Eleven donors (38%) have identified addressing 'gender-based violence' (or 'women, peace and security') as a specific priority issue for funding, with Austria, Iceland, Portugal, the UK and the US having produced stand-alone policy documents on this issue, the fourth-largest proportion of donors producing a stand-alone policy on any thematic issue. By contrast, only a small proportion (10%, three donors) have identified age as a priority cross-cutting issue.

Using the Inter-Agency Standing Committee (IASC) gender marker it is possible, to some extent, to compare policy priorities and spending on gender. Despite the fact that most donors have identified gender as a priority cross-cutting issue for funding, recent [funding analysis](#) by the Development Initiatives Global Humanitarian Assistance (GHA) programme found that the combined proportion of donor funding to projects that make a 'significant' or 'principal' contribution to funding fell from 35% in 2012 to 19% in 2014, meaning that less than one-fifth of all projects reported to the FTS explicitly focused on gender. However, this may reflect a decline in reporting on gender, where the proportion of projects reported to the FTS not coded using a gender marker increased from 57% in 2012 to 68% in 2014.

2c. HOW donors fund

This section provides an overview of key research findings and trends about ‘what’ donors fund. Matrix 3 (Annex 4) provides a detailed breakdown of research findings for each donor.

Donor decision-making on how to allocate funding: ‘Who’ vs ‘What’ vs ‘Where’

Donors make decisions on funding allocation in different ways. Some allocate humanitarian funding in the first instance on the basis of ‘who’ they want to fund (and then allocate the remainder of the budget on the basis of ‘where’ and/or ‘what’ they want to fund). Others take a similar approach but initially allocate funding on the basis of ‘where’ or ‘what’ to fund.

Funding on the basis of ‘who’ largely takes the form of unallocated or ‘core’ funding to UN/RCRC agencies, international pooled-funding mechanisms (e.g. the CERF) and non-governmental organisations (NGOs) – where the donor does not require the funds to be used for a specific project, sector, crisis or country, leaving the recipient organisation to decide on allocation of funds to specific projects. A main aim of donors in channelling funds this way is to strengthen the flexibility and ability of recipient organisations to respond quickly and effectively to crises. Funding on the basis of ‘who’ also, however, takes the form of allocated funding, where the donor specifies to which country/crisis or sector a recipient organisation should channel funding.

Funding on the basis of ‘where’ usually takes the form of allocated funding at the level of country, crisis or sub-region, or to a specific project as the most tightly restricted level. This is specifically relevant to protracted crises. By contrast, responses to rapid-onset crises are usually unplanned, not included in budgetary planning processes, and funded from unallocated portions of humanitarian budgets which are ring-fenced for this purpose. Similarly, funding on the basis of ‘what’ usually takes the form of allocated funding to a specific sector.

It is not generally clear from policy documents how donors determine the overall humanitarian budget split between ‘who’, ‘where’ and ‘what’ they fund – including the breakdown of allocated and unallocated funding in each of these areas. However, on the basis of information collected on ten donors – identified through humanitarian policy documents where allocation preferences are referenced and/or written feedback collected from donors in March 2015 – most donors (eight) stated that they made policy decisions on the basis of ‘where’ they wanted to fund in the first instance, and then decide ‘who’ and ‘what’ they want to fund on this basis. Four made policy decisions on ‘who’ they wanted to fund in the first instance, and then channelled the remainder of their budget to individual countries (on the basis of ‘where’ they wanted to fund).

Further research is needed on this budgetary split, particularly on the proportion of donors’ budgets that is allocated on the basis of ‘where’. If donors are to make needs-based decisions on the allocation of available resources to different crises in a coordinated manner, they first need information on what resources are available for this purpose within their budgets.

Funding channels

Few donors specify in policy documents how they intend to divide spending between various funding channels

Most donors outlined a prioritised mix of channels of delivery – predominantly through UN agencies, RCRC agencies, pooled funds and NGOs – with few specifying at the policy level the intended split between different channels. This made it difficult to compare the proportional division between the channels donors stated they would use in policy documents and those they actually used in practice. Consequently, we have analysed broad trends for comparative purposes where possible.

