

4 CHAPTER

DONORS

Public and private providers

Both government and private donors increased their international humanitarian assistance in 2015 for a third year running. Contributions from government donors rose by 11% from the previous year and those from private donors by an estimated 13%.

Donors in the Middle East and North of Sahara region continued to increase their volume and share of international humanitarian assistance in 2015. Mainly driven by contributions from Gulf states in response to crises in the Middle East, their contributions reached around US\$2.4 billion in 2015, an increase of almost 500% since 2011.

In 2015, 20 government donors contributed 97% of all international government contributions.¹ The donor that contributed the most, the United States (US), alone gave almost one-third of all international humanitarian assistance from governments in 2015. When considered alongside the international contributions of government donors, Turkey's assistance to Syrian refugees on its own territory make it the donor contributing the second largest amount in 2015.

The significance of the contributions of government donors can depend on how their humanitarian assistance is measured. For example, when

considered as a percentage of gross national income (GNI), Turkey, Kuwait, the United Arab Emirates (UAE) and Sweden were the four donors that provided the most in 2015.

Private donors have historically responded more generously to sudden onset emergencies caused by natural hazards than to protracted, conflict-related crises. However in 2015, the Syria crisis received the most reported private funding. Unlike funding from governments, the majority of private funding for the Syria crisis was allocated outside of the UN-coordinated appeals and was channelled through non-governmental organisations (NGOs).

Multilateral development banks already play a critical role in crisis response and recovery, particularly in protracted crisis settings. Their significance as key players in protracted emergencies is predicted to increase further as new financing initiatives to support middle income countries hosting refugees come into play, and as additional resources are allocated to support the capacity of domestic authorities in crisis prevention, response and recovery.

Government donors

Government donors gave a record amount of international humanitarian assistance in 2015 for the third year running. Their combined contributions of US\$21.8 billion represent a 11% increase on the previous year. The increase is not as sharp as the almost 27% rise between 2013 and 2014. However, it continues to indicate an upwards trend in terms of the efforts of international donor governments to meet the cost of humanitarian needs.

The largest percentage increase in international humanitarian assistance in recent years comes from governments in the Middle East and North of Sahara region.³ Their contributions reached almost US\$2.4 billion in 2015 – an almost 500% increase since 2011. This accounted for around 11% of the overall amount provided by government donors in 2015, compared with just 3% in 2011. Most of this region’s international funding came from four Gulf states: the UAE, Saudi Arabia, Kuwait and Qatar. Their increased funding was largely in response to increased humanitarian

need in the Middle East region (Figure 5.5) and can also be partially explained by improved reporting.

The majority of funding from government donors continues to come from countries in Europe⁴ (48%) and North and Central America (33%). The United Kingdom (UK) contributed 27% of the European regional total and the US 88% of the regional North and Central America total. However, the increase in funding from these regions is less pronounced than in the previous two years. Contributions from government donors in Europe increased by 11% between 2014 and 2015, compared with a 21% increase the previous year, while funding from governments in North and Central America increased by 6%, compared with a 24% increase between 2013 and 2014.

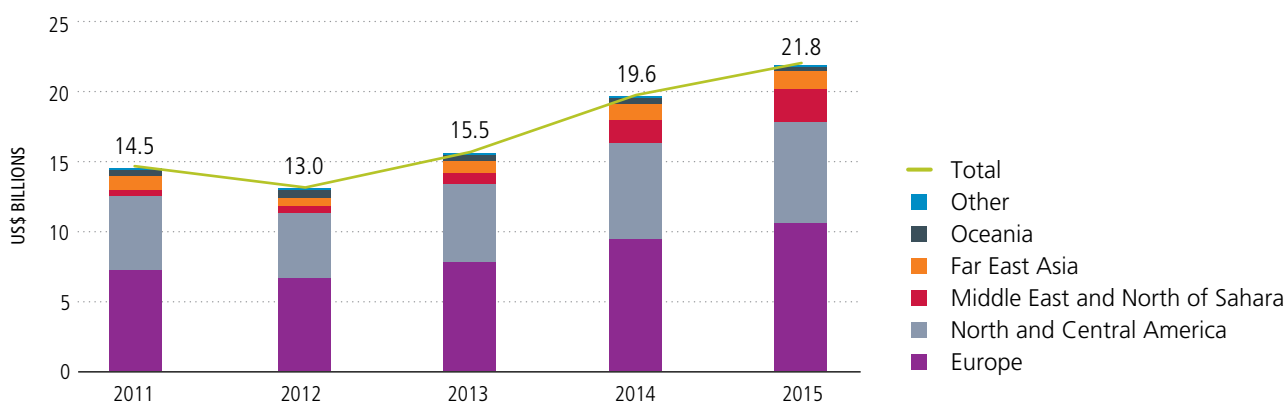
International humanitarian assistance from government donors in the Far East Asia region reached US\$1.2 billion in 2015, an 11% increase from 2014. The majority of this region’s funding (89%, US\$1 billion) came from the Government of Japan.

