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**UNDERFUNDED APPEALS:  
UNDERSTANDING THE CONSEQUENCES,  
IMPROVING THE SYSTEM**

Sophia Swithern



Underfunded appeals:  
Understanding the consequences,  
improving the system

*Sophia Swithern*

*Rapport 2018.09*

*till*

*Expertgruppen för biståndsanalys (EBA)*

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# Foreword by the EBA

Humanitarian assistance is a key part of Swedish aid. Globally, Sweden comes second in terms of per capita humanitarian contributions. Sweden seeks to apply a principled approach to humanitarian appeals, ensuring that support goes to those most in need and to crises often neglected by the larger donor community.

Sweden's involvement is not merely financial. Historically, Sweden has been active in humanitarian system reform, including its involvement in the Good Humanitarian Donorship initiative and as a driving force behind the "Grand Bargain" agreement reached at the World Humanitarian Summit in Istanbul in May 2016. On that occasion, states and humanitarian organizations agreed to make humanitarian action more effective through localization, better synergy between humanitarian and long-term development aid, increased transparency and more flexible financing. Sweden is an active member of the governing bodies of multilateral humanitarian organizations.

But these efforts are played out in a world where humanitarian crises are becoming increasingly complex and severe, through the combined effects of conflict and climate change, while the shortfall of financial support to meet growing needs is dwindling. The main vehicle for financing, the UN-coordinated international appeals for humanitarian response, are increasingly falling behind target. Ten years ago, the appeals were financed to 70% on average. Today, the average is a mere 59%. This is the perspective from which Sweden's contribution should be seen. Needs are increasing faster than the resources available to meet them.

This report explores the effects of such underfunding. Despite the apparent simplicity of the question, answers turn out to be complex and elusive. Perhaps most striking is the difficulty in finding the information needed to answer the question. Does anyone really know? Why is it that humanitarian interventions are not more actively monitored and evaluated? This lacuna turns out to be one of the main findings of the report.

Financing and under-financing are the joint results of a vast set of individual financing decisions. Bilateral relationships between donors and individual humanitarian agencies tend to override attempts at improving overall coordination and joint implementation of humanitarian response, leading to a crisis of trust in, and within, the humanitarian system. What this study also shows, however, is that there are possible remedies to increase the level of trust and a more functional response. It is the hope of the Expert Group for Aid Studies that this report will provide a constructive contribution to that effect.

The main target groups for this study are decisionmakers with influence over the international humanitarian system, primarily in Sweden, but also in other countries, together with leaders and managers of humanitarian organizations. The study has been accompanied by a reference group chaired by Johan Schaar, who is also vice chair of the EBA.

Gothenburg, December 2018,

A handwritten signature in blue ink, appearing to read 'Helena Lindholm', with a stylized flourish at the end.

Helena Lindholm

# Sammanfattning

## Under-finansieringens problem

FN:s samordnade appeller är de största uppopen för humanitär hjälp, och en central del i det världsvida humanitära systemet. Appellerna samlar FN-organ och icke-statliga organisationer i arbetet med att bedöma behov, utarbeta strategiska planer och beräkna finansieringsbehov.

2017 uppgick det sammanlagda finansieringsbehovet till rekordhöga 25.2 miljarder US dollar, nära dubbelt så mycket jämfört med fem år tidigare. Men det finansiella underskottet ökar ännu snabbare. Vid slutet av 2018 var det uppe i 10.9 miljarder US dollar. Finansieringen är ansträngd – den täcker inte ökade behov, koncentreras till några få stora appeller och är ojämnt fördelad mellan kriser.

Trots att omfattningen av denna under-finansiering är vida känd vet vi desto mindre om följderna. Leder uteblivna pengar till att hjälp inte kan levereras och att behov inte kan fyllas? När sådana frågor inte kan besvaras föds ömsesidig frustration mellan finansiärer och hjälporganisationer. Finansiärer misstror hjälporganisationers bedömningar, medan hjälporganisationer kämpar med bristande resurser och konkurrerar om pengar. En förståelse av underfinansieringens realiteter förhindrar inte systemets politiska spel. Ändå är förståelsen avgörande för att organisationer och givare ska kunna samarbeta med nå de mest behövande och åtgärda de värsta bristerna.

Denna studie syftar till att undersöka vad vi vet och inte vet om följder av underfinansiering. Fokus ligger på tre länder – Tchad, Haiti och Somalia, och studien genomförs med djupintervjuer, analys av appell-dokument och litteratur, samt finansiell data. Illustrativ information framkommer om vad underfinansiering betyder för humanitär respons. Men bristen på trovärdig information om underfinansieringens utbredning och effekter är slående. Denna grundläggande kunskapsbrist visar på avgörande frågor som måste åtgärdas om appellerna ska bli bättre resurssatta för att möta behov.

## **Följder av under-finansiering**

Brist på finansiering får följder för den humanitära responsen – vilka delar av organisationernas insatser måste minskas eller tas bort helt – och för drabbade människor – vilka av deras behov blir inte uppfyllda? Även om dessa två ofta blandas samman är de inte samma sak.

**Underfinansierade organisationer:** Appellerna domineras av tre FN-organ: WFP, UNHCR och UNICEF. Under 2017 stod de för 55 procent av de uttryckta behoven och tog emot 62 procent av finansieringen. I andra ändan av skalan fanns drygt hälften av appellorganisationerna i Tchad, Haiti och Somalia. De syntes inte få någon finansiering alls. Särskilt hårt drabbas lokala och nationella NGO:er, vilket i sin tur försvårar riktade insatser, skadar relationsbyggande och förstärker hindren för dessa organisationer att delta i hjälpinsatser.

**Underfinansierade sektorer:** Nivån på hur mycket av olika sektorer av humanitär respons finansieras varierar över tid och mellan länder. Sociala skyddsnät, vatten och sanitet, utbildning, skötseln av flyktingläger och tidig återhämtning hör till de sektorer som genomgående får mindre än hälften av begärd finansiering. När enbart de mest akuta behoven täcks, förfaller andra sektorer och blir till en ökande börda kommande år.

**Underfinansierade platser:** Underskotten är också ojämnt fördelade geografiskt, både mellan och inom länder. Tchad, Haiti och Somalia-appellerna täcker flera sub-nationella kriser. En grov kartläggning visar att de mest utsatta landsdelarna finansierades bättre i respektive land, men även dessa var ofta under-finansierade. Minskad närvaro är ofta svår att återskapa när behov återuppstår.

**Följder för kris-drabbade människor:** Vi har ingen tydlig bild av vad dessa brister för organisationer, sektorer och platser betyder för kris-drabbade människor. I enkätundersökningar gav målgrupper en betydligt mer negativ bild än biståndsarbetare kring frågor om hur behoven mötts och ifall de mest behövande hade nåtts. På de platser humanitära organisationer är närvarande, känner de ändå till vad underfinansiering leder till i form av drastiska nedskärningar i grundläggande stöd. Förutom att skapa direkt lidande kan detta även

driva människor in i negativa överlevnadsstrategier, ökad osäkerhet och minskad motståndskraft. Det saknas dock dokumentation och systematisk uppföljning av de yttersta konsekvenserna av underfinansiering för människor i behov av humanitär hjälp. Även det mest grundläggande måttet, antalet människor som nåtts av hjälp, finns inte systematiskt tillgängligt. Där måttet finns visar det inte hur mycket eller hur relevant stöd som nått fram.

### **Vad bör göras på appellsidan?**

Det krävs förbättringar inom tre områden: i) tillförlitlighet i beskrivningar av behoven, ii) kartläggning av hur stora de finansiella underskotten är samt iii) uppföljning av vad som slutligen levereras. Angreppssätten måste vara globala ifall appellerna ska utgöra underlag till fördelningsbeslut mellan, såväl som inom, länder.

I alla dessa avseenden har det skett stora förbättringar jämfört med de första sammanhållna appellerna på 1990-talet. Dagens responsplaner är bättre samordnade, mer strategiska, bättre spårbara och mer standardiserade. Ändå kvarstår spänningar mellan projekt driven utformning av appellerna och dess övergripande syfte.

### ***Skapa tillförlitliga mål***

**Att prioritera bland identifierade behov** är nödvändigt för att – enligt den humanitära principen om opartiskhet – använda resurser så att de största behoven täcks först. Appellerna måste beskriva hur omfattande responsen ska vara och sortera bland åtgärder som ska ingå. De 'livsräddande' humanitära insatserna är sällan tydligt definierade och inte heller självklara, vilket leder till dilemman särskilt där det saknas insatser för att stärka individers och samhällens motståndskraft.

**Metoderna för att räkna** fram kostnaderna är kända för att vara ottydliga och väcka misstankar om ”appell-inflation”. En vägledning har tagits fram för att förbättra standard och transparens i kostnadsberäkningar, men tillämpningen går långsamt.

**Förändringar av innehållet i appellerna** kan bli nödvändiga när situationer förändras och behoven skiftar. Sättet som detta görs på är dock inte samstämmigt. Vissa land-team var långsamma med att

revidera appeller nedåt när situationer förbättrades. Andra skar kraftigt ned sina förfrågningar, inte på grund av förbättrade situationer, men utifrån förväntningar om tillgänglig finansiering, vilket dolde den egentliga storleken på underfinansieringen. En prioriterad ordningsföljd av insatser och systematiska halvårs-översyner hade kunnat förhindra detta.

### ***Spåra finansieringsnivåer***

Hur välfinansierade appellerna är anges i OCHA:s databas Financial Tracking Service (FTS). Den bild som ges där kan dock av flera skäl inte ses som helt korrekt. Fleråriga och icke öronmärkta anslag kan inte enkelt ställas i relation till de årliga HRP-behoven. Även om allt fler aktörer deltar, så är rapporteringen till FST fortfarande frivillig – studien fann exempel på finansiering till appellerna som inte hade rapporterats in.

Distinktionen mellan vad som finansieras 'innanför' respektive 'utanför' appellerna kan också vara missledande. Organisationer som inte deltar i appellerna – exempelvis Röda Korset och Röda Halvmåne-rörelsen – bidrar fortfarande till att uppfylla de strategiska målen i appellerna samt att täcka upp brister. En förbättrad kartläggning av vad som omfattas och hur skulle ge en bättre bild av när under-finansiering av i vilken grad HRP-responser fyller behov.

### ***Följa upp resultat och målgrupper***

Uppföljningen av appellerna är ojämn såväl inom som mellan länder. Det saknas gemensam standard för att spåra vem som nås av hjälp, när, var och hur. Underfinansiering kan förvärra detta eftersom uppföljning ofta hör till de första "överbyggnader" som skärs bort.

I pågående uppföljning är det i många fall svårt att finna ens de mest övergripande uppskattningar om hur många människor som nåtts, eller än mindre tolka siffrorna. OCHA har nyligen investerat i förbättringar av sin kunskaps-plattform, vilket är ett viktigt steg. Men informationen från systemet är bara så bra som den information som matas in, och bara av värde i den utsträckning den används.

