

# 3

## THE RESPONSE

### ACTORS AND RESOURCES IN THE HUMANITARIAN SYSTEM

For better or for worse, humanitarian response is a growth industry. Although fluctuating along with the number and scope of emergencies occurring year by year, the system continues to expand, with the size of provider organisations generally following the growth in donor outlays. In economic terms, growth in the humanitarian system is 'sticky' – when organisations enlarge their capacity in response to a surge in emergency funding, they tend not to shed staff and other resources to the same degree afterwards. Many of the largest INGOs operating today have grown by successive big leaps related to major emergencies.

This section looks at actors and resources in the humanitarian sector and compares them to the prior period (2009–2010). Overall the findings indicate continued growth in budgets and staffing and an increased consolidation of resources in the largest INGOs – a couple of which, Save the Children and International Rescue Committee, saw significant growth increases. There have been no big changes in terms of new entrants or ‘disruptors’, and few agencies succumbed to competition. Rather, contributions continued to flow to trusted partners, where a prior funding relationship and track record is most important.

### 3.1 The core humanitarian actors

#### Provider organisations

As of 2014, roughly 4,480 organisations operated as humanitarian aid providers around the world, according to the Global Database of Humanitarian Organisations (Humanitarian Outcomes, 2015). The majority of these are national or local NGOs that work only inside their own countries; they comprise the indispensable delivery mechanism for much of the international aid that moves through the system.

Most aid organisations, national and international, provide development aid as well as emergency humanitarian relief. Table 2 shows the percentage of programmatic expenditure and staffing devoted to humanitarian aid, based on agencies’ reports.

**Table 1 / Organisational resources devoted to humanitarian aid, 2013**

	UN agencies	NGOs (estimates)	Red Cross/Red Crescent movement
<b>Number of organisations</b>	<b>11</b>	<b>4,278</b> • 783 INGOs • 3,495 national NGO	<b>191<sup>b</sup></b>
<b>Field personnel</b>	<b>56,000</b> • 46,000 national • 9,000 international	<b>249,000</b> • 219,000 national • 30,000 international	<b>145,000</b> • 12,000 ICRC/IFRC, national • 2,000 ICRC/IFRC, international • 131,000 NRCS, national
<b>Humanitarian expenditure</b>	<b>\$10.6 billion</b>	<b>\$10.7 billion</b>	• \$1.10 billion, ICRC • \$0.17 billion, IFRC • \$14.4 billion, NRCS

Source: Humanitarian Outcomes (2015).

Notes: Because much of the UN’s humanitarian spending is programmed through NGOs, expenditure figures cannot be totalled across provider types (it would result in double counting). Some multi-mandated organisations report the figures for the humanitarian portion of their spending and staffing separately; for others, this calculation was made based on the reported percentage of their programming that went to emergency relief. See the SOHS Annexes ([www.alnap.org/resource/sohs2015-annexes](http://www.alnap.org/resource/sohs2015-annexes)) for the methodology used to estimate organisations’ humanitarian expenditure and staffing.

a. Includes IASC full members plus UNRWRA and the International Organization for Migration.  
b. Includes ICRC, IFRC and 189 national societies.  
c. This figure is from 2012 and includes only the staff from low-to-middle-income countries where humanitarian interventions are more likely. The total number of paid staff for national Red Cross/Red Crescent societies globally in 2012 was 427,000.