Contributions from governments in the Middle East and North of Sahara Region reached almost US\$2.4 billion – an almost 500% increase since 2011.

Members of the Organisation for Economic Co-operation and Development (OECD)’s Development Assistance Committee (DAC) accounted for 88% (US\$19.2 billion) of reported international humanitarian assistance from government donors in 2015.⁵ However, the share of international humanitarian assistance from other government donors has trebled in the last decade – from 4% of the overall

FIGURE 4.1

International humanitarian assistance from governments by donor region, 2011–2015



Source: Development Initiatives based on OECD Development Assistance Committee (DAC), UN Central Emergency Response Fund and UN Office for the Coordination of Humanitarian Affairs Financial Tracking Service data

Notes: OECD DAC data for 2015 is preliminary. Funding from OECD DAC donors includes contributions from EU institutions. Countries are organised according to the OECD’s classification of regions, except for the Middle East and North of Sahara, which have been combined. ‘Other regions’ includes the combined total of regions where funding was below US\$1 billion over the 5-year period. Calculations only include humanitarian assistance spent internationally, not in-country. See *Methodology and definitions*. Data is in constant 2014 prices.

total in 2006 to 12% in 2015. Again, this is largely due to an increase in reported funding from Gulf states.

International humanitarian assistance from government donors has doubled in the past decade, with contributions of US\$21.8 billion in 2015 compared with US\$10.8 billion in 2006 (Figure 4.2).

In 2015, 20 states contributed 97% (US\$21.0 billion) of all international humanitarian assistance from government donors.⁶ The five government donors that provided the most contributed 60% (US\$13.0 billion) of the total amount; and the donor providing the most alone, the US, accounted for almost one-third (US\$6.4 billion). This concentration of funding from a small number of donors is consistent with the two previous years.⁷

Almost all of the 10 government donors that provided the most in 2014 increased their international humanitarian assistance in 2015. Among the most notable increases were the UAE (increase of 193%, US\$696.9 million), the US (increase of 5%, US\$308.4 million), Kuwait (increase of 86%, US\$283.4 million), the Netherlands (increase of 44%, US\$265.5 million) and Sweden (increase of 19%, US\$185.9 million).

Of the 20 government donors that provided the most, as shown in Figure 4.2, Saudi Arabia showed a decrease in its reported international humanitarian assistance in 2015 (decrease of 22%, US\$178.7 million), while Australia and Spain also reported lower contributions in 2015 than 2014, with decreases of US\$58.2 million (15%) and US\$18.3 million (7%), respectively.

Although not government donors, the EU institutions, particularly the EU's Department of Humanitarian Aid and Civil Protection (ECHO), are important and consistent contributors of international humanitarian assistance and are hence shown alongside donors of government funding in Figure 4.2.⁸ In 2015, EU institutions disbursed US\$2.0 billion in humanitarian assistance, a decrease of US\$291.2 million from

2014. Assistance disbursed by the EU derives from contributions made by member states and is captured in our calculations of the total international humanitarian assistance provided by individual EU member states.⁹

The group of government donors providing the most humanitarian assistance displayed in Figure 4.2 also includes Turkey in view of its financing of the Syria refugee response on its territory, which it reports as humanitarian assistance. When considered alongside the international contributions of government donors, this shows Turkey as the second largest donor of humanitarian assistance in 2015, with contributions of US\$3.2 billion – a rise of 31% from its reported contributions the previous year. Although not a DAC member, Turkey voluntarily reports its aid expenditure to the DAC. As part of this, unlike other countries, Turkey reports

In 2015, 20 states contributed 97% (US\$21.0 billion) of all international humanitarian assistance from government donors.

its expenditure on hosting Syrian refugees within Turkey as humanitarian assistance (see Figure 2.2 for further analysis). According to Turkish government sources, US\$3.1 billion (97%)¹⁰ of its funding reported as humanitarian assistance to the DAC in 2015 was directed to Syrian refugees within Turkey's borders.¹¹

The significance of individual government donors changes depending on how international humanitarian assistance is measured. When international humanitarian assistance is considered as a percentage of GNI, the list of the

donors that provide the most changes (Figure 4.3). Looking at government contributions in this way demonstrates the emphasis that governments place on providing international humanitarian assistance in relation to the size of their overall economy. For example, the US, which in 2015 gave the most international humanitarian assistance in volume, ranked 19th when considering its international humanitarian assistance as a percentage of GNI (0.04%).