Vidare finns ingen **årlig rapportering eller ansvarsutkrävande** gentemot de strategiska mål som sätts upp i appellerna. Eftersom systemet i huvudsak bygger på bilaterala relationer mellan hjälporganisationer och givare, så är kraven på ansvarsutkrävande mycket högre på projekt- eller organisationsnivå än den är på appellnivån. Oberoende årlig rapportering skulle kunna få organisationerna att komma samman i ett delat och gemensamt ansvarstagande.

### **Vad bör givarna göra?**

Logiken är att med förbättrade appell-processer blir följderna av underfinansiering tydliga, vilket i sin tur borde öka tillit. Detta borde i sin tur leda till mer rationell mobilisering och fördelning av givares resurser. Om problemen ska hanteras krävs förbättringar i processen. Förbättrad transparens och samordning på appell-sidan måste mötas med framsteg på givarsidan.

### ***Fördelning baserad på appeller***

De flesta givare hävdar att de finansierar i förhållande till behoven, men i verkligheten är det få som använder appellerna som den viktigaste grunden för sina beslut. Ofta hänvisar man till att appellerna är svåra att jämföra och dessutom inte tillräckligt rigorösa. De största givarna ser appellerna mer som en behovsbarometer än som föreskrifter för biståndsbedömningar.

EU:s humanitära organ, ECHO och svenska Sida sätter båda stort värde på förbättrad precision och att deras egna beslutsprocesser är transparenta. De har bidragit till diskussioner om hur allokeringssprocesser kan förbättras inom givarkretsen. Transparens i beslutsprocesser är en grundläggande förutsättning för förbättrad givarsamordning.

### ***Givar-samordning***

Ingen givare kan på egen hand täcka alla finansieringsbehov. Finansieringsnivåer, såväl som under-finansiering, är resultaten av många separata beslut och många olika givare. Att motverka under-finansiering kräver därför givarsamordning.

Givarsamordning framträder tydligast på landnivå, om än informellt. Aktörer i de tre fallstudieländerna bedömde att ökad givarsamordning och engagemang i HRP-processerna skulle leda till förbättrad finansiering genom en ökad ömsesidig förståelse för såväl behov, rimliga förväntningar och vilken kapacitet som finns till hands.

På internationell nivå finns för närvarande ingen plattform för givarsamordning. Innan the World Humanitarian Summit (Istanbul 2016) var idén att en 'arbetsfördelning mellan givare' skulle fylla detta tomrum. Givare förväntades informera varandra om sina allokeringsprioriteringar och – planer, vilket förväntades leda till en jämn och kompletterande fördelning över sektorer och länder. Det har hittills funnits väldigt lite vilja att utforska detta ytterligare. Men senaste tidens diskussioner om att dela allokeringmetoder kan vara ett första litet steg.

### ***Flexibel finansiering***

I alla tre länderna beskrev organisationer hur viktig flexibel finansiering är för att täcka behov och anpassa verksamhet i de fall resurserna inte räcker till. Däremot var det få organisationer som hade möjlighet att dra på icke in-tecknade resurser. Trots att några givare är starka förespråkare för flexibel finansiering är framstegen mycket måttliga.

Gemensamma fonder är en viktig mekanism för givarsamordning, med syftet att jämna ut finansiering såväl på land- som internationell nivå. The Central Emergency Response Fund har spelat en viktig roll, vilket även landbaserade fonder gjort. Men trots att gemensamma fonder blir vanligare är de fortsatt jämförelsevis små. De täcker ungefär en tiondel av den totala underfinansieringen.

**Sammanfattningsvis:** Trots att studien pekar på kunskapsluckor kring vad som händer när appeller är underfinansierade, bör inte detta ses som något överslätande av allvaret i den humanitära underfinansieringen. Organisationer och givare måste samarbeta för att investera i systemövergripande reformer och förbättringar så att följderna av brister blir mer kända, och framför allt åtgärdade. Kunskapsbrister kring omfattning och följder av underfinansiering får inte tas till intäkt för uppgivenhet, utan uppmana till handling.



# Summary

## The underfunding problem

The UN-coordinated appeals represent the largest combined request for humanitarian aid, and a central pillar of the humanitarian response architecture. They bring together UN and non-governmental agencies to assess needs, develop strategic plans and present financial asks.

In 2017, these appeals set out a record total requirement of US\$25.2 billion. This was nearly double that of five years previously, but the financial shortfall has grown at an even greater rate. At the end of 2018, the contribution gap for that year stood at a high of US\$10.9 billion. Funding is under pressure – failing to keep up with increasing demands, concentrated to a few large appeals, distributed unequally between crises.

While the *scale* of underfunding is widely reported, we know less about its *impacts* – how does *money not given* translate into *response not delivered*, and into *needs not met*? Inability to answer these questions fuels ongoing mutual frustration between donors and agencies – donors distrusting requirements and agencies struggling with shortfalls and competing for funds. Understanding the realities of shortfalls cannot solve the politics of the system but is critical if agencies and donors are to work together to meet the most severe needs and mitigate the worst gaps.

This study seeks to examine what is known and unknown about the consequences of underfunding, with a focus on three countries – Chad, Haiti and Somalia – through in-depth interviews, review of documentation and literature, and analysis of the financial data. It finds illustrative information about the consequences of funding shortfalls for humanitarian response. However, there is a striking lack of reliable available evidence about the extent and impacts of underfunding. This basic knowledge gap reveals fundamental issues across the appeals-related system that must be addressed if the appeals are to be better resourced to meet needs.

## Consequences of underfunding

A lack of funding has consequences *for humanitarian response* – which elements of agencies' delivery are cut or compromised? – and ultimately *for affected people* – which of their needs go unmet? Though often conflated, the two are not the same.

**Underfunded agencies:** The appeals are dominated by three UN agencies: World Food Programme, Office of the UN High Commissioner for Refugees (UNHCR) and UNICEF, which represented 55% of requirements and 62% of appeals' funding in 2017. At the other end of the scale, over half of the agencies participating in the Chad, Haiti and Somalia appeals seemed to receive no funding at all. Local and national NGOs were hit particularly hard, jeopardising localisation, damaging relationship-building and creating a circular barrier to entry.

**Underfunded sectors:** Funding levels to the different **sectors of humanitarian response** are highly variable within and between countries and over time. But overall, protection, water, sanitation and hygiene (WASH), education, and camp management and early recovery have been consistently less than 50% funded. Across sectors, failure to meet all but the most urgent needs leaves others to worsen – often becoming the following year's severe caseload.

**Underfunded locations:** There are inequities in funding and neglected crises at both national and subnational levels. The Chad, Haiti and Somalia appeals cover multiple subnational crises. A crude mapping suggests that in general the more severely affected locations were better funded, but still often underfunded. Agencies reported how lack of funding forces reduced humanitarian presence in certain areas, which is hard to re-establish when needed.

**Consequences for crisis-affected people:** We do not have a clear picture of what exactly these gaps in the agencies, sectors and locations of response mean in terms of gaps experienced by crisis-affected people. In surveys, targeted populations had a much more negative view than aid workers of the extent to which aid met their most important needs and was directed to the people most in need. But where they are present, humanitarians do have insights into the impacts of underfunding, including drastic cuts to basic provisions,

which, as well as causing direct suffering, can also push people into negative coping strategies, increase insecurity and decrease resilience. However, there is little documentation, and no systematic monitoring, of the ultimate consequences of underfunding for people in humanitarian need. Even the most basic metric, the numbers of targeted people reached with assistance, is not consistently available – and where it is, reveals little about the level of provision, quality and relevance of that reach.

### **Appeals-side implications**

The available information on these consequences is partial, inconsistent between crises and clusters, and ad hoc. Producing a more robust and comparable picture of the realities of underfunding entails improvements in three elements of the appeals equation: 1) the reliability of the requirements, 2) the tracking of the extent of the financial shortfall, and 3) the monitoring and reporting of what was, and was not, delivered. Good practice also needs to be global if it is to support allocation decisions *between*, as well as *within*, countries.

In all these respects, the current process has improved vastly since the first consolidated appeals in the 1990s. Today's response plans are better grounded, tracked and standardised. Yet long-standing tensions remain unresolved: between project-driven formulation and collective intent, and between the burdens and benefits of increased coordination.

### **Generating reliable requirements**

**Prioritising the identified needs** is necessary in any response so that resources can be allocated to meeting the greatest needs first, but prioritisation is not simple and is highly contested. For the appeals, it involves setting parameters and plans for 'triage'. Yet, the 'life-saving' parameters of humanitarian response are often far from defined and self-evident, leading to dilemmas, especially where investments in resilience are absent. Triage in the appeals is also unclear and could benefit from more explicit funding-linked strategy.

**Methods behind the costings** of response are well known to be opaque, fuelling suspicion of ‘appeal inflation’. A roadmap has been drawn up to improve the standardisation and transparency of costings methods, but given its technical and administrative demands, roll-out looks set to be slow.

**Revisions to requirements** set out in the appeals may be necessary as situations and information change. There is an inconsistent approach to such revisions: some country teams were slow to revise requirements downwards when situations improved, and others radically cut their asks not due to improved situations, but based on funding prospects, counterproductively concealing the extent of the shortfall. Clearly sequenced plans and mid-year reviews could be the basis of a more consistent approach.

### **Tracking funding levels**

**Tracking contributions to the appeals can be further improved to give a more reliable, granular and timely account of funding levels.** The tally of funding against the appeals is measured by the Office for the Coordination of Humanitarian Affairs (OCHA)-run Financial Tracking Service (FTS). The picture it gives should, however, not be taken as entirely accurate. Reporting to FTS, though vastly increased, is still voluntary – the research identified examples of unreported funding to the appeals. The use of multi-year and unarmarked allocations cannot currently be readily tracked against the annual appeal requirements.

**The distinction between what flows ‘inside’ and ‘outside’ the appeals** can also be misleading. Funding to agencies which do not participate in the appeals – including the International Red Cross and Red Crescent Movement – often contributes to delivering against the appeals’ strategic objectives and mitigating shortfalls. Better mapping could provide a useful overview of where these ‘outside-the-appeal’ resources and responses are, and are not, filling gaps.

### **Monitoring reach and results**

**Monitoring against the appeals** is patchy within and between countries, without common practice for tracking who is reached

with assistance, when, where or how. Underfunding can perpetuate this, as monitoring support is often among the first ‘overheads’ to be cut.

In **ongoing monitoring**, even the most basic top-line estimates of the numbers of people reached are hard to find for many appeals, let alone meaningfully interpret. OCHA has recently invested in upgrading and standardising its knowledge management platforms. However, these will only be as good as the information that goes into them, and only as valuable as the extent to which they are used for operational and funding decision-making.

There is also no **routine annual reporting or accountability** against the strategic objectives set out in the appeals. As the system operates primarily on bilateral relationships between agencies and donors, there is a much higher bar for accountability at this project or agency level than at the appeal level. Independent annual reporting could help to bring agencies together in shared ownership and understanding of their collective response.