Interestingly, six donors – Germany, the Republic of Ireland, the Netherlands, Norway, Spain and Slovenia – explicitly stated the intention to be ‘even-handed’ in their distribution between channels and, in particular, between NGOs and UN agencies (Ireland) and between international and local channels (Spain).

Most donors prioritise in policy documents funding through UN/multilateral agencies, and this is mirrored in spending trends

The majority of donors (86%, or 25 donors) identified UN agencies as priority funding channels, with the greatest proportion of donors specifying UNHCR (76%, 22 donors) as a priority recipient, followed by UNICEF and the WFP (both 69%, 20 donors) and UN OCHA (66%, 19 donors).

This is reflected in funding patterns: the highest proportion of spending by donors was channelled through multilateral channels (61%). However, a number of donors stand outside this general pattern, particularly in respect of their comparably lower proportional allocation of funding through multilateral agencies. For example, only 13% of the Slovak Republic’s funding was allocated through multilateral agencies, followed by the Czech Republic (28%), Switzerland (38%), the EU and Norway (45% each).

More than three-quarters of DAC donors specify in policies their intention to channel funds through RCRC agencies, and this is mirrored in funding patterns

79% of donors (23) identified the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC) as priority channels for funding, while about one-third identified national Red Cross societies as a priority (ten donors, 34%).

This is mirrored in funding patterns, as – despite the fact that the overall proportion of funding allocated to RCRC agencies and societies (12%) was lower than that channelled to multilateral agencies – all donors allocated various levels of funding to RCRC agencies/societies during this period. Switzerland allocated a larger proportion of its funding (31%) to RCRC agencies than did any other donor, followed by Luxembourg (25%) and Slovenia and Poland (20% each).

Over two-thirds of donors specify in policies their intention to channel funds through pooled-funding channels and this is reflected in funding allocation

Just over two-thirds of donors (69%, 20 donors) stated the priority to channel funding through pooled-funding mechanisms. 76% stated the priority to do so through the CERF, and 34% (ten donors) to channel funding through country-based mechanisms, including common humanitarian funds (CHF) and emergency response funds (ERFs). In alignment with this, almost all donors (28) made contributions to the CERF during. A greater number of donors allocated various degrees of

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funding to country-based CHFs (15) and ERFs (20) than prioritised these mechanisms in policy documents.

Portugal allocated the largest proportion (61%) of its overall funding through global and in-country pooled-funding mechanisms, followed by the Republic of Ireland (57%) and the Netherlands (53%). By contrast, the EU, Japan and the US allocated less than 1% of their funding through pooled-funding mechanisms.

Among donors that channelled funding through pooled-funding mechanisms, smaller donors allocated a higher proportion of their pooled funding to the CERF than other donors. Austria, Greece, Portugal and the Slovak Republic channelled 100% of their funding to pooled funds through the CERF, while larger donors demonstrated a greater mix between international and country-based pooled-funding mechanisms. More than half (63%) of Ireland's funding to pooled funds was channelled through CHF/ERFs, followed by the Netherlands (43%) and Norway (37%).

More donor policies prioritise funding to INGOs, and this is reflected in funding allocation

Just under three-quarters (72%, 21 donors) of donors stated the priority to channel funds through international NGOs. This is reflected in funding allocation, with more than three-quarters (88%) of all donors' funding to NGOs channelled to international NGOs.

More than half of donors (55%) stated the priority to channel funding to member organisations of INGOs based in their respective donor countries (e.g. MSF Germany).

Despite stated donor priorities to promote local participation, only a very small proportion of funding to NGOs is channelled through national/local NGOs

Just over half of donors (55%, 16 donors) stated their intention to promote the participation of local actors in humanitarian response, and less than one-third stated the intention to channel funding through local/national NGOs (28%, eight donors). However, on average only 0.8% of donor funding was directly channelled to these NGOs.

