

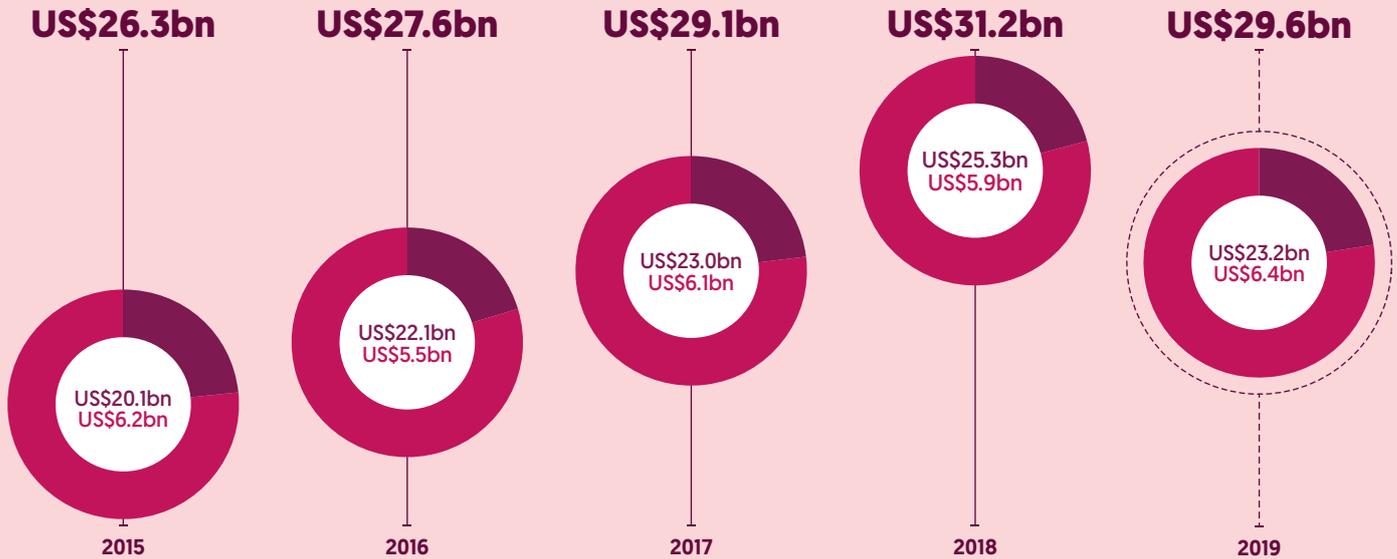
executive summary

humanitarian assistance in numbers

international humanitarian response*

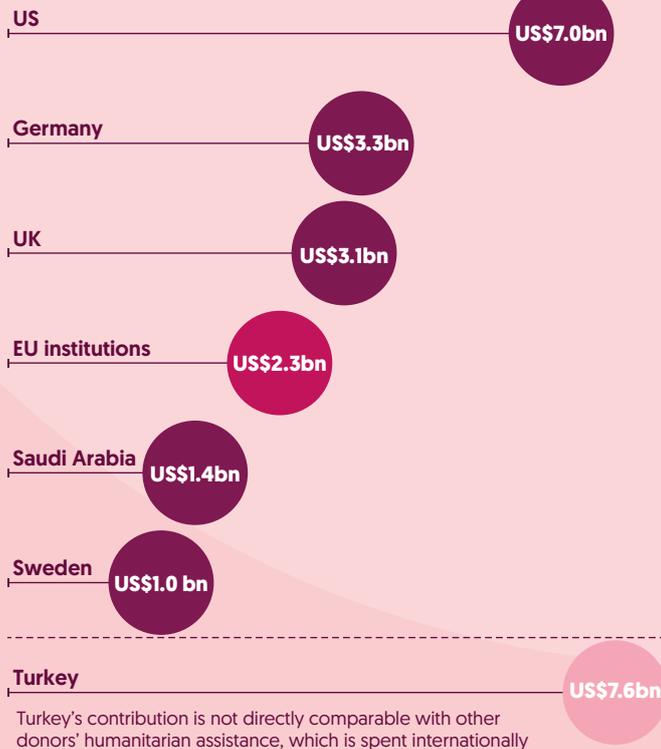
total international humanitarian assistance drops by US\$1.6 billion