### **Donor-side implications**

The logic is that all these improvements in the appeals lead to clearer understanding of the realities of shortfalls, which then builds trust and informs a more rational mobilisation and distribution of funds by donors. So, if the underfunding problem is to be tackled, upgrades to processes, transparency and coordination on the appeals side must be met with similar advances on the donor side.

### **Appeals-based allocations**

Most donors state that they fund according to needs but, in reality, other considerations influence allocations. Few use the appeals as a primary factor in decision-making, with donors often citing the appeals’ lack of comparability and rigour as a reason. Though the major donors use the appeals as a reference point, they are more often taken as barometers of need than prescriptions for aid.

The European Commission’s humanitarian agency, ECHO, and Sweden’s International Development Cooperation Agency, Sida, both place a high value on improving the precision and ensuring the

transparency of their decision-making. They have catalysed discussions to improve the clarity and understanding of allocation processes across the donor community. Such transparency of allocation processes could be a first step towards a more open discussion of the function of the appeals in resource allocation.

### **Donor coordination**

No donor can unilaterally fund all requirements of all appeals. Levels of funding, and underfunding, are the emergent property of multiple decisions of multiple donors. Preventing and counteracting this demands a commitment to donor coordination.

**Donor coordination is most evident at the country level**, but largely informally. Agencies in all three case study countries felt that greater donor coordination and inclusion in the appeals process would lead to better funding based on mutual understanding of requirements, expectations and capacities.

**At the global level, there is no platform for coordinating donor approaches and allocations.** The concept of a donor ‘division of labour’ had been suggested before the World Humanitarian Summit. Donors could share information about their allocation plans to begin to ensure complementarity of sectoral and geographic coverage. There has to date been little political appetite to explore this further, but recent technical discussions on sharing allocation methods could be a potential in-road.

### **Flexible funding**

Agencies in all three countries noted the importance of flexible funding to allow them to bridge gaps and adapt their response in the face of shortfalls. Few however reported being able to call on unrestricted internal contingency funds. A handful of donors show strong commitment to flexible funding but overall there is modest progress towards meeting commitments to greater flexibility.

**Pooled funds are an important mechanism** for donor coordination and at the global and country level have an explicit function to mitigate uneven funding. The Central Emergency Response Fund has played a critical role in filling gaps in bilateral funding as have country-based pooled funds. Yet, although pooled

funding is on the rise, it remains relatively small – equivalent to around a tenth of the appeals shortfall – and so limited in its ability to mitigate most gaps.

**In conclusion,** while this study highlights major lacunae in knowledge of what happens when appeals are underfunded, it should not be read as casting doubt on the seriousness of the humanitarian gap. Agencies and donors must work together to invest in system-wide improvements and reforms – which go beyond the appeals – so that the impacts of these gaps are better understood and most importantly, responded to. Shortcomings in understanding the scale and consequences of underfunding should not be the rationale for fatigue, but the impetus for action.

# Introduction

## The underfunding problem

The UN-coordinated appeals are a central pillar of the international architecture to direct funding to meet humanitarian need. Each year, these joint plans bring together the funding requirements for humanitarian agencies, primarily UN and NGOs. They do not aim or claim to cover all humanitarian needs and responses, but as the largest combined request for international support, they are often taken as a proxy for the global annual bill for humanitarian response – and as a basis for measuring how far the world is falling short of paying it.

In 2017, there were 41 such appeals, whose total ask reached a record high of US\$25.2 billion. But with only 60% of their target funded, there was a record shortfall of US\$10.1 billion. At the time of writing, the 2018 appeals appear to be 58.5% funded.<sup>1</sup>

Yet though the *scale* of underfunding is widely reported and discussed, we know considerably less about its *impacts*. To what extent do people in humanitarian need suffer shortfalls in critical assistance? And to what extent do or don't humanitarian agencies manage to meet acute needs despite the apparent shortfall? To date, the consequences of underfunding appeals have remained largely undocumented, the causes contested, and the systemic implications unaddressed.

Why does this matter? It matters because a clear understanding of whose needs are going unmet, where and how, should be a starting point for recalibrating efforts to meet them. Knowing what happens, or doesn't happen, in the funding gap is essential to begin to close it. In a world of limited financial resources and growing needs, fulfilling the principled commitment to needs-based funding inevitably entails moral hazards and difficult choices for both

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<sup>1</sup> Figures from OCHA's FTS as of 16 January 2018. Includes HRPs as well as the Syria 3RP, flash appeals and other UN-coordinated humanitarian action plans.



donors and responders. There is a “tragedy of choice” (Berlin cited in Binder et al, 2013) between whose needs are met and where, which leaves holes and inequalities in coverage. The appeals, and learning from the consequences of their underfunding, should be a critical part of supporting these difficult decisions to be better made.

It also matters for the credibility of the appeals system. While there is consensus that the financial shortfall is a serious and urgent problem, there is persistent distrust in the financial ask and the assessments and costings on which this is based (see inter alia Porter, 2002; UNGA, 2015). It is clear that funding does not sufficiently meet requirements but there is doubt as to whether those requirements properly reflect needs in the first place. The 2016 report of the High-Level Panel on Humanitarian Financing for example notes that: “organisations are suspected of ‘appeal inflation’... A lack of solid data means that the funding gap is also a credibility and accountability gap”.

There has been progress in many respects. There are continual iterative updates to the way the appeals are formulated, coordinated and communicated as well as ongoing concerted initiatives to improve the analysis on which they are based. There is also a new energy on humanitarian financing, which gained momentum in and around the 2016 World Humanitarian Summit – including the ‘Grand Bargain’ between donors and humanitarian agencies<sup>2</sup> and wider calls to rethink existing models.

But despite this progress, and 17 years of transformation and refinement of the appeals, the same dynamic repeats: donors voice scepticism about the basis of requirements and agencies voice frustration about the paucity of funding. There appears to be an impasse. And with ever more at stake for humanitarian response as

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<sup>2</sup> The 2016 World Humanitarian Summit was the culmination of a two-year consultation process to bring a full range of humanitarian stakeholders together to commit to creating more effective humanitarian response. The Grand Bargain is an agreement launched at the summit between donors and agencies – a ‘quid pro quo’ to improve the efficiency and effectiveness of humanitarian aid. It includes 51 commitments across 10 workstreams. By 2018, it had 56 signatories including donors, UN agencies, International Red Cross and Red Crescent Movement and international NGOs.

both the scale of the requirements and the shortfall increases, the scepticism and mutual frustration grow.

Differences aside, agencies and donors share a common commitment to best directing resources to needs, and a common desire to see the appeals system working better to this end. This study therefore aims to contribute to constructive dialogue both within and between them. It draws on global findings as well as case studies of underfunded appeals for three countries: Chad, Haiti and Somalia, to investigate what is currently known and unknown about the consequences of underfunding and what the implications of this are for the appeals system.

The research finds that there is little reliable, available and comprehensive evidence on the consequences of underfunding for humanitarian response, and for the people who need it. So, while the study sets out what we can currently know, it also explores what it would take for the system to become better able to understand, communicate and act on the consequences of shortfalls. This entails fundamental questions of how humanitarian need is defined and assessed in the first place, and how the impact of humanitarian action is measured.

The first section of the study explains the *purpose and process behind the appeals* looking at how this has evolved, the second section then presenting analysis of the trends and current *state of underfunding* – the extent and patterns of the *scale of the funding shortfall*. The third section examines the available information about the *consequences of this underfunding* and notes the limits to this information. This has two dimensions: firstly the reported consequences for the delivery of humanitarian response – the agencies, sectors of activities and locations which do not receive funding. And secondly the consequences for the people affected by humanitarian crises – the extent to which they felt their needs were met or unmet by the response. The gaps in knowledge these reveal have *implications for the appeals system which* are explored in the fourth section of the report. For the appeals, this involves changes in the approaches of humanitarian agencies and of the donors who fund them. For the agencies – the ‘appeals side’ – the report looks at the issues around generating more reliable requirements, better tracking available

funding, and more systematic monitoring of response, each required to provide a clearer and more comparable picture of the realities of underfunding. Donor-side action is of course the necessary counterpart to this – improved appeals-side information must be used and responded to. The fifth section looks at the use of appeals in allocation decisions, the question of coordinated donor response, and the role of flexible funding to mitigate funding gaps.

It is not within the scope of this study to explore or propose how much *more* humanitarian funding might be mobilised, a live question which is the subject of much advocacy and innovation in the sector. The call for increased funding is inevitable in discussions on underfunding, but the focus of this study is how we can ensure a clearer assessment of what is required and a more rational needs-based direction of existing, as well as new, funds towards it. And while the subject of the research is UN-coordinated appeals, these cannot be understood and resolved in isolation from wider dynamics and developments in the aid system and ‘humanitarian business model’ (Konyndyk, 2018). Hence many of the findings hold true for the wider crisis response endeavour.

## **Methodology overview**

This paper is informed by mixed methods research, including a review of literature and operational documents, key informant interviews, analysis of the financial data and secondary findings from field surveys. Although the paper looks at past trends, current developments and future plans, the focus year for analysis was 2017, as this was the last complete appeals year at the time of research.

The report focuses on single country humanitarian response plans (HRPs), rather than regional response plans, refugee response plans or flash appeals. Chad, Haiti and Somalia were selected as case study HRPs with different crisis contexts, appeal sizes and levels of underfunding. They were chosen from a longlist of 10 countries which had recently and regularly experienced coverage of less than two thirds of their requirements, and which had been the subject of UN-coordinated appeals every year for at least the last five years so that trends could be mapped.

This longlist was grouped according to the size of the appeals in 2017 – those with requirements greater than US\$1 billion, between US\$550 million and US\$1 billion, and between US\$100 million and US\$500 million. Considering severity<sup>3</sup> levels and crisis types, Somalia was chosen from the first group, Chad from the second and Haiti from the third. As noted throughout the text, context specificity means they are illustrative examples rather than representative of the experiences of all other HRPs.

A total of 44 semi-structured interviews were conducted remotely with humanitarian agencies and donors. In-country agencies were selected from those which had less than two thirds of their requirements met, representing a range of degrees of underfunding and geographic coverage.

Surveys of affected populations were conducted by Ground Truth Solutions, as part of separate research studies. The Chad survey is part of a process related to the appeal. The surveys in Somalia and Haiti were part of OECD-funded research but included questions tailored to this enquiry and consolidated pre-publication findings were shared to inform this research.

Two significant limitations to this study should be noted. Firstly, interviews were conducted remotely, and staff availability and turn-over meant that it was not always possible to reach those people with institutional memory or overview of the appeals process. Most interviewees were also unable to provide specific data or evidence of the consequences of programmatic responses to underfunding, providing instead verbal accounts of experiences and learning. Secondly, the timing of the research period, with interviews spanning the second two quarters of 2018, meant that learning and developments from the 2018 HRPs could not be fully integrated, although some planned changes are reflected. Other limitations and caveats are noted in the narrative and charts throughout the report.