When considered alongside other government donors in 2015, Turkey gave the most humanitarian assistance as a percentage of GNI (0.37%).

Kuwait – the government donor contributing the 11th largest amount of international humanitarian assistance in volume in 2015 – contributed the second largest amount of international humanitarian assistance as a percentage of GNI (0.33%, up from 0.18% of GNI in 2014).¹²

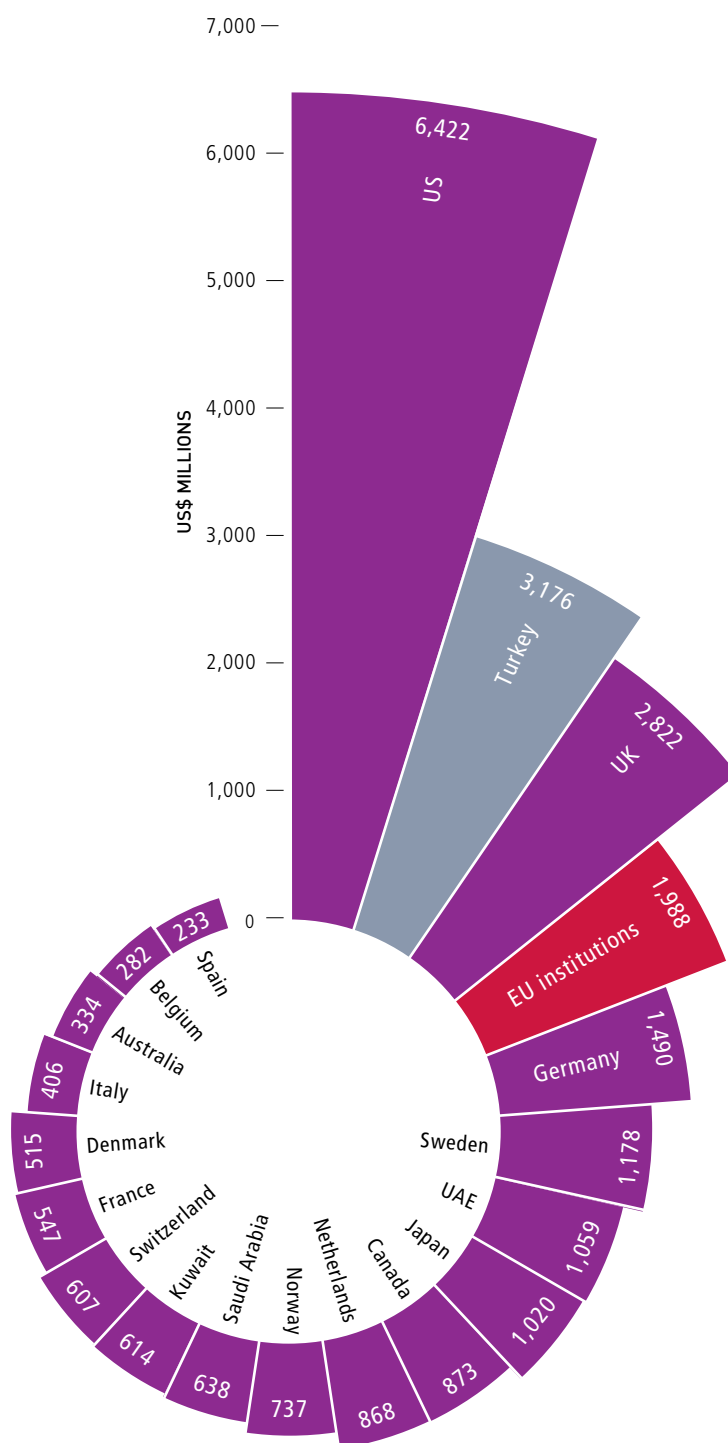
Three other Gulf states were included in the 20 government donors providing the most when measuring international humanitarian assistance as a percentage of GNI: the UAE (3rd at 0.25%); Saudi Arabia (12th at 0.08%); and Qatar (17th at 0.04%). Oman and Bahrain, both in the group of donors providing the most international humanitarian assistance as a percentage of GNI in 2014, did not make it into the same list in 2015.