As of 2014, there were



**4480**

humanitarian organisations



**4 out of 5**

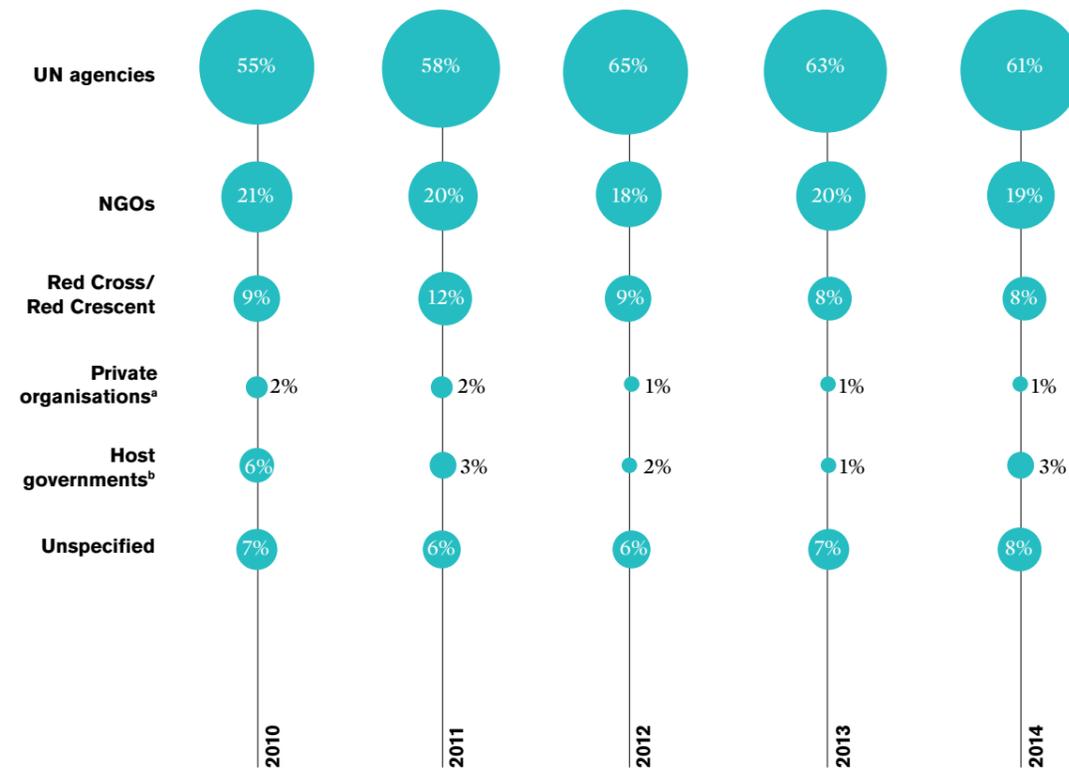
being local NGOs working in-country

Along with humanitarian expenditure, agencies have increased their humanitarian staff in the field. Using the same calculations as used in the SOHS 2012, the increase is on the order of 16% (from 274,000 to 319,000). However, the SOHS 2015 benefited from new staffing data made available for the first time in 2013 by the IFRC on national Red Cross and Red Crescent societies. Past SOHS reports cited IFRC estimates of national society staffing: 30,000 paid staff and 300,000 volunteers. However, a federation-wide data-gathering exercise has resulted in more precise staffing numbers that are quite a bit higher: 427,000 paid staff across all national societies and over 17 million volunteers. Yet, the majority of these personnel were in the national societies of wealthy nations in particular Germany, Japan, China, and US) – that did not require international humanitarian assistance during the period, so it would not be accurate or internally consistent to count them all among the humanitarian field personnel estimates. Instead we have counted the paid staff from low-to-middle-income countries where humanitarian emergencies requiring the intervention of the humanitarian system are more likely. This comes to 130,993 (IFRC, 2014).

As the previous SOHS report pointed out, the bulk of the financial resources are controlled by UN humanitarian agencies and the largest INGOs. The vast majority of donor funding, tracked by FTS, flows directly to UN agencies, INGOs and the Red Cross/Red Crescent movement. Direct funding to the governments or NGOs in disaster-affected countries is still rare.

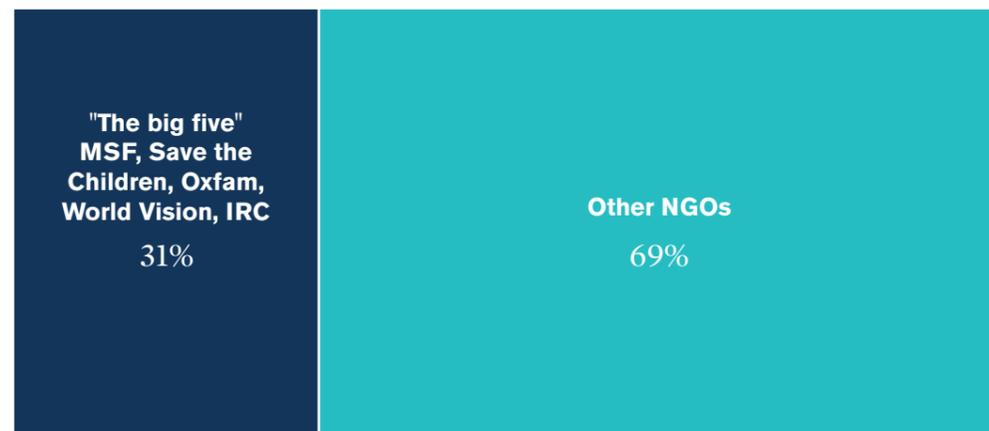
The UN agencies’ share of direct humanitarian funding continues to grow relative to all other recipients (Figure 3). The average percentages of reported contributions going directly to host governments, already low, decreased by half compared to 2009–2010, in which a larger number of natural disasters (particularly the floods in Pakistan) temporarily drove their share upward.