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<sup>3</sup> Based on ACAPS' severity scoring used in its Global Emergency Overview

# A guide to the appeals

## The evolution of the appeals

‘UN-coordinated appeals’ is a broad term, used in this report to describe the joint plans for assistance which bring together UN and NGO responding agencies and are officially coordinated under UN leadership. These most commonly take the form of HRPs but also include occasional flash appeals to respond to sudden-onset emergencies. The Office of the UN High Commissioner for Refugees (UNHCR) also coordinates refugee response plans (RRPs).<sup>4</sup>

While they do not include all agencies and all requirements,<sup>5</sup> they are the largest combined appeals. In 2017, over half of all international humanitarian assistance flowed directly to the projects included within them.<sup>6</sup> As such, they are often taken as a proxy for the scale of humanitarian need and underfunding.

The appeals date back nearly three decades but have undergone significant changes. Established under the same 1991 General Assembly resolution (46/182) which created many of the features of humanitarian coordination, ‘consolidated appeals’ (CAPs) were conceived as exceptional rapid initial appeals, to cover UN organisations, and to be issued in no less than a week (UNGA, 1991). Now they are the norm for humanitarian response, include NGOs, and are part of a sophisticated annual programming cycle.

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<sup>4</sup> A note on terminology: this paper uses the generic term ‘appeals’ as shorthand to refer to the full range of response plans – including HRPs and flash appeals, and the historical range from consolidated appeals (CAPs) to HRPs. When referring to the HRPs specifically, it uses HRPs or ‘response plans’.

<sup>5</sup> Most notably, the International Committee of the Red Cross, IFRC and Médecins Sans Frontières do not include their requirements in the appeals.

<sup>6</sup> In 2017, US\$14.1 billion of direct funding to the appeals was reported to FTS. As according to the *Global Humanitarian Assistance Report 2018*, there was an estimated US\$27.3 billion of international humanitarian assistance, some of which may have included funding which indirectly funded the appeals.

The appeals officially evolved from CAPs to ‘strategic response plans’ in 2013. The change in title was to counter any “wrong impression of what the process was intended to be” (OCHA, 2013). The process changed to follow the logic of the humanitarian programme cycle (HPC) with planning following from needs analysis (see Appendix 1). These phases were formally separated to avoid confusion or conflation between the processes of identifying needs and setting out requirements (Smith and Swithern, 2014) and address the tension between the strategic and fundraising functions of the appeals (see next section).

The current HRP follow this annual cycle. Humanitarian needs overviews (HNOs) are prepared collaboratively, in the second half of the calendar year. They are intended as a comprehensive analysis of both current and projected needs, from which the heads of agencies which come together in the humanitarian country team can agree the priorities for response in consultation with national authorities and with approval by the humanitarian coordinator. Based on these identified needs, the HRPs should then set out strategic objectives and sector-specific and cross-sectoral plans encompassing the projects and activities which agencies submit for inclusion. Each December, the Emergency Relief Coordinator launches a Global Humanitarian Overview, presenting the total of all requirements in the available appeals.<sup>7</sup>

Looking at a CAP document from two decades ago alongside a current HRP, the improvements in coordination, comprehensiveness and comparability are significant and clear. However, as the scale of the appeals’ ambition and financial requirements rises, so do expectations of their analytical rigour, strategic focus and accountable monitoring. Despite improvements, they are still often felt to be driven by individual projects or agencies. Many agencies express concerns around bureaucracy and leadership of coordination while many donors express frustration with the fact that long-discussed methodology and comparability issues have not yet been resolved.

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<sup>7</sup> In practice, the process does not always follow this timing or sequencing in all cases – some HNOs are finalised after the HRPs, and some HRPs are finalised after the Global Humanitarian Overview.

So, there is substantial pressure on the HRPs to change further and faster – and they are continuing to adapt and evolve, with new tools and approaches to improve their coordination, content and communication. The rise of cash-based programming is driving new cross-sector and cross-agency working. In the UN Office for the Coordination of Humanitarian Affairs (OCHA), new leadership is bringing a renewed focus on standardised approaches to implementation and measuring results. More broadly within the UN there are changes to country coordination and to development planning. However, as we shall see, there are also countervailing pressures to systemic change – financial constraints also bring inter-agency territoriality and a preservation of the status quo, and lack of investment in long-term solutions thwarts humanitarian exit strategies.

## **The dual purpose of the appeals**

The appeals are both a strategic plan and a fundraising mechanism. The tension between these two functions – between being an objective collective strategic tool and a platform for agency fundraising – has been inherent since the inception of the CAP. A 2002 evaluation of the CAP highlighted this as its “most significant and problematic characteristic” (Porter, 2002).

The 2013 shift from consolidated appeals to strategic appeals signalled clearly where the emphasis lay: they were to be “primarily management tools” for coordination, but “can be used to communicate the scope of the response and emergency to donors and the public, and thus serve a secondary purpose for response mobilization” (OCHA, 2013). The strategic clarity of the HRPs has improved beyond recognition from the CAPs of 2002. In each of the case study countries for this research, interviewees recognised the significant progress and accomplishment of producing these coordinated response plans against the odds of challenging operational environments, limited staff and often difficult relationships between agencies and with national authorities.

Yet, despite this progress, interviews with donors and agencies in global capitals and in case study countries suggest that the tension has not been entirely resolved. Requirements were often felt to remain a tally of individual agencies' project requests, rather than a collective strategic budget supported by a collective resource mobilisation plan.<sup>8</sup> Underlying inter-agency power dynamics and perennial process dysfunctions were felt to undermine a truly collective strategic ambition. Concerns were raised that the process was UN-agency dominated and that cluster leadership quality and selection criteria were variable – leading to HRP which were still to an extent the sum of their fragmented and duplicative parts. This was not the case in all clusters, but response planning still has some way to go to move from coordinated activities to strategic collective action.

Agencies however voiced caution about attempting to achieve this through adding further demands to the HRP process. Firstly, there are clear limitations to the utility of technical process fixes in the face of what are deeper questions of the political economy of humanitarian response. And secondly, more practically there are clear trade-offs between spending time on process and on action – especially in resource-constrained humanitarian settings, where the burden of bureaucratic 'busywork' (Stoddard et al, 2015) is already felt to be high and where improved coordination appears to have little effect on generating funding.

So, given these constraints, the question remains – how much more collectively strategic is it realistic for the HRPs to be? How much more than the sum of their parts can they become? As we shall explore in the fourth section of this report, somewhere between the two extremes of the old CAP style project "shopping list" (Porter, 2002) and a full adaptive alignment of organisational objectives, there is room for further improvements to the current model, with attention to improving the need basis of requirements and better tracking the needs coverage of delivery.

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<sup>8</sup> Notably, the HRPs do not include a strategy outline for how the HCT plans to mobilise funds against the requirements.



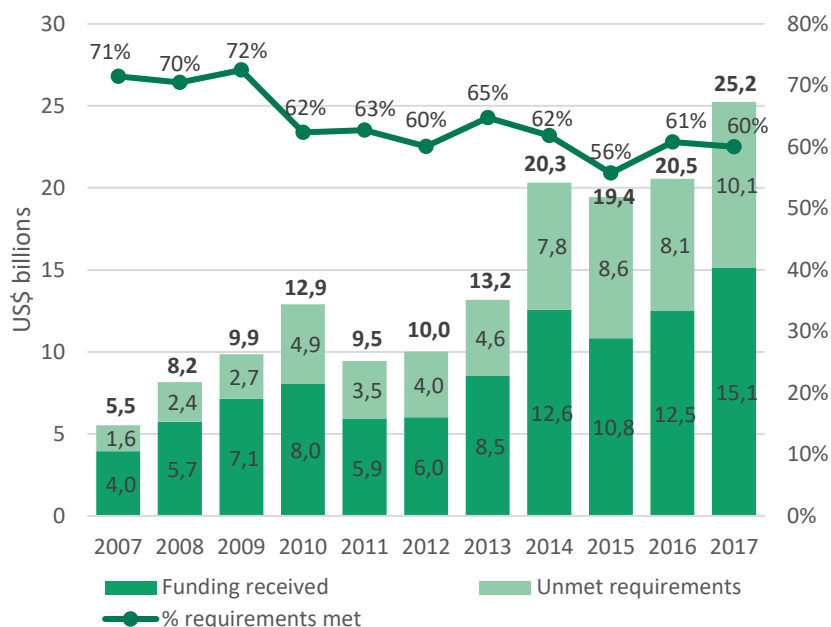
# The state of underfunding

## Global trends

International humanitarian assistance has risen to record levels but the rate of growth appears to have slowed in recent years. In 2017, funding from governments and private donors grew to an estimated US\$27.3 billion – a 48% rise on 2013's total but only a 3% rise from 2016. This total includes core and project funding directed both inside the appeals and to projects, agencies and funds outside their scope.

The global requirements under the UN-coordinated appeals have more than tripled over the past decade and more than doubled in the past five years. The appeals have never been fully financed, but since 2010, the year of the Pakistan floods and the Haiti earthquake, they have failed to attract more than two thirds of their target funding. And as the appeals have grown, driven largely by the Syria crisis, so has the shortfall – reaching the then unprecedented funding gap of US\$10.1 billion in 2017.

**Figure 1: Levels of funding to UN-coordinated appeals, 2007–2017**



Source: Development Initiatives based on UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS).

Notes: Includes humanitarian response plans, flash appeals, refugee response plan and other UN-coordinated humanitarian action plans, all as reported to OCHA FTS. Data is in current prices.

These total annual figures mask significant differences between individual appeals. In 2017, as Figure 2 shows, requirements for the 41 appeals ranged from over US\$5.6 billion for the Syria 3RP, to US\$10 million for the Mozambique flash appeal. Eight appeals exceeded US\$1 billion in requirements and so dominated the global ask.