Sweden contributed the fourth largest amount of international humanitarian assistance as a percentage of GNI in 2015 (0.19%), and the fourth largest amount in 2015 in terms of overall volume. In total, there were 11 European donors in the 20 donors of the most international humanitarian assistance as a percentage of GNI in 2015.

A number of other government donors appear in the 20 providers of the most international humanitarian assistance as a percentage of GNI in 2015 that do not appear in the group of government donors providing the most by volume: Luxembourg (0.16%), Finland (0.08%), Ireland (0.08%), Bhutan (0.05%) and Qatar (0.04%).

FIGURE 4.2

20 contributors of the largest amounts of humanitarian assistance, 2015
 – governments and EU institutions

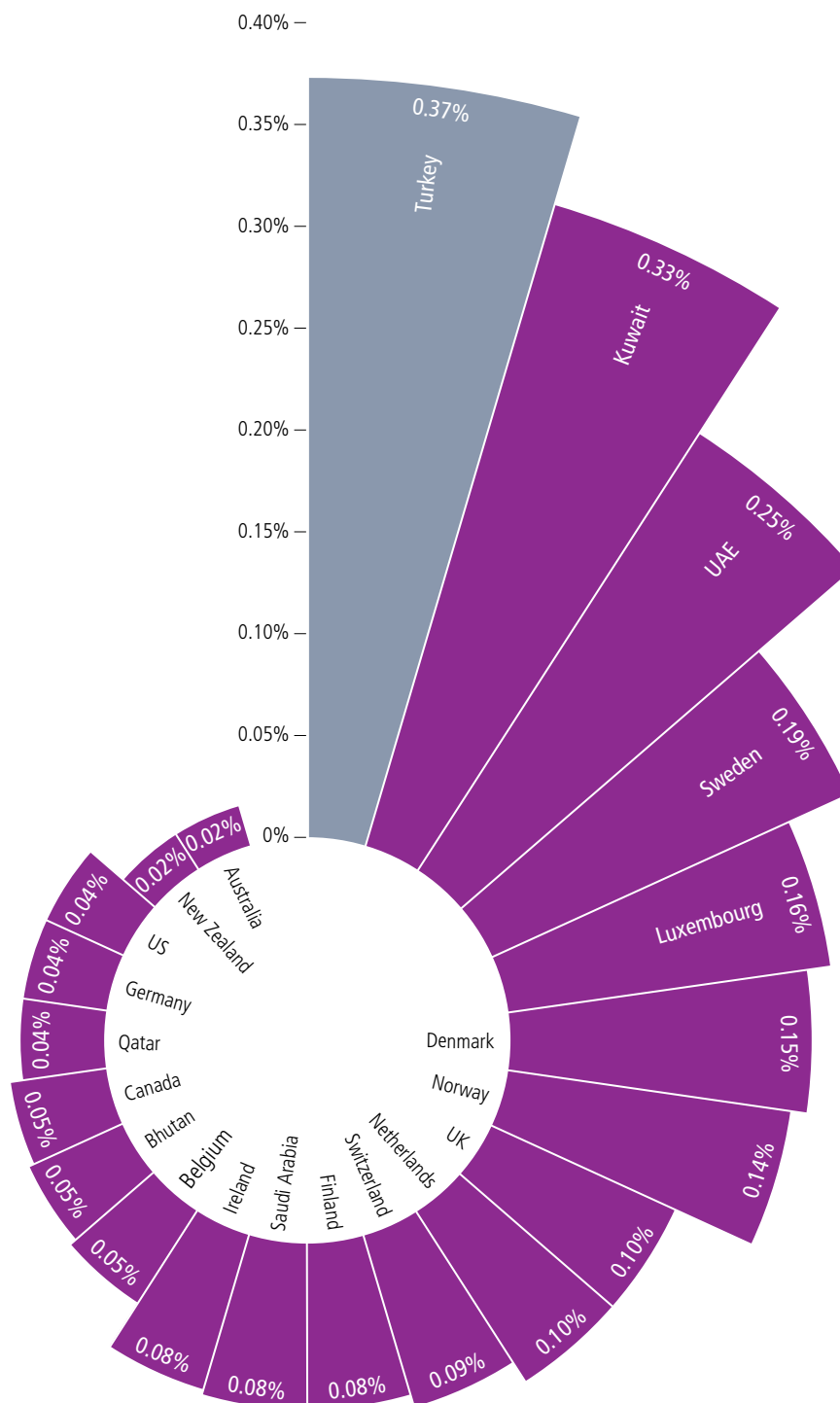


Source: Development Initiatives based on OECD Development Assistance Committee (DAC), UN Central Emergency Response Fund and UN Office for the Coordination of Humanitarian Affairs Financial Tracking Service data

Notes: 2015 data for OECD DAC is preliminary. Contributions of EU member states include an imputed amount of their expenditure (see *Methodology and definitions*). EU institutions are also included separately for comparison and are shaded differently to distinguish from government donors. Turkey is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely comprised of expenditure on hosting Syrian refugees within Turkey so is not strictly comparable with the international humanitarian assistance totals from other donors in this figure. Data is in constant 2014 prices.