- governments and EU institutions
- private



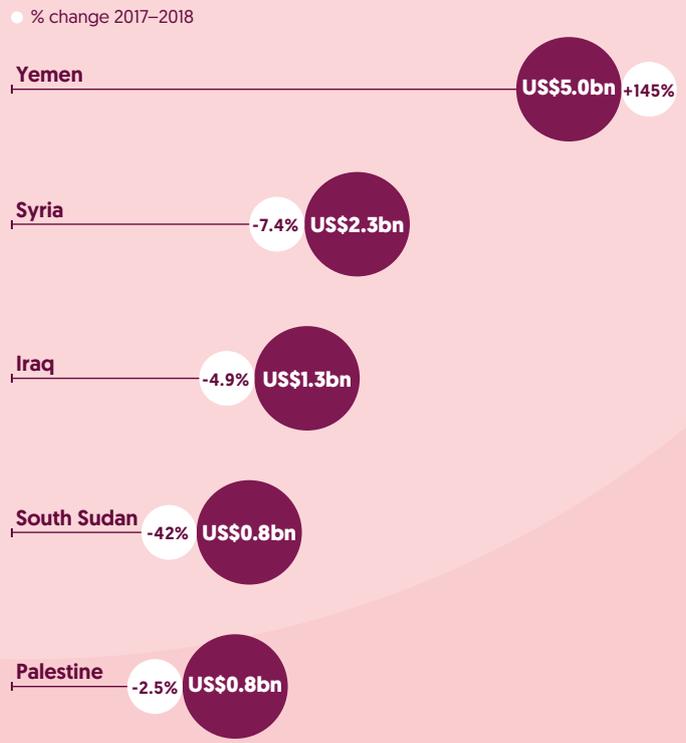
where does it come from?

largest five donors by volume**



where is it going?

largest five recipients by volume



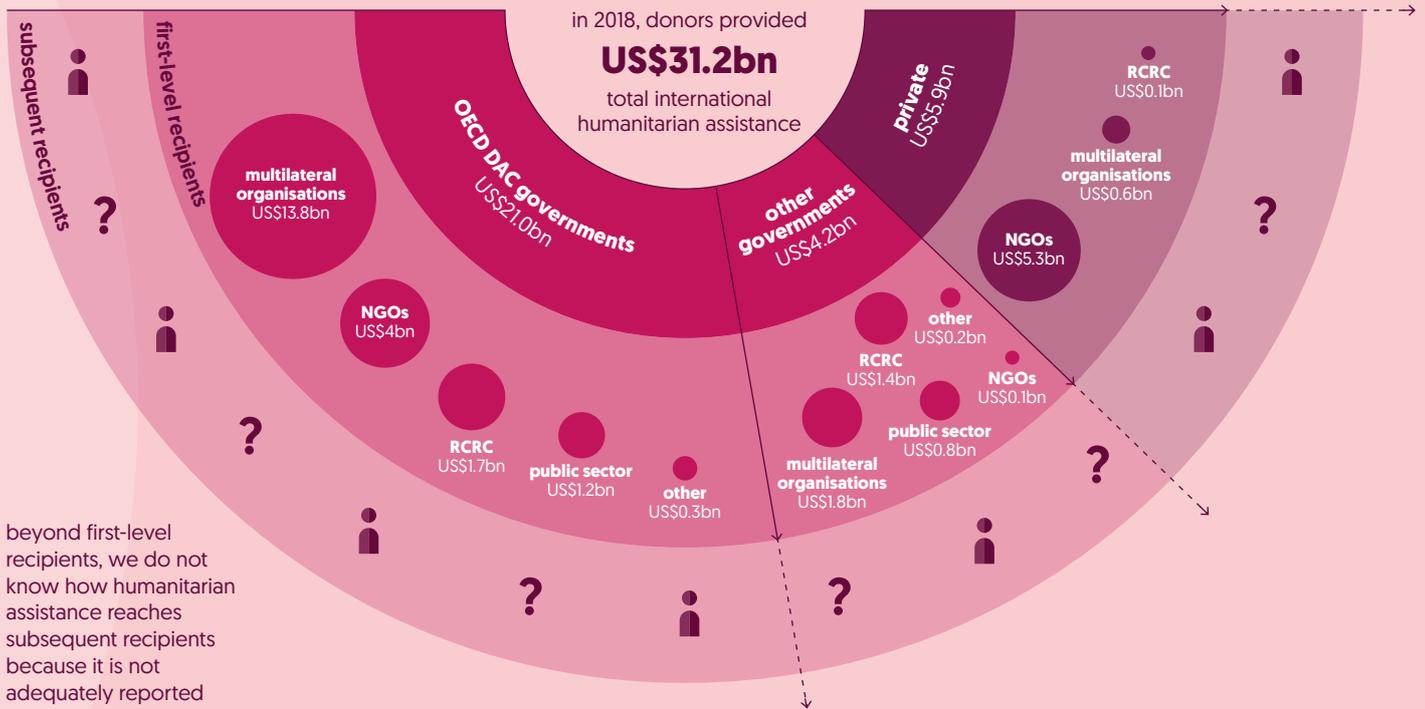
Notes: Data for 2019 is preliminary. *Data consists only of humanitarian assistance directed internationally by donors. **Contributions of EU member states include an imputed amount of the EU institutions' expenditure. EU institutions are also included separately for comparison and are shaded differently to distinguish from government donors. Turkey is shaded differently because the humanitarian assistance it voluntarily reports to the Organisation for Economic Co-operation and Development Development Assistance Committee is largely made up of spending on hosting Syrian refugees within Turkey. Therefore, it is not strictly comparable with the international humanitarian assistance totals from other donors in this figure.