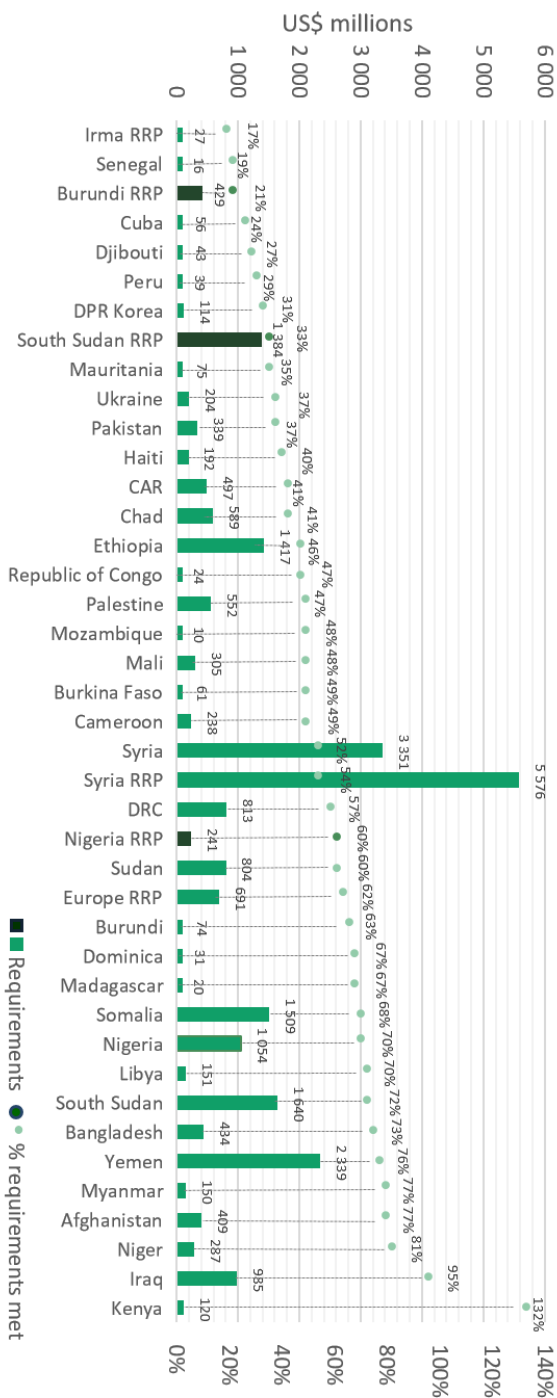
All except one of the 2017 appeals was to some degree underfunded, but the 60% average belies levels of coverage ranging from 95% (for the Iraq HRP) to just 17% (for Hurricane Irma). Of course, *proportions* of coverage can mean very different *volumes* of funding according to the size of requirements. A 52% level of coverage meant a shortfall of over US\$1.6 billion for the Syria response, while

57% coverage meant a shortfall of US\$463 million in the Democratic Republic of Congo.

Analysis reveals no predictable nor clearly discernible pattern behind these funding inequalities, which emerge from the accumulation of many individual donors' decisions. There appears to be no consistent correlation with crisis type, nor with geography nor with size of appeal. However, scale and familiarity do play a role: the HRPs which were less than a third funded were among the smaller appeals, requesting less than US\$200 million, and were also not regular or long-standing subjects of appeals.

The clear feature of funding volumes to the appeals has been concentration to the largest appeals. In 2017, nearly a third of all funding to the appeals went to the two largest appeals – the response plans for Syria (the Syria HRP) and for the Syrian regional refugee crisis (the Syria 3RP) and over two thirds to the seven 'billion plus' appeals. The scale of the Syria appeals may be unprecedented, but the phenomenon of concentration clearly predates them. As far back as 2002, funding to the two largest appeals exceeded the combined total given to all other appeals in six of the previous eight years (Porter, 2002).

Figure 2: Levels of funding to UN-coordinated appeals, 2017



Source: Development Initiatives based on OCHA Financial Tracking Service and UNHCR data.

Note: CAR: Central African Republic; DPR Korea: Democratic People's Republic of Korea; DRC: Democratic Republic of the Congo. Three regional refugee response plans (RRPs) are shaded differently to signal potential double counting with humanitarian response plans (HRPs) of their country components. There is no double counting in country HRPs for the Syria RRP or the Regional Refugee and Migrant Response Plan for Europe. Peru, Mozambique, Dominica, Madagascar and Kenya are flash appeals.

## Trends in Chad, Haiti and Somalia

The three case studies for this research were selected with the different levels of requirements and trends in funding to their appeals in mind (see Appendix 3). In 2017, Somalia was the fifth largest response plan – with the worsening food crisis, its requirements rose to US\$1.5 billion during the year. This was nearly three times the US\$589 million requested for Chad, which was in turn over three times larger than the Haiti requirements, which totalled US\$192 million following a downward revision in 2017.

Since 2010, the volumes and levels of funding have shown different patterns in each country as Figure 3 shows. For Chad, a complex protracted crisis, requirements have remained relatively constant, varying between US\$510 million and US\$618 million. The volume of funding to the Chad appeals also varied little – between US\$227 million and US\$356 million, indicating a fairly constant level of donor attention, or inattention. Yet though funding levels have been consistently around 60% or below over the period, 2017 saw the second lowest level (41%) – the gap widened as requirements increased to US\$589 million and funding dropped away to US\$243 million.

Haiti, by contrast, displays the funding volatility commonly associated with high profile disasters. In response to the 2010 earthquake, donors rose to meet the exceptional requirements of US\$1.5 billion with over 74% coverage. Similarly, in 2016, when Hurricane Matthew hit, the flash appeal for US\$139 million was over 62% funded. However, as post-disaster requirements reduced and focused more on long-term effects and needs, levels of coverage also fell, to reach a low of 40%<sup>9</sup> against 2017's US\$192 million requirements.

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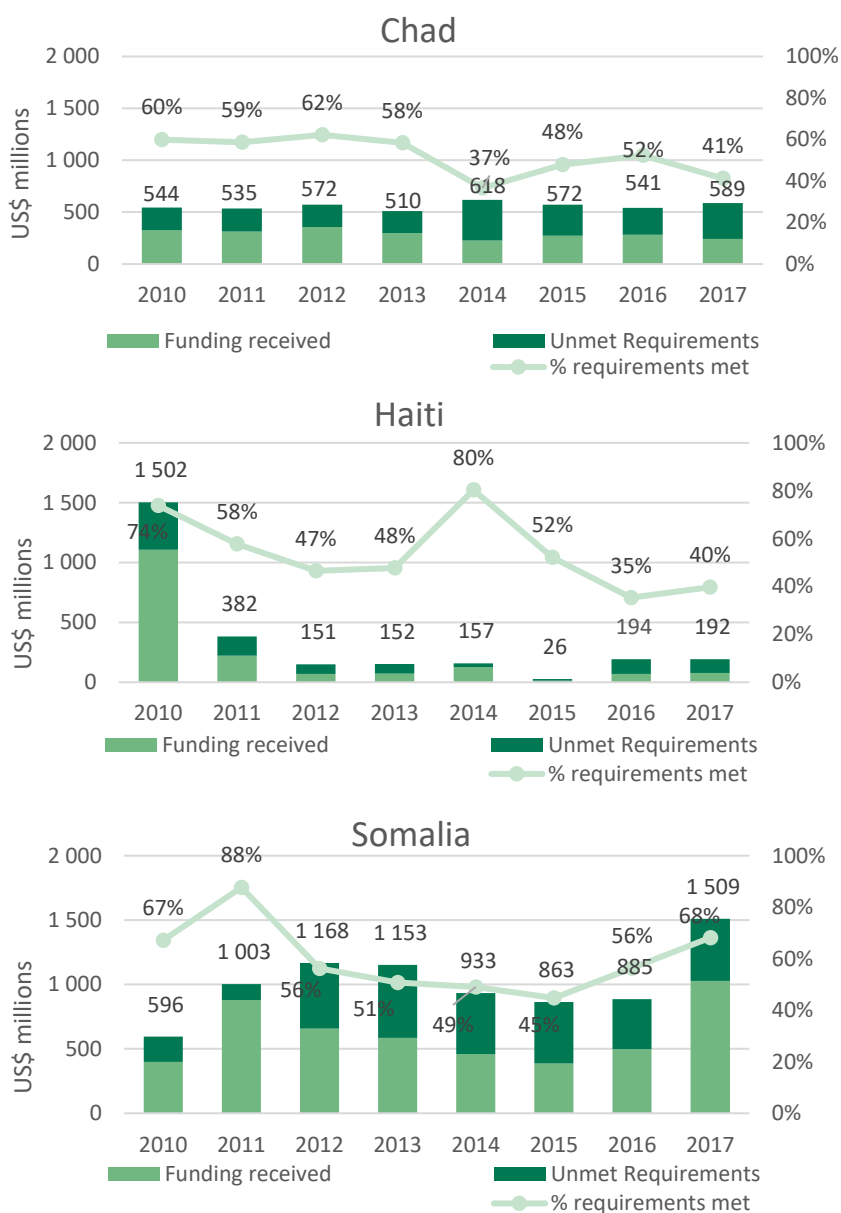
<sup>9</sup> Excepting the 35% for the HRP in 2016 which ran in parallel to the better-funded flash appeal for Hurricane Matthew.

Somalia's requirements are in a different order of magnitude to those for Haiti and Chad. Droughts have led to recurrent spikes in food insecurity, most extreme in the 2011–2012 famine and the 2017 famine warnings, which pushed requirements over the one-billion-dollar mark and received relatively high coverage – 88% and 68% respectively. However, in the years between these spikes, funding levels have remained below 60%, falling to a low of 45% in 2015. Like the 2011 peak, 2017 is likely an anomaly year:<sup>10</sup> as we will see, donors responded to the stark famine warnings with a doubling of assistance, and although the data shows a shortfall of nearly half-a-billion dollars, the appeal was felt by many to have been relatively well funded.

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<sup>10</sup> At the time of writing, in January 2018, the US\$1.5 billion 2018 HRP for Somalia was 55% funded.

**Figure 3: Funding requirements and levels of coverage, Chad, Haiti and Somalia HRPs, 2010–2017**



Source: Development Initiatives based on OCHA Financial Tracking Service.

Notes: HRP: humanitarian response plan. Requirements reflect revisions. Data in current prices.

## Consequences for meeting needs

The data shows the size of the funding gap, but what does this mean in real terms? How does this *funding not given* translate into *assistance not provided* and *needs not met*? These are important questions if donors are to make more informed needs-based decisions to address funding imbalances, and if agencies are to better mitigate shortfalls, adapt their interventions, and evidence the case for more funding.

There are two levels at which we can begin to answer these questions. Firstly, the level of the *consequences for the humanitarian response* – which elements of agencies' delivery are cut or compromised. And secondly, the level of the *consequences for affected people* – which of their needs go unmet. Though often conflated, the two are evidently not the same. The following sections examine what we know about each in turn. As we shall see available information on both is thin, and the third section (Knowledge Gaps) sets out the limits as well as the dangers of attributing shortcomings in response to shortfalls in funding.

### Consequences for the humanitarian response

When funding is significantly less than required or comes much later than needed, humanitarian agencies face hard choices about how best to direct limited and often inflexible resources. In the first instance interviewees reported that they will advocate or apply for additional funds, including pooled funds (see section: Pooled funding), or seek to maximise any existing flexible and contingency funds (see section: Flexible funding). When these are exhausted, depending on the flexibility of their project funding, they will then deploy a range of strategies to re-plan, alone and in coordination with others – balancing cuts to staffing, onward granting, entire locations or levels of coverage and provision.