The Czech Republic allocated a larger proportion (14%) of its funding to local/national NGOs than any other donor, followed by Luxembourg (6%) and Switzerland (5%) – all notably smaller donors.

Donor decision-making on funding channels (i.e. 'how' donors fund)

Decisions on 'how' donors fund and preferences in terms of funding channels are determined by a variety of factors. On the basis of a review of policy documents and written responses from a number of donors in March 2015 to our questionnaire ('why donors fund'), the research found that the overarching priority to channel funding to multilateral agencies (in terms of both policy priorities and spending, see above) was often linked to the preference to provide funding through established organisations and channels with a 'proven track record'.

More than one-third of donors (38%, 11 donors) stated the preference to fund partners with whom they had an existing relationship, and support to multilateral and UN agencies was also often associated with the aim to strengthen the international aid system (identified as a priority by 11 donors, 38%), and the coordination role that these agencies play in international humanitarian response. Support to multilateral agencies through 'core' or unallocated funding was also often associated with the intention of strengthening flexibility and enabling these agencies to respond quickly and effectively to rapid-onset crises.

Priorities to promote local participation and fund local/national NGOs (see above), although not currently followed through in funding allocation, were largely associated with donors' intentions to strengthen effectiveness and accountability – about one-third of donors (ten donors, 34%) stated the priority to promote accountability to affected populations, largely through the collection and use of beneficiary feedback in decision-making.

Rapid-funding mechanisms

Two-thirds of donors state that they have rapid response capacity

Two-thirds (66%, 19 donors) of donors have rapid-response capacity in place (including rosters and deployable personnel, rapid response funds and coordination centres), particularly among the larger donors. Twelve donors (41%) have set up systems for prepositioning stocks in readiness for rapid-onset crises, and just less than one-third (31%, nine donors) have established a prequalification scheme for NGOs.

More than one-third of donors state that they have contingency funds in place for responding to rapid-onset crises

Eleven donors (38%) made explicit reference to contingency funds being in place to facilitate a rapid response to crises (usually by ring-fencing an unallocated portion of their humanitarian budget for this purpose).

3. The way forward

Our research identified the following questions to consider in discussions between donors about the exploration of concrete processes and mechanisms for coordinated needs-based decision-making.

1. Would an established process/mechanism for coordinated decision-making be helpful for donors? How should the processes differ to facilitate coordinated responses to rapid-onset and protracted crises? What would be the challenges and limitations?
2. What useful already-existing coordination mechanisms at national and international level could be built on for this purpose? What are the challenges, and how can they be ameliorated? Could the GHD forum be built upon as a coordination mechanism at the global level? What mechanisms already exist for balancing funding in response to needs, and what lessons can be drawn from them (e.g. CERF)?
3. On what subjects would this coordination mechanism be used to make decisions? What would be the outcomes?
4. How would this coordination mechanism function? Who should manage it?
5. What criteria should be considered for deciding which donors are best placed to respond to particular crises (e.g. donor's size, humanitarian budget, structure, rapid response capacities, knowledge areas, location, and comparative advantage)?
6. What further information and research is required to inform this process?

To promote effectiveness and respond effectively to humanitarian needs, it is important that donor discussions on coordinated decision-making about the allocation of available humanitarian resources are not undertaken in isolation from, but are situated within, broader discussions on the allocation of wider resource flows in crisis-affected countries, including within the development sector.

Annex 1: Methodology and definitions

Methodology

Analysis of donor priorities

Desk research: Analysis of donor policy priorities is based on a desk review of all relevant publicly-available policy documents, strategies, budgets and reporting documents. Documents that are difficult to locate and/or are not publicly available have not been reviewed. Humanitarian policies and strategies have been reviewed where they exist. However, more than one-third of OECD DAC donors reviewed (ten donors)⁵ have not published a stand-alone policy/strategy to guide their allocation of humanitarian assistance, with most of these articulating their humanitarian policies (to varying levels of detail) in wider strategies for development cooperation. In some cases, this has made it difficult to distinguish humanitarian from development priorities.