FIGURE 4.3

Humanitarian assistance as percentage of GNI for 20 donors providing the most humanitarian assistance, 2015



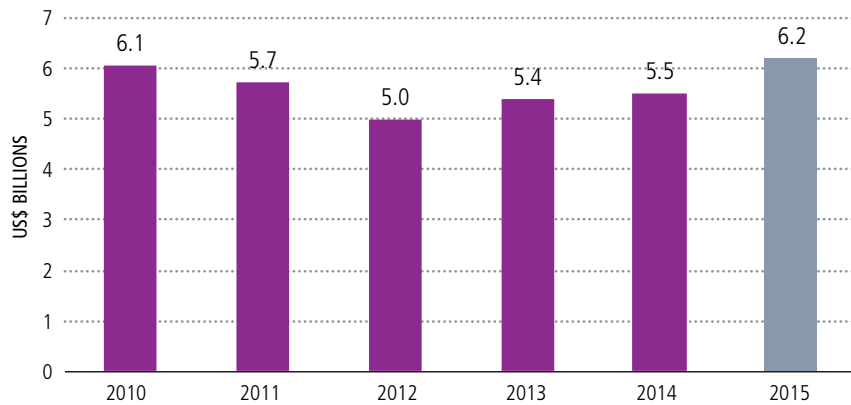
Source: Development Initiatives based on OECD Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs Financial Tracking Service, UN Central Emergency Response Fund, World Bank World Development Indicators and International Monetary Fund World Economic Outlook data

Notes: 2015 data for OECD DAC is preliminary. GNI data for 2015 has been estimated using historical data on GNI and real GDP growth rates for 2015. Countries for which no GNI data is available have been excluded. Turkey is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely comprised of expenditure on hosting Syrian refugees within Turkey so is not strictly comparable with the international humanitarian assistance totals from other donors in this figure.

Private donors

FIGURE 4.4

International humanitarian assistance from private donors, 2010–2015



Source: Development Initiatives based on our unique dataset of private voluntary contributions

Notes: Figures for 2015 are preliminary estimates (see *Methodology and definitions* for full details). Data is in current prices.

As the call to deepen and broaden the resource base for humanitarian action continues, private donors are increasingly seen as an important potential source of additional funding.¹³ Encouragingly, international humanitarian assistance from private donors – comprising individuals, companies and corporations, trusts and foundations, and national societies – has increased for a third year running in 2015 (this time by 12.7%), reaching an estimated US\$6.2 billion and

surpassing the previous peak in private funding of US\$6.1 billion in 2010.¹⁴ Private donors accounted for just less than a quarter of international humanitarian assistance in 2014 at 22%, with early estimates indicating a similar share in 2015.

The historical trend for private donors to respond more favourably to disasters caused by natural hazards¹⁵ than to conflict-driven emergencies has been interrupted by the Syria crisis. According

to the UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), the Syria crisis received the most reported private funding in 2015. Private donors, predominantly individuals, reported a combined US\$398 million to the Syria crisis in 2015: 6% of total reported funding in the year – triple the 2% (US\$114 million) of private funding to the same emergency in 2014. Two-thirds (66%) of that funding was channelled outside of

CALCULATING INTERNATIONAL HUMANITARIAN ASSISTANCE FROM PRIVATE DONORS

Despite the significance of private donors as providers of international humanitarian assistance, any attempt to put an exact figure on their overall funding can only be done in estimate. Development Initiatives gathers and analyses data on an annual basis from a range of humanitarian organisations to provide a global estimate of the amount of international humanitarian assistance provided by private donors (see *Methodology and definitions*). However, the total value of giving by private donors, both national and international, is likely to be much