The sum effect of these gaps, cuts and adjustments for the delivery of the response plan is not clear. The HPC does not include a standard, comprehensive reckoning of the undelivered projects or



provisions. Instead the consequences of funding shortfalls for project delivery are highlighted in a more ad hoc way, usually by sector and in broad narrative terms, in the various configurations of updates, reports, dashboards and reviews that make up each country's annual cycle. The extent, format and regularity of such reporting varies by country and by sector.

Analysis of these disparate HRP-related sources, as well as of the funding data, does however give some indication which agencies, places and clusters receive less funding in the case study countries. Interviews with agencies in Chad, Haiti and Somalia also revealed common observations on how underfunding compromised the effectiveness of humanitarian response. Aware of their limitations, this section draws on all three sources – documents, data and interviews – to give an illustrative overview of the most observed and reported effects.

## **Underfunded agencies**

Since their inception, participation in the appeals has grown and diversified. In 2002, 10 years after the launch of the CAPs, the low level of participation by non-UN agencies was a major concern (Porter, 2002) with only 126 agencies including projects. By 2017, the appeal was the aggregation of projects submitted by an estimated 828 humanitarian organisations – a nearly 10-fold increase in participation which indicates the importance of the appeals, the feat of coordination they represent and the challenges this brings.

The dominance of the UN agencies, however, is a clear constant. As in 2002, over half of 2017's international humanitarian assistance was channelled through three UN agencies – World Food Programme (WFP), UNHCR and UNICEF. These three largest UN agencies represented 55% of 2017's appeal requirements and 62% of reported funding to the appeals. The nine largest agency requirements all came from UN agencies, representing 73% of the total global ask and garnering 74% of appeals funding. However, there are significant variations between the UN agencies not only in how much they requested but also how well funded they were. For example, while WFP had the largest requirements (US\$6.4 billion)

and was 76% funded, the Food and Agriculture Organization (FAO) requested US\$888 million but was less than 25% funded.

Much of the funding to UN agencies is passed onwards to other implementing agencies including international, national and local NGOs. UN agencies, in particular WFP, UNHCR and UNICEF, therefore play multiple simultaneous roles in the appeals process. They lead clusters or sector groups, submit projects in the HRPs, appeal for funds, and act as sub-granting ‘donors’ to NGOs. In UNHCR’s case, the refugee response tends to be set out in a separate chapter in the HRPs, and its relationship with the wider response – and also where applicable with any regional refugee response – is not always clear.

The ‘business model’ whereby these large agencies are at once appealing agencies, arbiters of need, coordinators of response and fund managers is a source of much tension in coordination and distrust in the objectivity of the appeals (Konyndyk, 2018). Many interviewees felt that the fact that UN agencies also suffered shortages in funding (all except for WFP were less than two thirds funded) was less a sign of even-handedness than a driver for competition. While the leadership and engagement of non-UN agencies in the cluster system and in humanitarian country teams provide important checks and balances, many interviewees felt these were inadequate and a clearer separation of roles was required.

In contrast to the large volumes channelled to the large UN agencies, it is striking to see (Figure 4) how many HRP participating agencies appeared to be entirely unfunded.<sup>11</sup> According to FTS data, in Chad, 41% of agencies submitting projects in the 2017 HRP did not report receiving any funding for them, in Haiti 69%, and in Somalia 48%. These were predominantly NGOs, including national and local agencies.

In all three countries, interviewees observed that localisation – shifting the balance of resources towards local and national responders – and the commitments to it set out in the World

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<sup>11</sup> As reporting to FTS is voluntary, it is possible that this is partly due to under-reporting (particularly of ‘indirect’ funding, passed on by other agencies) as well as to underfunding.

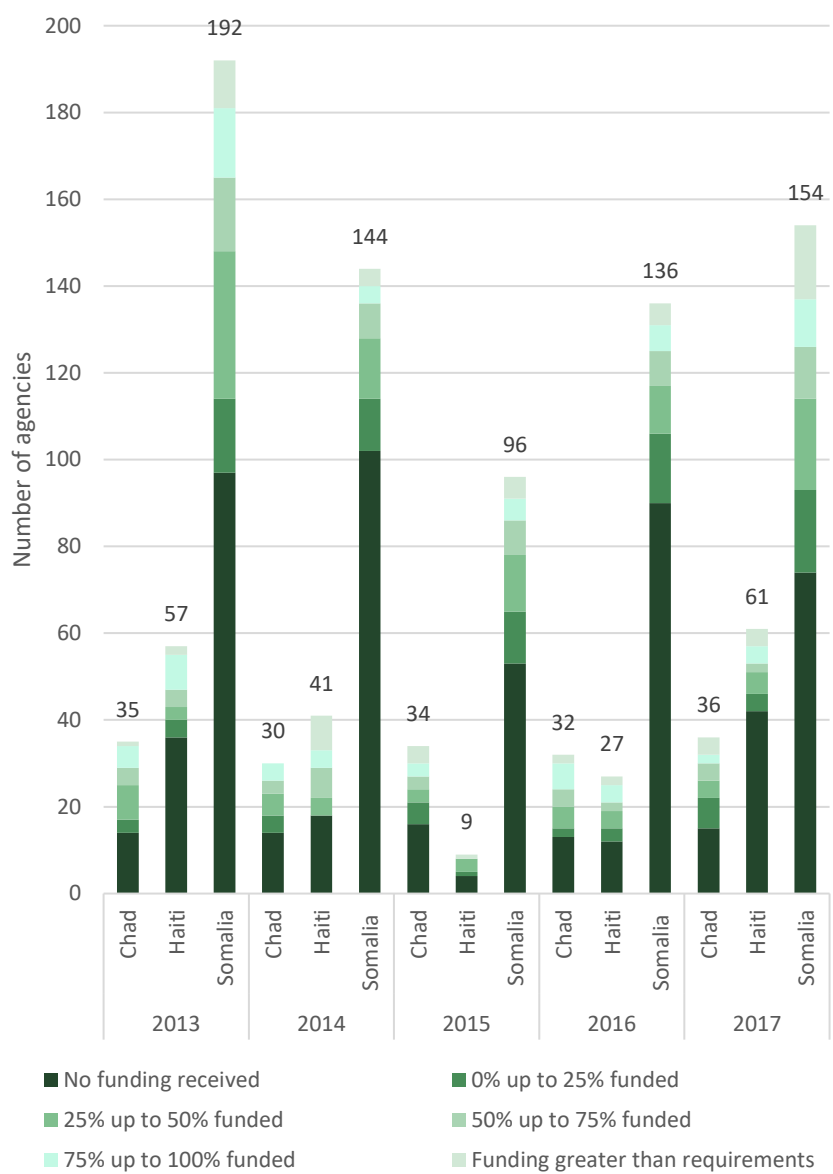
Humanitarian Summit and Grand Bargain,<sup>12</sup> are jeopardised by lack of funds – a view supported by the Ground Truth Solutions surveys of field staff in Somalia and in Haiti (2019a and 2019b). Despite concerted efforts and commitments, insufficient financial support to national and local organisations still creates a circular barrier to entry for them. Without investment, many were unable to meet funding partnership or approval criteria of bilateral donors or sub-granting international agencies – thus perpetuating preferential funding pathways to those agencies which already had stable staffing and sustainable funding. International NGOs cited their own staff and budget cuts as limiting their ability to support local organisations, and unfulfilled expectations of funding as damaging trust between them.

Globally, participation of national NGOs in the humanitarian country team (HCTs) is growing – 20 out of 26 HCTs include at least one national NGO member (Metcalf-Hough et al, 2018) and this includes the three case study countries where clusters were also co-led with national government partners. But the depth and representativeness of participation throughout the HRP process varied by country, by cluster and by subnational location. Interviewees in Haiti and in Chad noted that local NGOs are not sufficiently involved in the HRP and lack of funding and staff can be a barrier to participation in meetings and processes, which further excludes them from funding opportunities. In Somalia however, the country-based pooled fund (CBPF) – the Somalia Humanitarian Fund (SHF) – provides opportunities for participation and for funding. Like all other CBPFs it includes national NGOs on its advisory board and in 2017 allocated 39% (US\$21.7 million) of its total funds to national NGOs.

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<sup>12</sup> The second commitment of the Grand Bargain called for principled humanitarian action to be made “as local as possible and as international as necessary” and to “achieve by 2020 a global, aggregated target of at least 25 per cent of humanitarian funding to local and national actors as directly as possible”.

**Figure 4: Number of appeal-participating agencies by proportion of requirements met: Chad, Haiti and Somalia, 2013–2017**



Source: Development Initiatives based on OCHA Financial Tracking Service.  
 Notes: Legend refers to proportion of agencies’ stated requirements met with funding.

## Underfunded sectors<sup>13</sup>

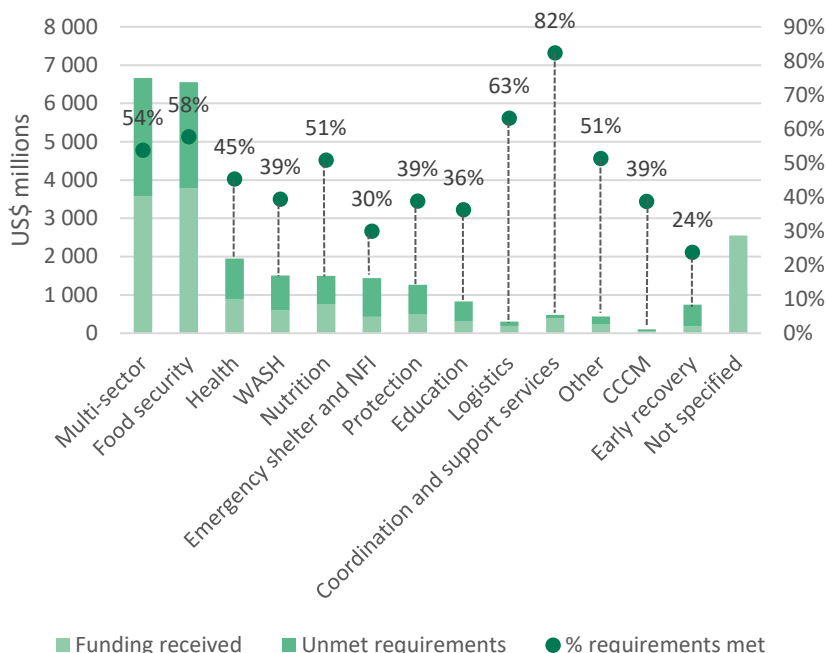
Needs and requirements in the appeals are primarily presented and tracked by sector, or cluster, although responses can also be cross sectoral, especially where multi-purpose cash programming is prevalent. In 2017, two sectors dominated global requirements and volumes of funding. Multi-sector covers response to refugees, as might be expected given the high numbers of refugees, including from Syria; this made up over a quarter of total requirements – over US\$6.7 billion. Food security accounted for over a quarter – nearly US\$6.6 billion. At the other end of the scale, camp coordination and management called for US\$105 million.