The information required on donor priorities as per the research framework is not always specified in donor policy documents – including humanitarian policies. The level of detail on humanitarian priorities outlined in policy documents varies by donor. As a result, donor priorities in different areas are not always clear and, consequently, only information specified in donor policy and strategy documents has been captured in the analysis.

We have drawn on OECD DAC peer reviews where possible to fill gaps in information (particularly for smaller donors).

Donor feedback: To consult donors on the research, fill gaps and verify findings from the desk research, in March 2015 we requested donor feedback on the outcomes of the desk research (recorded in a summary document and matrix for each donor) and responses to a questionnaire on donor decision-making on funding allocation ('why donors fund'). The research findings outlined in this report incorporate all feedback received (nine donors responded to requests for feedback).⁶

Measure used for identifying donor priorities: A donor is captured as having a priority in a certain area if it has made reference to a particular priority at least once in a policy document, strategy or reporting document. In order to enable greater comparison between donors, the research also focused on capturing whether or not donors had stand-alone policies on particular issues as an indication of their deeper commitment in these areas. Stand-alone policies produced by donors predominantly related to thematic issues although, where available and relevant, stand-alone policies on particular regions/countries have also been captured.

Beyond capturing stand-alone donor policies on particular issues, donor priorities have not been weighted in this phase of research, particularly in terms of assessing and comparing the varying depth of prioritisation by different donors in certain areas. Further analysis aimed at weighting donor priorities might be considered for a second phase of research.

⁵ Canada, Czech Republic, Greece, Iceland, Poland, Portugal, Slovak Republic, Slovenia, Switzerland.

⁶ Austria, Canada, EU, Germany, Republic of Ireland, Luxembourg, Netherlands, Norway, Slovenia.

Structure for summaries of donor priorities: In line with the research framework, summaries of donor priorities have been structured to capture information on:

- **how** donors fund, including donors' internal structures for coordinating a humanitarian response, mechanisms in place for enabling a timely response, and channels for delivery (including UN/multilateral agencies, pooled funds, RCRC agencies and NGOs)
- **what** donors fund (policy priorities, including thematic and sector preferences) and
- **where** donors fund

as well as the factors influencing donor decision-making in each of these areas.

The information contained in each donor summary has been synthesised for comparison within an analytical framework on donor policy priorities. This is structured to synthesise findings on where, what and how donors fund, as well as the factors underpinning donor decision-making in each of these areas. Matrixes summarising the findings on where, what and how donors fund – mapping policy priorities against funding allocation – can be found in Annexes 2, 3 and 4.

Classification of countries and regions: In the analysis, we have used the regional classifications and categories used by donors in their policy documents. To enable comparison between regions and between policy priorities and funding allocation, all sub-regions identified by donors have been folded under the following broader regional classifications for the purpose of this research: sub-Saharan Africa, Asia, Latin America and the Caribbean, the Middle East, North Africa, and Europe, and South Central Asia.

The countries/crises identified as priorities are those that have been referenced by donors as priorities for funding in the most recent humanitarian policy documents and/or budgetary planning documents. Some of the countries are prioritised specifically for DRR activities, but have been included in the research either because the distinction between DRR and humanitarian response is not clear in policy documents or because they have been specifically referenced as priorities in humanitarian policy documents (which often depends on whether the particular donor regards DRR activities as an integral aspect of humanitarian response and funds these activities through humanitarian as well as development budget lines).

It is not always clear from policy documents how donors determine the overall humanitarian budget split between 'who', 'where' and 'what' they fund – including the breakdown of allocated and unallocated funding in each of these areas.

Analysis of donor spending

Use of UN OCHA's FTS. Analysis of donor spending is based on data from UN OCHA's FTS between 2009 and 2013 to show a five-year trend funding picture rather than figures for individual years, which could be skewed by one-off emergencies.