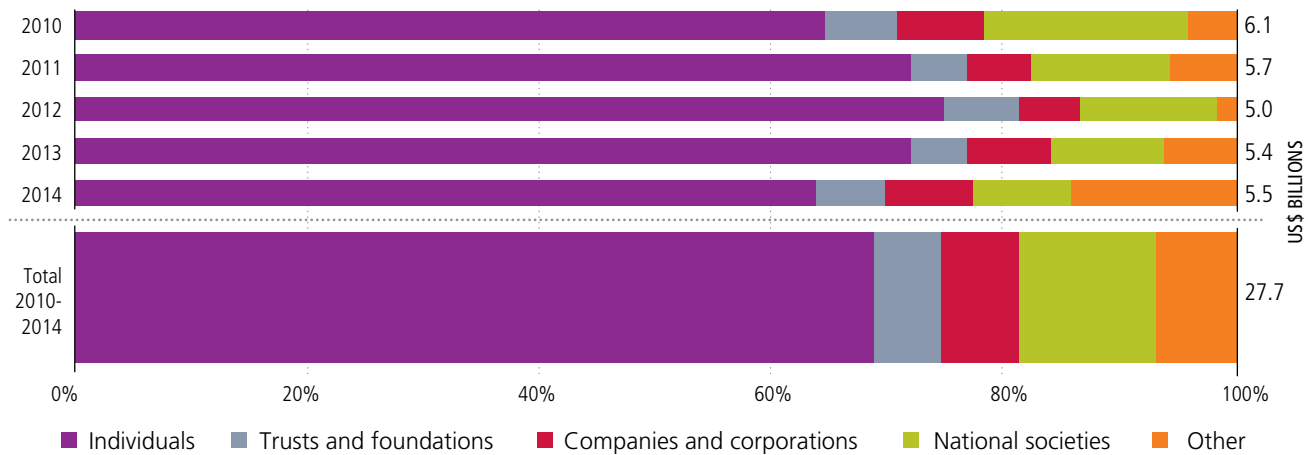
higher. In particular, the contribution of domestic private sector actors is largely absent from this global calculation as is direct giving between individuals.

The development of technologies and the growth in online giving provide new opportunities for private individuals to directly support humanitarian action, but also creates new challenges for keeping track of the total response. For example, data from UN OCHA FTS indicates that the crowd-funding platform Global Giving

generated US\$3 million of donations from individuals in response to the Nepal earthquake.¹⁶ It is likely that much more private funding is generated in this way through other direct giving channels but the exact amount is unknown. Other sources of finance that generally bypass international humanitarian actors, such as faith-based giving (including Islamic social finance), are also difficult to track and go largely uncounted in global estimates of private humanitarian assistance.¹⁷

FIGURE 4.5

Private international humanitarian assistance by donor type, 2010–2014



Source: Development Initiatives based on our unique dataset of private voluntary contributions

Notes: Data is in current prices.

the two UN-coordinated appeals for the Syria crisis, unlike funding from government donors that was predominantly channelled through the Syria appeals (71%).

Giving from individuals, rather than from trusts, foundations or the private sector, accounts for the majority of private humanitarian funding.¹⁸ A review of different private donor types between 2010 and 2014 shows that donations from individuals accounted for around 69% of all private funding.

The significance of the general public as a donor group is to some extent due to expanded fundraising campaigns by humanitarian organisations – both UN and NGOs – that tap into private generosity.¹⁹ NGOs rely particularly heavily on funding from individuals. In 2014, approximately 64% of the humanitarian income of NGOs in our dataset came from individuals.

Contributions from national Red Cross and Red Crescent societies and UNICEF national committees remained at a similar level in 2014 (US\$386 million)

as in 2013. Their share of total private humanitarian assistance, which is mobilised from diverse sources, has declined in the last five years, from 18% in 2010 to just 8.6% in 2014 (see Chapter 6 for more details on funding for national Red Cross and Red Crescent societies).

2014 saw the largest contribution from private companies and corporations (US\$409.9 million) in the last five years. Combined, they provided an estimated US\$1.8 billion of humanitarian funding between 2010 and 2014, which accounted for an average of 6.6% of total private donor contributions. Funding from trusts and foundations also increased in the last reported period, from US\$189 million in 2013 to US\$274 million in 2014.

In line with efforts to expand and diversify the humanitarian funding base, there has been increased attention on the role of the private sector and its support for humanitarian action. This has included in-kind contributions

from mobile communications and logistics providers, and examples like MasterCard's investment in new payment technologies in cash programming.²⁰ It may not always be possible to measure these contributions in financial volumes. However, they do indicate a shift in the ecosystem of humanitarian financing and the increasingly important role of private sector actors as partners and collaborators in humanitarian settings.