Food security (primarily channelled to WFP) and multi-sector (primarily to UNHCR) also dominated the funding received – over half of sector-specific allocations. Along with the much smaller requirements for nutrition, logistics and coordination and support services, these were the only sectors to be more than 50% funded. Analysis of trends over the past five years shows volatility in the levels of funding to each sector, but the 2017 levels are broadly in line (within 10 percentage points) with the averages over the period – apart from camp management which has shown a substantial drop. Water, sanitation and hygiene (WASH), emergency shelter and non-food items, protection, education and early recovery have consistently been less than 50% funded.

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<sup>13</sup> The term sector is used here as a generic term to reflect both sectors and clusters because in Haiti, the cluster system was deactivated at the end of 2014 and humanitarian actors operate based on joint sectoral responses.

**Figure 5: Total sector requirements and levels of funding, 2017**

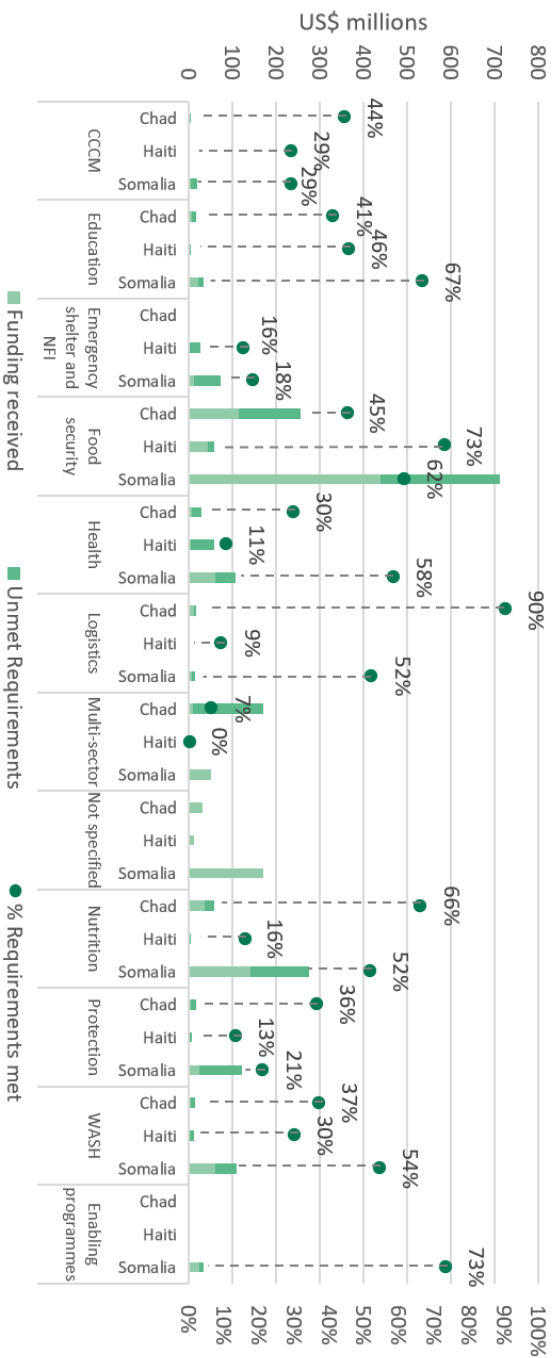


Source: Development Initiatives based on OCHA Financial Tracking Service.

Notes: CCCM: camp coordination and management; NFI: non-food items. Funding to unspecified sectors is captured under 'Not specified' and, due to the lack of sector information, does not have sector requirements to show against.

The consequences of underfunding for delivering assistance are often reported by sector or cluster within the HPC documents. Each of the three case study countries reported these in different ways and to different degrees and did so inconsistently between clusters. This differing prominence appeared to be in part a reflection of the strategic importance and degrees of underfunding of each cluster or sector, but also largely the strength and reporting practice of their leadership. The sector focus also raises issues of how multi-sector cash-based programming can be better tracked and monitored in the HPC (Bailey et al, 2018).

**Figure 6: Sector requirements and levels of funding: Chad, Haiti and Somalia, 2017**



Source: Development Initiatives based on OCHA Financial Tracking Service.

Notes: CCCM: camp coordination and management; NFI: non-food items. Data in current prices. For country and sector combinations without data, the respective sectors were not part of the respective humanitarian response plans. Funding to unspecified sectors is captured under 'Not specified' and, due to the lack of sector information, does not have sector requirements to show against.

In Haiti, only food security was more than 50% funded and apart from education, all other sectors saw less than a third of their requirements met. The humanitarian bulletin following the mid-year review cited funding as the main hindrance preventing most sectors from achieving their goals (OCHA, 2017a). In particular, the mid-year review noted that by September 2017, camp coordination and management had received no funding, meaning that people displaced by the 2010 earthquake were still living in camps and vulnerable to the 2017 hurricane season. The early recovery sector received no funding at all against its requirements, prompting a call for a better plan for linking relief to early recovery and development. At the same time, insufficient and inadequate shelter was built in response to Hurricane Matthew due to underfunding, an unmet need reflected in surveys of affected populations (Ground Truth Solutions, 2019a).

Both the mid-year review and the agencies interviewed noted that the low funding to WASH compromised the cholera with an interviewee noting that they were unable to “finish the job on cholera” meaning a continued caseload and risk. Underfunding for nutrition also meant that moderate acute malnutrition was largely unaddressed. Agencies interviewed also reported entire programmes being cut: this included premature closing of post-hurricane recovery projects. Protection was also highlighted, with lack of resources forcing cuts to interventions to address gender-based violence and psychosocial issues.

In Chad, only logistics and nutrition were more than 50% funded – even food security, the sector with the largest requirements, was only 45% funded. Reports of the consequences for this underfunding on each cluster were however scarce: there was no published mid-year review in 2017, and the focus of the monthly humanitarian bulletins was, as we shall see, more geographic than sectoral. However, like Haiti, interviewees highlighted that the response to both moderate acute malnutrition and gender-based violence were constrained. This resulted in weak legal and medical support to address gender-based violence and inability to respond



to many nutrition needs of children under five with moderate acute malnutrition.

Unpredictable and slow funding also affected the ability to deliver. In Chad agencies reported that pipelines and stocks were affected, pushing down cost effectiveness: in mid-2017 with malnutrition projected to rise by 50%, one agency expected Plumpy’Nut stocks to run out imminently. In this way, underfunding and late funding can itself push requirements up: without economies of scale the unit cost of provision increases (Stoddard et al, 2017) making the appeal more expensive.

In Somalia, there was positive donor response to the 2017 famine warnings with several donors providing additional or earlier contributions to the increased requirements,<sup>14</sup> and the appeal was widely considered to be relatively well funded against both stated needs and absorption capacity. There was therefore a deliberate lack of emphasis on the consequences of underfunding in the HRP monitoring documents. The mid-year review drew attention to shortfalls for education and the end-of-year bulletin included top-line references to funding constraints for education, health, WASH and shelter which affected the delivery of assistance to affected populations.

Across the sectors and in all three case study countries, interviewees reported that when funding was limited, resilience and prevention activities were the first to be affected. This concern has clear implications for the prioritisation of the appeals which will be explored later. Agencies noted that a lack of response to ‘less-urgent’ needs such as moderate acute malnutrition simply pushed the problem to the following year’s severe case-load. In Haiti, surveys revealed that neither vulnerable populations nor agencies felt prepared for or resilient in the face of any future disasters. In Grand Anse, the area worst hit by Hurricane Matthew, 94% of the affected people surveyed felt unprepared for the next disaster (Ground Truth Solutions, 2019a).

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<sup>14</sup> The 2017 requirements were revised upwards from US\$864 million to US\$1.5 billion. The revised appeal was 68% funded, including significant additional contributions from the US, Germany and Sweden.

## Underfunded locations

Each of the case study countries are affected by multiple sub-crises which manifest with different kinds and severity of needs. The HNOs profile the needs at the subnational level, and the response plans set out the priority areas and groups.

The Chad HNO and HRP make the clearest geographic distinctions, focusing on the sub-crises of Lake Chad, the Sahel Food Crisis and refugees from Sudan and Central African Republic in the East and South. The Haiti HRP sought to assist those suffering the after-effects of Hurricane Matthew primarily in the south-west of the country, returnees from the Dominican Republic near the border, internally displaced persons still in camps after the 2010 earthquake and cholera cases across the country. In Somalia, the subnational crises were less distinct, but the impacts of conflict, displacement and food insecurity combined to create local variations in the level and dynamics of crisis severity.

Comparing levels of subnational need is a challenging but necessary part of response planning and prioritisation. To inform strategic prioritisation discussions, the HNOs include a 'severity heatmap', a simplified visualisation of the relative severity of need in each region in the country, based on a composite of different needs indicators (OCHA, 2014). As we shall see (see section: Triage of needs) these are crude tools, whose methodologies and scorings must be caveated and cannot be compared between countries. However, mapping the levels of funding to HRP location-specific projects can give a broad indication of where underfunding was greatest and how this correlated with the top-line severity score. For Chad, Haiti and Somalia, this reveals patchy levels of subnational coverage with a broad correspondence to the HNO severity scores (see Figure 7), bearing in mind that much funding is not geographically specified.

Underfunding or highly delayed funding can lead to reduced presence and office closure as operational overheads are primarily covered within project-specific funding. In Chad, for example, where the subnational crises were the subject of specific appeals and