how does it get there?

2018

funding channels of international humanitarian assistance

- governments
- private



efficiency and effectiveness of assistance: what progress is being made on the Grand Bargain?

direct funding to local and national actors

drops to just 2.1% of total humanitarian assistance



cash and voucher assistance

increases to a new high of US\$5.6 billion



flexible funding

the percentage of unearmarked funding to nine UN agencies drops for the fifth consecutive year

- unearmarked funding as % of total
- unearmarked funding
- earmarked funding



executive summary

The Covid-19 (coronavirus) pandemic presents an unprecedented challenge to the humanitarian system in both scale and complexity. An already strained humanitarian system is having to adapt and respond to the emerging needs of those impacted by the pandemic. At the same time, humanitarian actors must continue to provide assistance to the millions of people affected by conflict, displacement and natural disasters. It is, therefore, more important than ever to have evidence on the state of global humanitarian financing, so that donors and aid agencies can make informed decisions and target those in greatest need.

Total international humanitarian assistance declined in 2019, for the first time since 2012. However, humanitarian appeals require more funding than ever before, with the Covid-19 pandemic further increasing the number of people in need. As the pandemic places additional demands on a strained humanitarian system, it is also eroding the capacity of governments and institutions to respond, with the risk that already limited sources of humanitarian and development finance could decline further and faster. The combination of these factors presents a perfect storm for a humanitarian system that is already under immense stress.

This report paints a detailed picture of the humanitarian financing landscape in 2019 as well as the current humanitarian financing response to the Covid-19 pandemic. Chapter 1 examines who is affected by, or at risk of, crisis and what makes them vulnerable. It examines the connections between poverty and crisis, trends around the growing number of forcibly displaced and the locations of people most in need in 2019. In Chapter 2 we present trends in international humanitarian assistance. This includes information on who provides assistance, the total levels provided, and where it goes.

New analysis, in Chapter 3, examines funding that can enhance the efficiency and effectiveness of humanitarian assistance. Four years on from the Grand Bargain agreement, we evaluate progress towards meeting commitments on funding to local and national actors, cash and voucher assistance and flexible funding.