Private giving may further increase as humanitarian aid organisations consider new means of resource mobilisation, including impact bonds and voluntary 'solidarity levies' (see *Definitions* on page 89), based on models such as UNICEF's micro-levy on airline tickets for disease control in low income countries.²¹ Similarly, efforts to focus on faith-based giving, as discussed at the World Humanitarian Summit, and the proposed establishment of a global humanitarian endowment fund resourced through Islamic social finance, have the potential to transform private giving.²²

Multilateral development banks

Regional development banks and international financial institutions – the multilateral development banks (MDBs) – play an important role as providers of humanitarian and development assistance in crisis settings. The World Bank Group has long recognised that fragility, conflict and violence are obstacles in the fight to end poverty and promote shared prosperity. Similarly, other development banks such as the African Development Bank, Asian Development Bank, Inter-American Development Bank and the Islamic Development Bank, include facilities and resource streams to support governments in their efforts to protect populations from the impact of crises and recover afterwards.

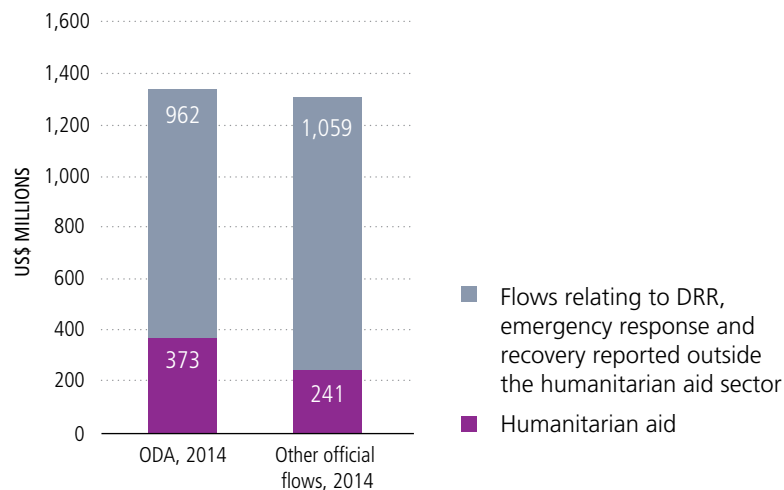
MDBs provide resources to countries in a number of different ways: using a range of grants, loans, bonds, insurance facilities, risk transfer instruments and targeted trust funds. Examples of specific instruments include the World Bank's International Development Association's Crisis Response Window, established in 2011 to support countries to deal with the impact of major disasters caused by natural hazards, public health emergencies and epidemics;²⁴ the newly approved World Bank Pandemic Emergency Financing Facility that will provide surge funding to prevent rare, high-severity disease outbreaks from becoming pandemics;²⁵ the Inter-American Development Bank's contingent credit facility for disasters caused by natural hazards;²⁶ and the Asian Development Bank's Disaster Response Facility.²⁷

In 2014, expenditure from the MDBs reported as official humanitarian assistance to the OECD DAC was approximately US\$373 million. However, preliminary analysis of relevant DAC-reported funding outside of the humanitarian aid sector – for disaster risk reduction, flood prevention and control, and infectious disease control for example – reveals considerable additional funding, amounting to around US\$962 million.

Other official flows reported to the OECD DAC from these institutions in 2014 – non-concessional finance

FIGURE 4.6

Humanitarian assistance and related expenditure from multilateral development banks, 2014



Source: Development Initiatives based on OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS) data

Notes: Includes OECD CRS disbursements from nine multilateral organisations.²³ Humanitarian assistance is called 'humanitarian aid' in DAC reporting. Flows relating to disaster risk reduction (DRR), emergency response and emergency recovery reported outside of the humanitarian aid sector are derived from the flood prevention/control purpose code and a word-search on CRS fields. Data does not include earmarked flows channelled through multilateral development banks from government donors, which are recorded as bilateral aid.

for development purposes, such as post-disaster recovery loans and crisis mitigation programmes – constituted a further US\$1.3 billion of funding in response to natural and man-made hazards. In total, US\$241 million was reported as humanitarian aid and a further US\$1.1 billion derived from analysis of reported funding to other areas. In total, the MDBs reported an estimated US\$2.6 billion of crisis-related funding in 2014.