**Figure 1 / Recipients of direct contributions to emergencies, 2010–2014**



Source: FTS (2015).  
<sup>a</sup> Includes foundations  
<sup>b</sup> Includes intergovernmental organisation

**Figure 2 / Humanitarian expenditures, 2013 (USD millions)**



Source: Humanitarian Outcomes (2015).

Note: Percentages based on the estimated total global humanitarian spend of NGOs, 2013, based on annual reports/financial statements. Source: Humanitarian

Outcomes Global Database of Humanitarian Organisations (see Annex 3, Organisational Mapping Methodology)

**Figure 3 / Recorded contributions to emergency responses, 2014**



Source: FTS (2015).

Although the majority of NGOs are in the global South, providing first-line humanitarian assistance within their own borders, the NGO field continues to be dominated by a handful of extremely large organisations. Just five organisations – 0.1% of humanitarian NGOs worldwide – together represent roughly 31% of NGO humanitarian expenditures (Figure 4) – a drop from 38% three years ago (ALNAP, 2012.) In descending order by humanitarian expenditure during the review period, these were: *Médecins Sans Frontières*, Save the Children, Oxfam, World Vision and International Rescue Committee (IRC). IRC is a newcomer to this top tier of ‘giant’ INGOs, having nearly tripled its humanitarian spending since the period covered by SOHS 2012, and it is the only organisation among them which is not a federation of multiple national branches but maintains a single, U.S.-based headquarters. Save the Children also saw significant growth during the period, partly because it absorbed the NGO Merlin; it is now thesecond largest humanitarian provider among the INGOs, after *Médecins Sans Frontières* (MSF).

**Donors**

Governments, individually and through inter-governmental organisations like the European Union and the African Union, continue to provide the large majority of external contributions to humanitarian emergency responses (Figure 5). This has not changed in any meaningful way in the seven years that the SOHS study has been running. As was noted in the last report, contributions from private sources (including corporations, foundations, individuals and the private funding raised and spent by NGOs) only rise to significant levels in years that see high-profile, sudden-onset natural disasters. For instance, the 2010 Haiti Earthquake saw private contributions rise to 20% of the total (FTS, 2015). But for the bulk of humanitarian response activities, the chronic needs and conflict-affected contexts, private funding hovers below 10% (8% for 2013 and 2014, 6% in 2012).

This status quo prevails despite years of enthusiastic rhetoric about the potential of transformative public-private partnerships in humanitarian assistance and the imminent rise of commercial entities as both donors and humanitarian actors in their own right. Humanitarians now generally recognise that the real potential of commercial partners is not as prospective major donors, but rather as a resource for technical expertise, particularly in preparedness and new technologies relevant to the aid enterprise (Zyck and Kent, 2014). However, though individual examples of such private-sector engagement are not difficult to find (at least in natural disaster scenarios) they do not add up to any significant shift in burden-sharing at scale. The tech sector in particular is engaged and engaging to small degrees, with companies like Google both making philanthropic donations and developing engineering solutions and other innovations to support aid interventions. But it is still very much a marginal activity for these companies.

Finally, it is not just the general public who tend to give generously for natural disasters but keep their wallets closed in cases of man-made emergencies; many corporate donors also eschew donations to responses to political and conflict-based crises. According to private-sector interviewees, it is easier and safer from a business perspective to avoid involvement that could alienate governments or their allies and jeopardise markets.

Among government donors, there is still lopsided contribution to humanitarian financing (Figure 6). The top three donors – the US, European Community and United Kingdom (UK) – made more than 50 per cent of the total government humanitarian contributions in the current period.