In Chapter 4, we take a deep dive into crisis financing to the Covid-19 pandemic response. We examine the main sources of funding, where funding is going and how it is being channelled, as well as the extent to which Covid-19 humanitarian appeals are being met currently in relation to other humanitarian needs.

Research findings

Over one billion people are living in countries affected by long-term humanitarian crisis

16% of the world's population is now living in countries experiencing protracted humanitarian crisis.¹ The number of countries experiencing protracted crisis has more than doubled over the last 15 years, from 13 in 2005 to 31 in 2019. These countries are home to over half of the world's people living in extreme poverty.

Crises exacerbate existing inequalities and vulnerabilities for women and girls, yet a lack of gender-disaggregated data continues to obscure the extent to which they are affected. Our analysis of official development assistance (ODA) from Development Assistance Committee donors and multilateral organisations finds that an increasing number of donors are reporting that ODA has the purpose of ending gender-based violence, yet this still represents less than 1% of total ODA allocations.

Conflict and forced displacement continue to drive humanitarian assistance needs. Our analysis shows that 215.6 million people were in need of humanitarian assistance in 2019, an increase of almost 10 million from the year before.

The numbers of displaced people globally have increased for the eighth consecutive year. The majority of displaced people are internally displaced and one third are refugees. Venezuelans displaced abroad comprise 4.5% of globally displaced people in 2019.

Humanitarian assistance dropped for the first time since 2012, while requirements continue to grow

In 2019 the volume of international humanitarian assistance dropped by US\$1.6 billion, to US\$29.6 billion, from US\$31.2 billion in 2018. This 5.3% reduction is the first since 2012. It was driven by a fall in contributions from public donors, as funding from governments and EU institutions decreased by US\$2.1 billion.

In response to growing need, funding requirements for UN-coordinated appeals are higher than they have ever been. In 2019 the UN called for US\$30.4 billion through these appeals. Despite the overall fall in international humanitarian assistance, funding committed through UN-coordinated appeals rose to a record high of US\$19.3 billion. This means that the proportion of funding requirements met increased to 64%, while more than a third of requirements were still not fulfilled.

Funding for disaster risk reduction (DRR) is critical in addressing the impacts of climate change on the most vulnerable. Our analysis shows that funding of activities with DRR as a primary focus appears to be well-targeted to countries with a high vulnerability to the effects of natural hazards. In 2018 (the latest year for which data is available), 76% of total ODA with a primary focus on DRR went to countries at 'very high' or 'high' risk of experiencing natural hazards. However, for countries that received it, funding for DRR constituted only 1.0% of their total allocated ODA.

Despite progress in providing more cash and voucher assistance, signatories to the Grand Bargain are off track to meet other key commitments

Reporting on key Grand Bargain commitments remains insufficient, which makes assessing progress on commitments difficult. To support understanding of progress, we have directly collected and analysed data on cash and voucher assistance and unearmarked funding. We also examine publicly available data on funding to local and national actors.

Humanitarian assistance provided in the form of cash or vouchers can offer greater flexibility and choice to beneficiaries, compared with assistance provided as in-kind goods. Cash can also empower recipients and help strengthen local markets. We find that humanitarian cash and voucher programming increased by 20% in 2019, to a new high of US\$5.6 billion.

How international humanitarian assistance is channelled to first-level recipients has changed little over the past five years. In 2018, government donors allocated the majority of their assistance (62%) to multilateral organisations. Conversely, over three quarters of assistance from private donors is provided to NGOs. In 2016, Grand Bargain signatories committed to channelling at least 25% of international humanitarian assistance to local and national actors as directly as possible by 2020. In the absence of better reporting, we do not have a clear picture of how much funding is passed indirectly. However, trends in direct funding are cause for concern. Our analysis shows that direct funding to local and national actors dropped from 3.5% in 2018 to just 2.1% of total humanitarian assistance in 2019.

Unearmarked and multi-year funding provides recipients with greater flexibility and predictability. Our analysis of nine UN agencies indicates that the percentage of unearmarked humanitarian funding received by these agencies has dropped for the fifth consecutive year, to 14% of total humanitarian contributions in 2019, and the total volume of this funding is at its lowest point in five years, at US\$2.6 billion.