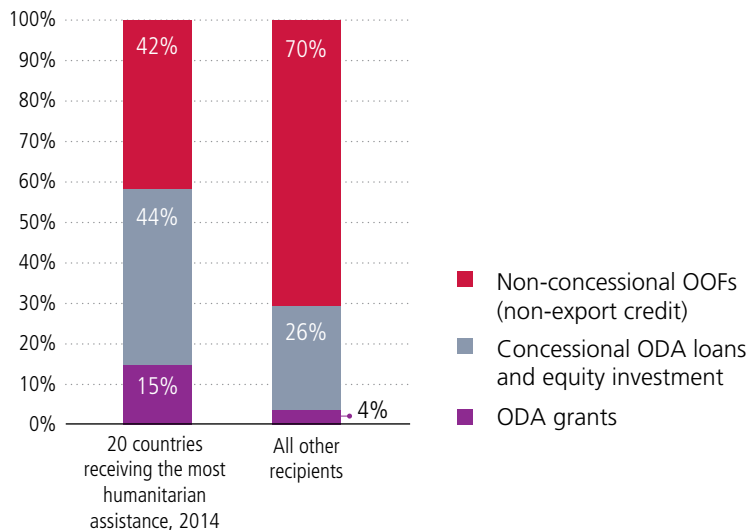
In addition, the MDBs acknowledge the clear link between climate change, poverty and vulnerability to crises and seek to mitigate the effects of climate change on vulnerable populations throughout their work,²⁸ funding that is largely not captured in the totals given in this section. The Asian Development Bank, for example, mobilised US\$2.9 billion of climate finance in 2015, aimed at making

mitigation and adaptation actions more competitive and affordable for developing countries in the region.²⁹ Since 2011, the World Bank Group has committed US\$52 billion to climate-related projects – an average of US\$10.3 billion per year.³⁰

Within the myriad of funding modalities and instruments (see Chapter 2), concessional financing including official development assistance (ODA) grants and low-interest loans can provide vital support to low income countries to boost economic growth, reduce inequalities and improve living conditions. As Figure 4.7 shows, the 20 recipients of the most international humanitarian assistance did receive a higher proportion of concessional financing through grants and concessional loans than did all other recipients in 2014. The 20 recipients of the most

FIGURE 4.7

Multilateral development bank gross disbursements to the 20 recipients of the most humanitarian assistance and all other recipients by flow type, 2014



Source: Development Initiatives based on OECD Development Assistance Committee (DAC) Creditor Reporting System

Notes: Includes disbursements from 12 multilateral organisations.³¹ OOFs (other official flows) refer to transactions by the official sector with countries on the DAC list of ODA recipients that do not meet the conditions for eligibility as ODA or official aid.

humanitarian assistance received 44% from the MDBs in the form of ODA loans and equity (compared with just over a quarter – 26% – for all other recipients); and 15% in the form of grants, compared with all other recipients that received only 4% of their funding from MDBs in this way. The Democratic Republic of Congo (US\$724 million), Haiti (US\$273 million) and Afghanistan (US\$271 million) received the most ODA grants from MDBs; while Pakistan (US\$2 billion), Ethiopia (US\$1 billion) and Kenya (US\$818 million) received the largest amount of ODA loans plus equity investments.

In recent years, forced displacement – particularly from Syria – has increasingly impacted on middle income countries such as Jordan, Turkey and Lebanon (see *People affected by conflict and disaster*,

Chapter 1, page 17), previously ineligible for concessional loans and grants from the World Bank's International Development Association.³² In 2014, over half of the other official flows (OOFs) – which are non-concessional in nature – from the MDBs to the 20 recipients of the most international humanitarian assistance went to Jordan and Turkey.

In response to recommendations from the UN Secretary-General and the High Level Panel on Humanitarian Financing,³³ the World Bank announced its plans at the World Humanitarian Summit to launch a global crisis response platform to provide resources for risk mitigation and crisis response to low and middle income countries, with a particular focus on large refugee-hosting countries. The platform will be launched at the UN General Assembly

The multilateral development banks play an important role as providers of humanitarian and development assistance in crisis settings.

in September 2016 and will include access to long-term, low-interest loans.³⁴

This will complement the New Financing Initiative to Support the Middle East and North Africa Region, launched jointly by the World Bank Group, the UN and the Islamic Development Bank Group in October 2015. Within the initiative, eight governments and the European Commission pledged a package of over US\$1 billion of concessional finance to help the governments of Jordan and Lebanon cope with the impact of the Syrian refugee crisis, and for overall recovery and reconstruction efforts across the region.³⁵ The initiative has both concessional loans and guarantees facilities, including guarantees for the issuance of a special type of sukuk (Islamic bonds) administered by the Islamic Development Bank Group.

At the World Humanitarian Summit, a group of MDBs³⁶ came together to set out a range of commitments and practical measures to respond to forced displacement. This includes working together in refugees' countries of origin and refugee hosting countries, developing innovative financing mechanisms, and improving the data and evidence to inform policies and programmes.³⁷