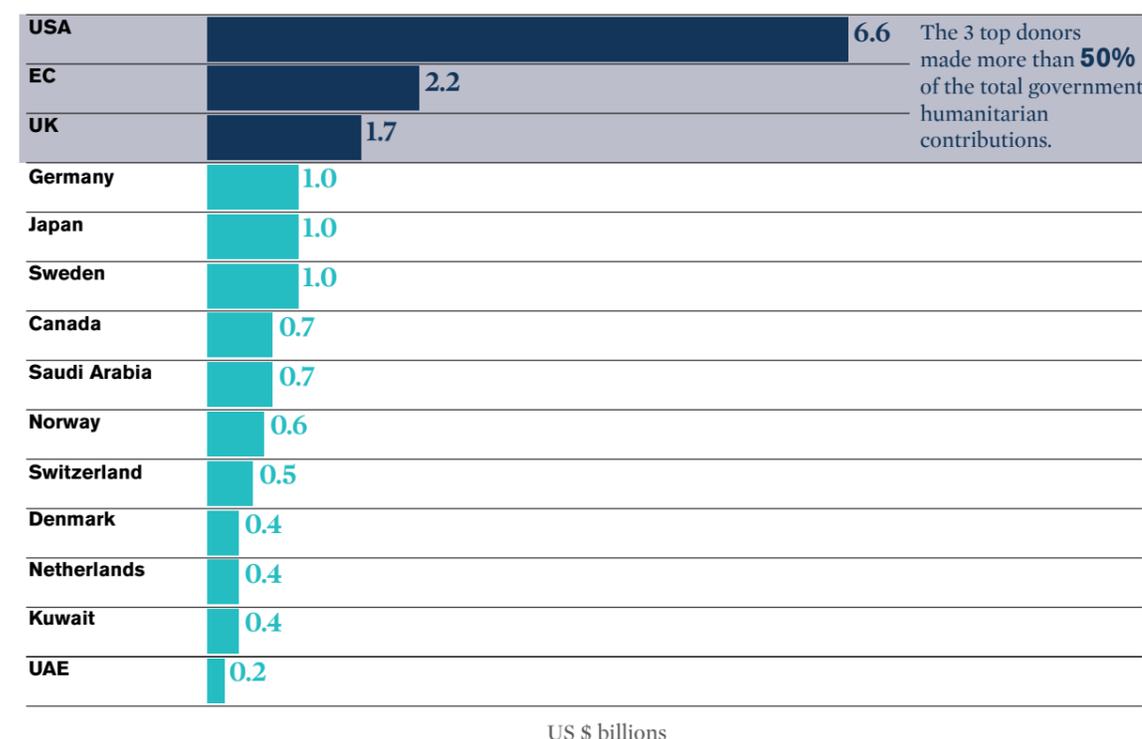
However, the system might finally be seeing genuine signs of ‘rising donors’ from outside the rich Western club. The largest increases in contributions from this donor group during 2012–2014 came from Saudi Arabia (whose largest grants went to the Syria and Iraq emergencies) and other Gulf states such as Kuwait and Qatar.<sup>1</sup>

Non-DAC donors tend to give a larger share of their contributions directly to host governments than do other major humanitarian donors, and a far larger portion of their valued contribution is in kind, in the form of relief materials and equipment. Yet they increasingly register significant cash contributions to UN agencies and pooled funds such as the UN Central Emergency Response Fund (CERF) as well. Humanitarian contributions are, of course, voluntary and not assessed according to a member state’s wealth, as they are for the UN regular budget and for peacekeeping operations. As a result there remains a mismatch between the relatively high GDPs of some nations, such as China, Brazil and Russia, and the amounts they contribute for international humanitarian assistance.



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**Figure 4 / Largest international humanitarian aid flows from governments, 2014**