Analysis of donor spending focuses on proportions as well as volumes. Analysis of donor funding captures the volume of funding as well as the proportion of a donor's humanitarian spending allocated to a particular sector, channel or country/region. Analysis of proportions enables us more easily to compare spending with donor priorities – which are analysed in terms of the proportion of donors prioritising a particular recipient country, region, channel or thematic area.

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Making assumptions about donor prioritisation on the basis of spending. It is difficult to make assumptions about the delivery of donor priorities in practice from data on funding as higher donor spending in a particular area does not necessarily suggest greater donor prioritisation in that area, but may reflect higher costs in certain crises, sectors and funding channels than others. Comparisons of broad trends in donor priorities and funding allocation are, however, made where possible.

Analysis of funding to regions. To obtain funding figures for each region, the FTS data is filtered by the 'emergency region name' field. Categories used in the analysis of policy priorities and those used in FTS are aligned for South-East Asia, the Middle East, North Africa, East Africa and Horn of Africa, Central Africa, Western Africa and Southern Africa. For other categories used in the analysis of policy priorities but not matching those used in FTS, regional spending was calculated as follows: regional funding to the 'Asia-Pacific' and 'Oceania' policy categories includes funding to 'Pacific' and 'Oceania' (FTS categories); regional funding to the 'South and Central Asia' policy category captures funding to 'South Asia', 'Southwest Asia' (Central Asia) and 'Caucasus' (FTS categories); regional funding to 'Europe' captures funding to 'Central Europe', 'Eastern Europe', 'South Eastern Europe (Balkans)' and 'Western Europe' (FTS categories); and regional funding to 'Latin America and the Caribbean' captures funding to 'South America', 'Central America' and 'Caribbean' (FTS categories).

Analysis of funding to gender. This is based on data reported to UN OCHA's FTS coded with an Inter-Agency Standing Committee (IASC) gender marker. The IASC gender marker comprises six different codes by which donors and agencies mark their programme expenditure:

- 0: Gender issues not considered
- 1: Designed to contribute in some way to gender equality
- 2a: Designed to contribute significantly to gender equality (equivalent to Code 2 for UNDP and UNICEF projects)
- 2b: Principal purpose is to enhance gender equality
- 3: Not specified
- 4: Inapplicable

Comparing trends in donor priorities and funding allocation

It is difficult to compare donor policy priorities with spending patterns due to the following factors.

Research on donor policy priorities is qualitative, and on donor spending quantitative. It is difficult to make direct comparisons between donor priorities and spending patterns given that research on policy priorities is qualitative and analysis of spending is quantitative, and also because the terminology used by donors in policy documents is not consistent, and does not systematically match the funding categories in the FTS. In addition, spending under a number of thematic labels used by donors – for example, resilience – is not disaggregated in data on funding, which limits options for comparing priorities and spending in these areas. Despite these challenges, efforts have been made to analyse and compare broad trends in donor priorities and spending.

The timeframes for analysing donor priorities and funding allocation do not fully correlate. The timeframe for analysing trends in donor spending is constant (2009–2013), while that for analysing humanitarian priorities varies between donors and depends on the publication dates of relevant policy/strategy documents. This does not, however, mean that analyses of priorities and spending are not comparable, as donor priorities set out in policy documents published before the timeframe for analysis on donor spending (2009–2013) are regarded as relevant to this timeframe unless otherwise stated. Where strategies and policies have been revised or updated, the most recent version has been reviewed.

Donors to do not generally specify how they intend to split funding between different channels. It is difficult to compare donor priorities and funding allocation to various funding channels given that few donors specify at the policy level the intended split between different channels. Consequently, an analysis of broad trends has been undertaken where possible.