The Covid-19 pandemic is adding demands to an already strained humanitarian system, while eroding the capacity of governments and institutions to respond

As the economies of donor governments contract and international concerns increasingly compete with domestic priorities, the Covid-19 pandemic threatens to create a funding vacuum for both humanitarian assistance, and recovery and long-term development. Our analysis finds that total ODA could fall from US\$153 billion in 2019 to US\$134 billion in 2021 in the worst of three scenarios. These projected reductions in ODA are likely to severely affect countries already experiencing humanitarian crisis.

Response to the Covid-19 pandemic is putting increased strain on already limited funding for humanitarian response. In June 2020, UN appeal requirements not related to Covid-19, at US\$30.4 billion, were already slightly higher than mid-year requirements in 2019 (US\$30.2 billion). With additional Covid-19 requirements, total UN humanitarian appeal funding requirements had already reached US\$37.7 billion in June 2020 – this is 25% higher than in June 2019.

The impacts of the Covid-19 pandemic are compounding existing humanitarian challenges, with many countries vulnerable to the impacts of the pandemic already experiencing humanitarian crisis. The UN's Global Humanitarian Response Plan (GHRP) sets out the funding requirements for the 63 countries identified as being in need of humanitarian assistance as a result of the Covid-19 pandemic. Our analysis shows that more than half of these countries (34 of 63) are experiencing protracted crisis, along with the broader ongoing socioeconomic, capacity and resilience challenges that this entails. Of these countries experiencing protracted crisis, three quarters are at high (17) or very high risk (8) from the impacts of Covid-19.

The Covid-19 pandemic has created an exceptional level of need. Donors have committed more funding to appeals but, as requirements also increase, appeal targets remain far from being met. As of 29 June 2020, 20% of total requirements for both Covid-19 and other appeals were met. While this is lower than the proportion of appeals met at the same time in 2019 (23%), the volumes disbursed are US\$578 million higher than the US\$6.9 billion allocated by mid-year 2019. This funding appears to be equally supporting Covid-19 and other humanitarian responses.

Just three and a half months since the World Health Organization declared the Covid-19 outbreak as a pandemic, we also find that donors have made sizeable commitments: at least US\$3.8 billion in humanitarian and development grants to the pandemic have been allocated. The Covid-19 pandemic highlights the need for a broad, joined-up response to crises between humanitarian, development and peace actors. And it is clear that financing needs to be broad too, including both humanitarian grants and wider development finance. Our analysis therefore also considers Covid-19 financing from five large development finance institutions, including the World Bank and International Monetary Fund, to get a better picture of the state of wider crisis financing. As of 10 June 2020, US\$28.0 billion of the total US\$47.9 billion committed by the five institutions to the Covid-19 response had been directed to countries within the GHRP.

A concentration of pre-existing delivery patterns reinforces the need to implement the Grand Bargain commitment of passing funding to local and national actors, when responding to the Covid-19 pandemic. As of 24 June 2020, almost three quarters (73%) of total international humanitarian assistance to the Covid-19 response was channelled through multilateral organisations. This is considerably higher than the corresponding proportion for 2014–2018, which was 61% for government donors.

In the absence of the Covid-19 pandemic, this edition of the *Global Humanitarian Assistance Report* would have continued to detail the many challenges faced by the international humanitarian community in 2019 – from the rising number of protracted crises and growing humanitarian needs on the one hand, to the first absolute reduction in assistance since 2012 and slow progress in critical areas such as unearmarked funding and localised assistance. The Covid-19 pandemic is increasing demand by both compounding existing crises and adding new ones. Initial response in 2020 has been strong, with assistance higher than levels observed for the same time last year. Concerns that the Covid-19 response may be prioritised over pre-existing crises are yet to be realised. Certain funding has also become more flexible. The key challenges will be to ensure that such efforts are sustained and to reconcile competing priorities.

notes

executive summary

1. Development Initiatives defines countries experiencing protracted crisis as countries with at least five consecutive years of UN-coordinated humanitarian or refugee response plans as of the year of analysis.