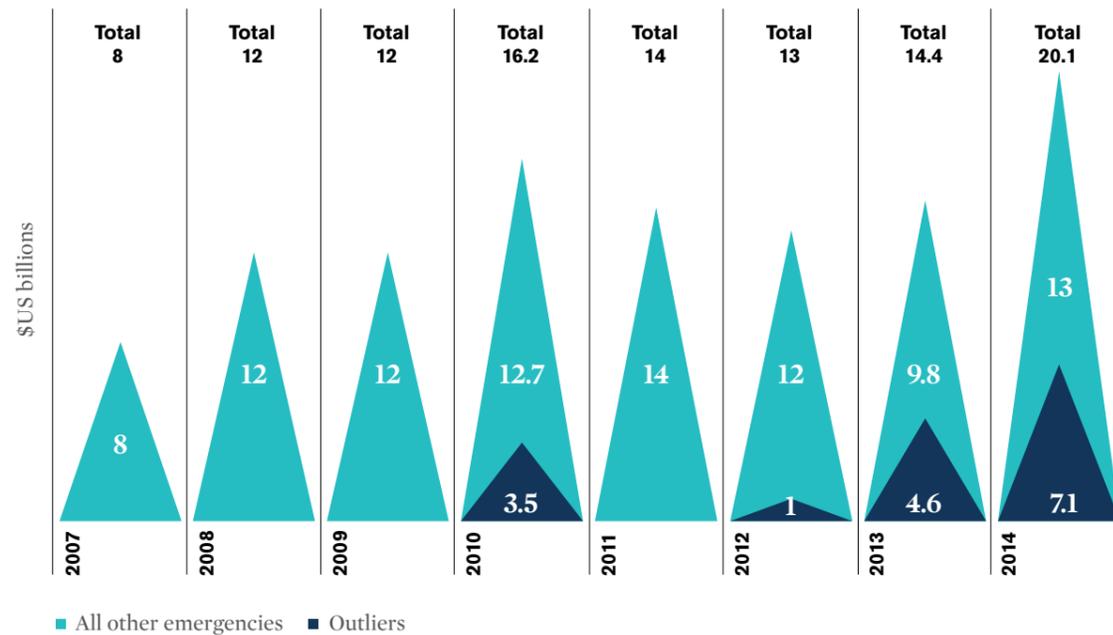


Source: FTS (2015).

### 3.2 Coverage and sufficiency

At over \$20 billion in recorded direct contributions to emergencies in 2014 (Figure 7), the system has reached its highest funding level yet.<sup>2</sup> This included contributions for ‘outlier’ emergencies that required much higher than average funding – the Philippines (\$0.9 billion), South Sudan (\$1.6 billion) and Syria (\$4.6 billion). Having dipped in 2012, the long-term trend of humanitarian funding remains upward, in terms of both volume and share of global gross domestic product.