Definitions

Channels of delivery: The agencies and organisations receiving funding for delivery of humanitarian assistance – UN agencies, NGOs, the public sector, pooled funds and the RCRC – whether they deliver the assistance themselves or pass it on to partner organisations. For example, a donor may fund a UN agency, which may in turn fund an international NGO, which may in turn partner with a local NGO to deliver the assistance. We are currently only able to track humanitarian assistance expenditure to the first transaction level.

Complex emergency (FTS definition): A humanitarian crisis requiring an international response that goes beyond the mandate or capacity of any single agency. Complex emergencies are typically characterised by extensive violence and loss of life, massive displacement of people, widespread damage to societies and economies, need for large-scale, multi-faceted humanitarian assistance, hindrance to or prevention of humanitarian assistance by political and military constraints, and significant security risks for humanitarian relief workers in some areas.

Allocated: Funding for which the donor specifies the exact use (project and destination). Funds can be allocated at the level of country, crisis, sector or – the most restricted level – project.

Forgotten crises: Our analysis of forgotten crises is based on the European Commission Department of Humanitarian Aid and Civil Protection's (ECHO) Forgotten Crisis Assessment index (FCA), which is compiled annually using a series of weighted indicators to create an overall ranking of emergency situations.

Humanitarian needs

Our analysis of humanitarian needs is based on:

- The number of people affected by crises. Figures are derived from UN-coordinated appeals, the CRED EM-DAT disaster database (data downloaded on 8 May 2014) and data from the Office of the United Nations High Commissioner for Refugees (UNHCR). Our figures always reference the highest number of people affected within each country at any given point during the year
- The proportion of the total population affected in crisis countries. Percentages are calculated using the World Bank's 2012 population statistics.

NGO classifications:

- **International NGOs:** Those based in an OECD DAC member country and carrying out operations in one or more developing country (e.g. Save the Children UK, Catholic Relief Services, Oxfam GB, Norwegian Refugee Council)
- **Southern International NGOs (SINGOs):** Those not based in an OECD DAC member country and carrying out operations in one or more developing country (e.g. BRAC, Mercy Malaysia)
- **Affiliated national NGOs:** National NGOs affiliated with an international NGO (e.g. World Vision South Sudan, Food for the Hungry)

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- **National NGOs:** – those operating in the developing country where they are headquartered, working in multiple sub-national regions, and not affiliated to an international NGO (e.g. Almanar Voluntary Organization, Somali Humanitarian Aid and Development Organization)
- **Local NGOs:** Those operating in a specific geographically defined sub-national area, without affiliation to either a national or international NGO. This grouping can also include community-based organisations (CBOs) (e.g. Abyei Community Action for Development, Nuba Mountain Relief, Rehabilitation and Development Organization).

Poverty: We refer to three categories of poverty in this report, all using World Bank data:

- \$1.25 a day ('extreme' or 'absolute' poverty)
- \$2 a day
- \$4 a day

Protracted crisis: An environment in which a significant proportion of the population is acutely vulnerable to death and disruption of livelihoods over a prolonged period of time as a result of risks that are man-made (e.g. by conflict and insecurity) and/or natural (e.g. environmental pressures). Protracted crises generally require long-term assistance from donors. Protracted crises may also include 'recurrent' crises, where the crisis is ongoing, experiencing regular and predictable peak periods.

UN-coordinated appeals: The new 'strategic response plans' (SRPs) and the previous Consolidated Appeal Process (CAP) appeals and/or other UN-coordinated appeals.

Unallocated funding: A contribution of funds which the donor does not require to be used for a specific project, sector, crisis or country, leaving the recipient organisation to decide on the allocation of funds to specific projects.

Rapid-onset crises: Both 'natural disasters' (e.g. earthquakes and floods) and man-made conflicts (e.g. sudden conflict situations arising from political factors) for which there is little warning. Recurring rapid-onset crises are categorised as 'rapid-onset' for the purpose of this research as each crisis (whether recurring or not) requires immediate action from donors as opposed to longer-term assistance (which relates more predominantly to protracted crises).



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