**Figure 5 / Total direct humanitarian contributions to emergencies, 2007–2014**

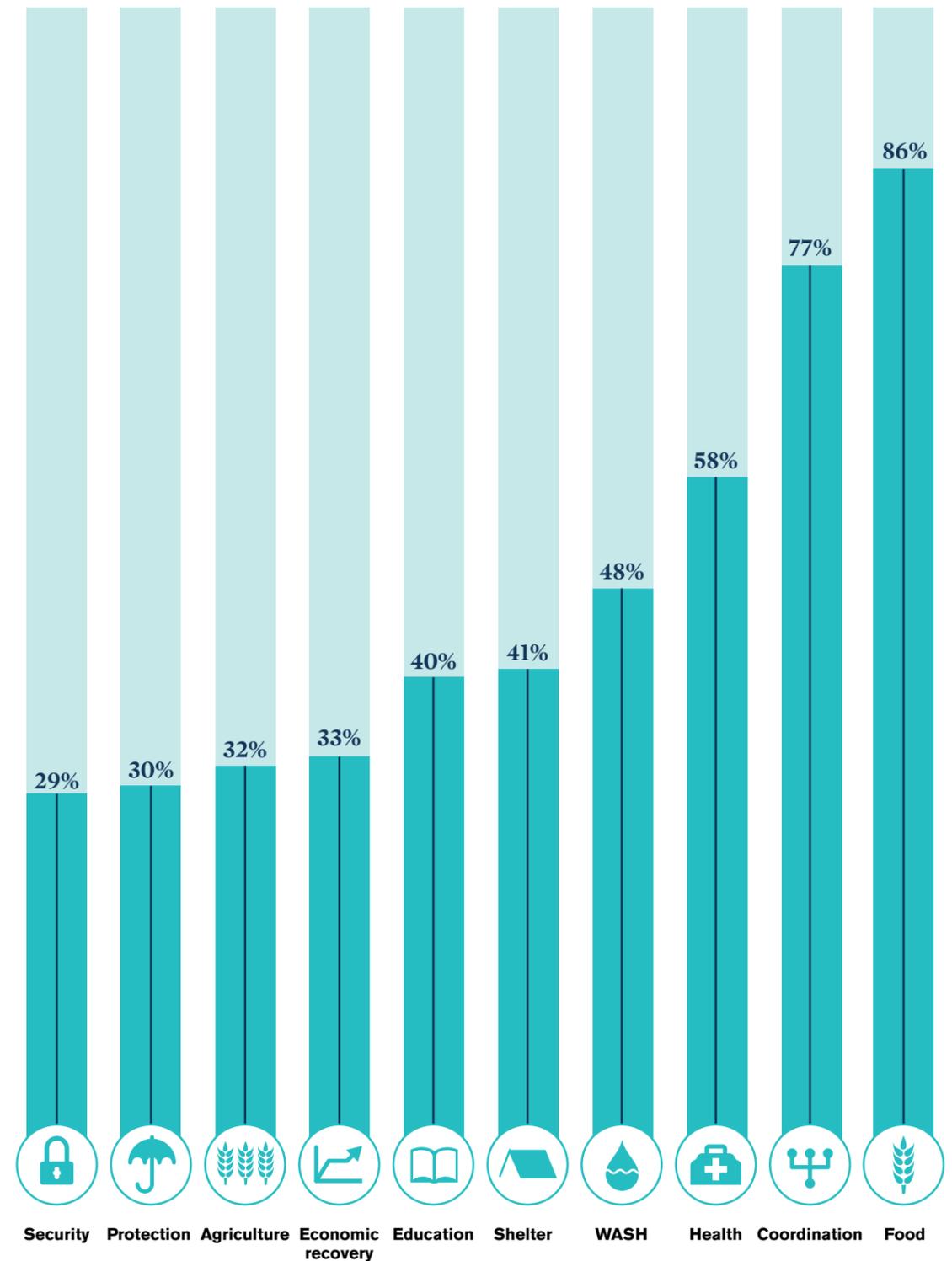


Source: FTS (downloaded 11 January 2015). As discussed above, FTS figures represent reported direct contributions to response efforts.

Funding levels alone are not a good measure of the humanitarian system’s coverage and sufficiency, for several reasons. Because increases in the number of people targeted for assistance have outstripped the growth in funding, the average amount contributed per aid recipient has dropped 26% since the last SOHS period. Also, not all emergencies are funded at equal levels: The responses to many chronic emergencies subsist on low levels of funding.

Similarly, not all sectors are funded equally (Figure 8). In certain sectors – especially early recovery, shelter and protection – the gap between coverage and stated requirements has widened. At a time when protection crises dominated the humanitarian caseload, protection was the most poorly funded activity. In 2013, apart from safety and security of personnel, protection was funded at just 30% of stated requirements. Of course, underfunding of sectors has to do with a number of factors, including donor priorities as well as perceptions of weakness in certain sectoral actors and strategies in certain settings. The challenges to the protection sector, including a lack of consensus on operational definitions and approaches, are addressed in the next section, which focuses on performance assessment.

**Figure 6 / Percentage of stated coverage requirements by sector**



Source: FTS (downloaded 11 January 2015).

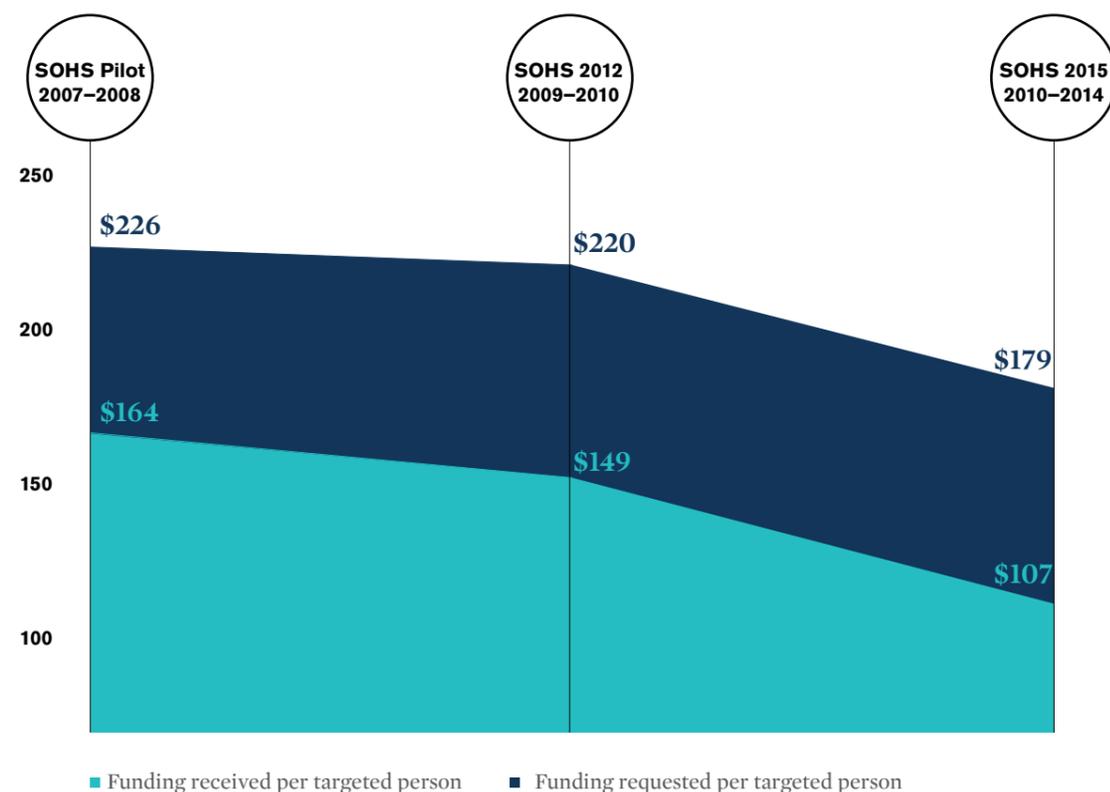
**Table 2 / Funding compared to numbers of targeted recipients**

Review period	Year	Number of people targeted	Funding requested	Funding received against response plans/ appeals	Funding requested per targeted person		Funding received per targeted person	
					Per year	Average	Per year	Average
SOHS pilot	2007	26 million	\$5.1 billion	\$3.7 billion	\$198	\$226	\$143	\$164
	2008	28 million	\$7.1 billion	\$5.2 billion	\$255		\$184	
SOHS 2012	2009	43 million	\$9.8 billion	\$6.98 billion	\$227	\$220	\$162	\$149
	2010	53 million	\$11.3 billion	\$7.2 billion	\$212		\$137	
SOHS 2015	2011	65 million	\$8.9 billion	\$5.6 billion	\$137	\$179	\$87	\$107
	2012	62 million	\$9.2 billion	\$5.7 billion	\$149		\$93	
	2013	73 million	\$12.8 billion	\$8.3 billion	\$176		\$114	
	2014	76 million	\$19.2 billion	\$10.2 billion	\$252		\$134	

Sources: FTS (downloaded 11 January 2015), and OCHA, 2013(f) World Humanitarian Data and Trends.

**Figure 7 / Average funding received vs. requested per targeted person**

This chart compares the last two categories in the table above.



Aid practitioners' perception of sufficiency has declined. Among humanitarian practitioners participating in the SOHS survey, the perception of sufficiency dropped to a new low of 24% (from 36% in 2010 and 34% in 2012). Not surprisingly, more sufficiency gaps were cited in conflict settings than in natural disasters (where some coverage improvements were cited). Pessimism was greater about the ability of the humanitarian system to reach people in need in conflicts, mostly due to insecurity; other concerns were bureaucratic restrictions and political impediments.

Funding is only one factor in humanitarian actors' ability to meet needs on the ground. Agency capacity to scale up can be limited, particularly in identifying personnel with technical and language skills. Insecurity and political impediments to access can add to this problem, and agencies can find themselves in a position where they simply cannot programme the funds they have raised, as evidenced by large percentages of carryover (unspent funds) in agency budgets. Agencies have been less than frank in acknowledging that in conflict-affected and logistically challenging settings they face serious operational capacity gaps quite independent of funding. Several interviewees specifically noted a decline in technical capacity in key sectors such as health, nutrition and water/sanitation. Although a thorough empirical comparative analysis of global sectoral capacities over time has not yet been done, the perceived reduction is felt keenly by many, especially at a time when humanitarian needs and technical demands have gone up.

Finally, humanitarian coverage continues to be challenged by serious security impediments in a handful of violent operating environments. In 2012–2014 these were Afghanistan, Pakistan, Somalia, South Sudan and Syria, according to the Aid Worker Security Database ([www.aidworkersecurity.org](http://www.aidworkersecurity.org)). The year 2013 saw the highest number of aid worker casualties yet recorded, with 155 killed, 171 wounded and 134 kidnapped (Stoddard, Harmer and Ryou, 2014).

### 3.3 Financing issues and trends

In 2011–2014, between 6 and 8% of total government flows to emergencies went through pooled funding instruments such as the country-level Common Humanitarian Funds (CHFs) and Emergency Response Funds and the global-level CERF. These continue to be popular channels for some donors, who find efficiency in programming larger amounts through a single channel instead of managing multiple separate grants, and who also see their benefits in incentivising coordination and common planning in the field. During the current SOHS study period, the UN Office for the Coordination of Humanitarian Affairs (OCHA) revised and merged CHFs and Emergency Response Funds in an effort to increase their efficiency. However, with the two largest donors, the US and the European Commission Humanitarian Aid Office, largely eschewing them, at least at the country level, in favour of bilateral funding directly to recipient organisations, it is unlikely that pooled funding instruments will ever become the primary channel for financing field operations. In general,



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donors' evidence base on the relative effectiveness of different funding channels and partners remains weak, with some exceptions, such as the UK Department for International Development's Multilateral Aid Review in 2011 and 2013. Donors continue to rely on their habitual partners, which are almost entirely international organisations – INGOs, often from their own country, and UN agencies. Little serious exploration has been done of the potential feasibility of funding disaster-affected governments or national NGOs directly.

Currently, international funding for national NGOs is 'unpredictable, volatile, difficult to access, insufficient and is not sufficiently enabling to support the strengthening capacity' (Poole, 2013). National NGOs and others reported no real increase over the time period of this review. The rhetoric on investing in local capacity continues, but to no serious effect. Government donors' willingness to take risks and adjust internal financing regulations remain key issues, as do foreign banks' willingness to transfer funds to Islamic charities and organisations working in the Middle East (Muslim Charities Forum, 2015).

During the past few years humanitarian country teams in a small number of contexts have explored the use of multi-year humanitarian planning rather than the standard 12-month cycle.<sup>3</sup> The logic behind this move is that a longer time frame provides a more stable resource base and the ability to build in resilience programming in contexts in which humanitarian aid is likely to be needed for years to come. This began in 2013 with Somalia, and is now being implemented on a regional basis for the Sahel response, as well as in Sudan and Yemen. If successful in these cases, it might be usefully implemented in many other contexts.

Newer still is the introduction of a methodology known as 'activity-based costing',<sup>4</sup> for estimating the total costs of a humanitarian response. This is a form of parametric cost estimation intended to standardise the average cost per humanitarian activity in a given context so that total resource needs can be estimated in advance and irrespective of individual agency proposals and budgets. This costing model has been used in Afghanistan, CAR, DRC and a few other places, and its drawbacks and benefits are hotly debated. Many field actors have found it to be useful and time-efficient, removing the need to hurriedly prepare projects for the common planning/appeal cycle, which are not guaranteed to be funded and will most likely change by the time the process is complete anyway. There are some valid concerns, though, about whether donors, despite their calls for a more strategic planning and appeal process, will be able in practice to allocate funding to an overall activity-based plan in advance of specific project budgets. And if project details are not required for common appeals, how will funding and activities be tracked later? Whether or not it is used as a basis for appeals, this costing model is seen as a step forward at the operational level and has some vigorous supporters in the field and headquarters levels.

Donors have driven some of the modest progress made in mainstreaming cross-cutting issues (gender, age and disability) and increasing

accountability towards vulnerable groups. Gender markers (indicators of consideration of gender issues in programming) are required by a number of donors, and at least one requires an age marker. These markers do not, however, offer a reliable read on how the actual integration of gender or age as a cross-cutting issue is being carried out, or the extent to which programming is implemented in a gender-sensitive way. There is also often a disconnect between the identification of gender markers at headquarters and their application in local contexts where there are cultural challenges or limited data to develop an appropriate and diversity-sensitive programme.

The past period did not see any major changes in funding channels or donor agency architecture. Although the volume of funding continues to grow, it is not on a par with the growth in funding needs. The widening gap between stated requirements and donor contributions prompted UN High Commissioner for Refugees António Guterres to propose consideration of something long considered a non-starter: assessed humanitarian contributions from member states to replace the current voluntary system. 'I believe that in the future,' Guterres remarked, 'humanitarian response should be able to rely partially on assessed contributions, which could be envisaged to fund a kind of "super CERF" for [major] emergencies' (UNHCR, 2014b). ●