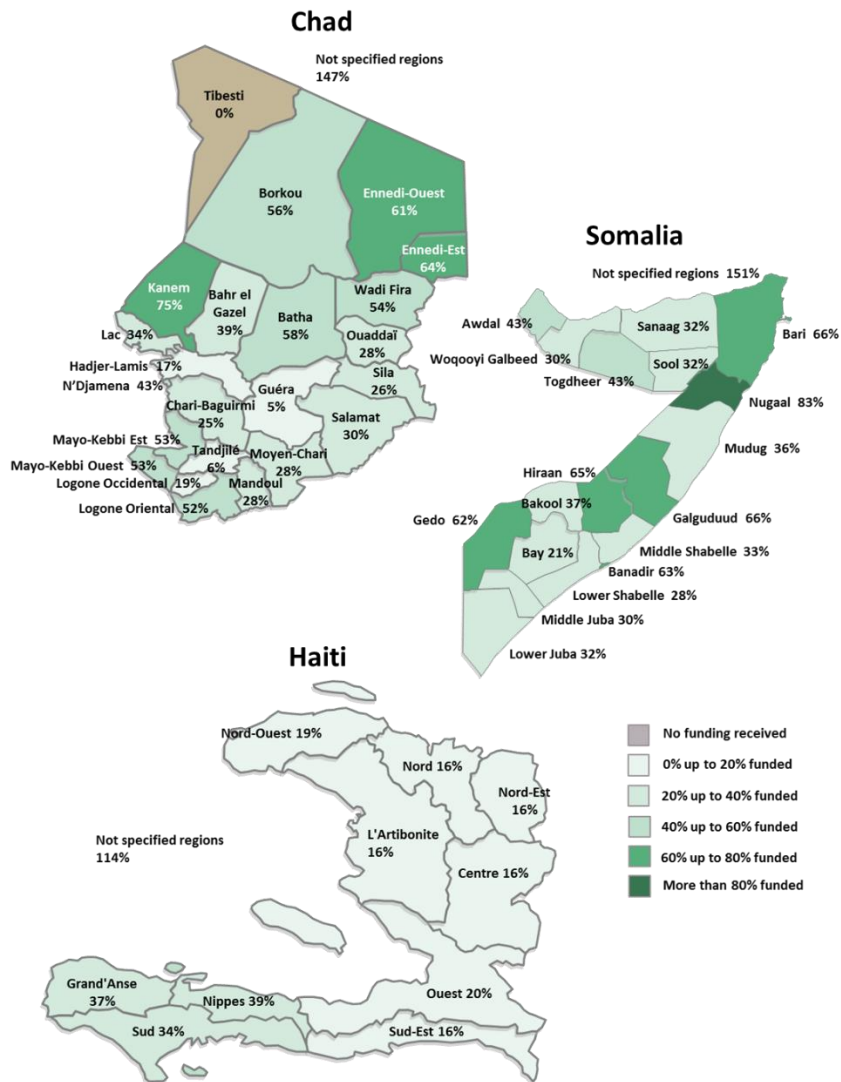
updates,<sup>15</sup> underfunding to the Southern regions, hosting refugees from Central African Republic and Chadian returnees, was a particular concern which had previously prompted allocations from the Central Emergency Response Fund (CERF) Underfunded Emergencies window. A bulletin on the situation noted that the cumulative effects of several years of underfunding had led many agencies to withdraw (numbers dropped from 57 to 24 between 2014 and 2017). This led to calls for investments in longer-term solutions that were partly met by the European Commission's humanitarian directorate (ECHO)'s investments in integration (OCHA, 2017e).

In both Chad and Haiti, interviewees from NGOs reported cuts to field offices as a last resort when other "financial gymnastics" had been exhausted. As well as reducing capacity for immediate response, office closures made it harder for those agencies to attract funding to re-establish presence as needed, being unable to prove presence or to cover expensive start-up costs. The inability to retain skilled staff also affected the quality and effectiveness of the response.

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<sup>15</sup> The needs in Chad are covered under the Chad HRP. The needs in the Boko Haram-affected Lake Chad region are also captured in the Lake Chad Response Plan which covers several countries in the region. And the food and nutrition requirements in Chad were also set out in a separate appeal document in 2018.

**Figure 7: Maps of Chad, Somalia and Haiti showing funding levels against severity levels, 2017**



Sources: Development Initiatives based on OCHA Financial Tracking Service.

Notes: Project regions derived from text searches in the project title and descriptions. Multi-region projects are included in the percentages for all regions specified. Many projects covered more than one region. In this case, the same project was counted once in each region. Some projects in Chad (18), Haiti (17) and Somalia (9) did not specify location and were therefore classified as ‘unspecified’. It is not possible to assign these projects to a specific region or even affirm that they have national coverage, and this is likely to affect the regional coverage levels.

## **Consequences for targeted populations**

There is little reporting of the ultimate consequences of underfunding for the intended recipients of humanitarian assistance. The response plans do not aim to meet to the needs of all crisis-affected ‘people in need’ but define a subgroup of ‘people targeted’ for humanitarian assistance – those who can be reached and who are not covered by other provision. Within this layer of the ‘onion’ (ACAPS cited in Stoddard et al, 2015) there is a smaller sub-group of people who are actually reached with assistance.

Monitoring and reporting against the HRP’s tend to stop short at the level of impacts on humanitarian project delivery, and there is no systematic analysis of how these output level constraints translate into needs met and outcomes achieved for those targeted populations who are not reached at all or reached with only partial assistance. The most common metric, the numbers of people reached, where available (see section: Ongoing monitoring), reveals little about the level of provision, quality and relevance of that assistance to those affected.

This is arguably unsurprising and understandable, especially in relation to the unreached populations. Monitoring the outcomes of action, let alone inaction, in complex settings is extremely challenging, and even more so when there is no funding or operational presence to do so. Yet this does not mean that humanitarians are without insights into what shortfalls mean for the people they reach with partial assistance or who they have to exclude from assistance in their programmes. They witness and confront these impacts daily.

### **Box: Focus on food shortages in Chad**

Cuts to food assistance have clear impacts on affected populations. Although, as shown in Figure 6, food is not the most underfunded sector, its dominance and tangibility mean that the effects of cuts are often the most measurable, immediate and reported.

In Chad, where the food sector was only 45% funded in 2017, there were clear cuts across the country. Although 94% of the people targeted for assistance under the HRP were reported as reached, they only received half the basic rations and assistance was interrupted for several months (OCHA, 2018a). According to the 2017 HNO, Sudanese refugees in the camps in eastern Chad were receiving between 888 and 1,000 calories per day – less than half of the standard 2,100 calories. Cash distributions were also cut to other communities in the east with people receiving one distribution in the lean season rather than the target of four or five.

The consequences of these cuts go beyond hunger and malnutrition. Interviewees observed that cuts lead to negative coping strategies including survival sex, joining armed groups, and risky return or onward migration. In the camps in eastern Chad – where compared with other populations, refugees had no alternative livelihoods options – cuts to food rations were prompting demonstrations and security threats, compromising the access of humanitarian agencies. Elsewhere in the east, monitoring reports noted that limited resources meant displaced people were prioritised, increasing the risk of conflict between refugees and equally vulnerable host communities (OCHA, 2017c).

In both Haiti and Chad, shortfalls in assistance significantly affected people's ability to cope with future shocks. In Haiti, interviewees noted that shortfalls in assistance erode resilience, creating greater needs the following year. Without assistance, people depleted their savings and resources, leaving them without assets to withstand any even minor shocks. They consumed food stocks and seeds, reducing cultivation and creating secondary impacts on the agriculture sector and on purchasing power.

## Views of affected people

The consequences of cuts cannot be understood without asking the people affected by them. Following the loud call at the World Humanitarian summit for a ‘participation revolution’, signatories to the Grand Bargain committed to ensuring greater participation, feedback and accountability in order to “include the people affected by humanitarian crises and their communities in our decisions to be certain that the humanitarian response is relevant, timely, effective and efficient” (Grand Bargain Secretariat, 2016). Agencies interviewed for this study reiterated this intention, but some also noted that despite commitments, participation and accountability remain casualties of underfunding. They demand consistent presence, staffing and investment as well as capacity to adapt in response.

Investing in seeking and hearing the views of affected populations should be an integral part of the HPC – the largest collective humanitarian management process – linking to individual agencies’ practice. The HNO guidelines (OCHA, 2017b) acknowledge this, as do the HRP documents of all three case study countries. Yet in 2018, the Chad HCT took the unprecedented step to go beyond complaints mechanisms and explicitly embed accountability to affected populations into its cycle to “better understand the perceptions of humanitarian assistance and the opportunities for participation and programme adaptation” (OCHA, 2017c). An initial baseline survey was conducted in 2018, with follow-ups planned to track progress against defined indicators later in the year and in 2019.

The initial survey reveals that people in the sample groups<sup>16</sup> overwhelmingly experience a gap between the needs they experience and the assistance they receive. Only 5% felt that the assistance they received covered their basic needs (Ground Truth Solutions, 2018).

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<sup>16</sup> The sample groups for the Chad survey included refugees, IDPs, Chadian returnees (Chadian nationals who left and returned to Chad) and host communities. All of them had contact with humanitarian actors.

Two thirds of people surveyed (66%) also felt that humanitarian assistance did not reach those people most in need. This is directly at odds with the views of the humanitarian staff surveyed, 94% of whom felt the assistance provided by their own agency did reach the neediest people (Ground Truth Solutions, 2018).

Similar surveys have been conducted in Haiti (Ground Truth Solutions, 2019a) and Somalia (Ground Truth Solutions, 2019b) as part of multi-country research to understand the perspectives of affected people on the implementation of Grand Bargain commitments. In Somalia, 36% of affected people surveyed felt that the assistance they received mostly or completely covered their most important needs, and in Haiti, 50%. As in Chad, there was a marked discrepancy between the perceptions of affected people and of aid workers: in Somalia, 63% of affected people felt that aid mostly or completely went to those most in need, while 89% of aid workers felt that it did. In Haiti, 45% of affected people surveyed answered positively to that question – compared with 80% of aid workers.

The link between these shortcomings of assistance and the shortfalls in funding is not explicit or direct: the surveys did not specifically ask about funding and, as explored later, we should be cautious of simplistic attribution. The top-line figures and findings raise as many questions as they answer. They tell us little about the nature and degree of the shortcomings in assistance – but do provide the best current overview of what the delivery of aid looks like from the perspective of affected people in these countries.

## **Knowledge gaps**

The examples above provide valuable insights into some of the consequences of underfunding. From the perspective of delivery of humanitarian response, we have seen that as well as having sector-specific implications, funding shortfalls can compromise localisation, lead to patchy presence and drive up costs. From the perspective of affected people, it would appear that aid often falls short of reaching the people most in need and providing what is most needed, leading to immediate and secondary effects.



But the picture we glean from the available sources is also clearly a partial one, which comes with many caveats and begs as many questions as it answers. It is illustrative, rather than a comprehensive, rigorous analysis of the consequences of underfunding. There are gaps in measuring and monitoring needs, funding levels, outputs and outcomes. And there are evidently problems with attributing persistent needs or shortcomings in assistance to shortfalls in funding.

## **The attribution problem**

Funding is an essential but not isolated prerequisite for effective humanitarian assistance. Aid operates in a complex system and there are diverse and dynamic factors at play – access constraints, changing needs and variable programme quality all mean that it is not possible to trace a direct line between lack of money and limited impacts. Indeed, as one interviewee in Chad noted: “attributing persistent needs solely to underfunding for fundraising purposes is deeply problematic”.

Most appeals are for complex protracted crises in fragile and conflict-affected states where the effects of chronic poverty and humanitarian needs are often indistinguishable. In Chad, Haiti and Somalia, interviewees noted that it was hard to discern whether persistent or increased needs were a result of humanitarian underfunding or deeper problems of underdevelopment.

The effects of underfunding also play out in incremental and indirect ways. Failure to deliver life-saving assistance does not always result in immediate mortality. As we have seen in the example of cuts to food assistance, people resort first to safety nets, including negative coping mechanisms, and deplete resources. The consequences of, for example, child malnutrition, are long term and societal, possibly only visible in longitudinal studies in this case on growth stunting, rather than in annual HRP reporting.

Where shortfalls in delivery are observable, these can also be a result of other problems in the effectiveness, relevance or appropriateness of the response. The people most in need can be left “out of scope,

out of reach or out of the loop” (Fisher et al, 2018) for many other reasons, including access and agencies’ propensity to stick to habitual areas of operation and ways of working. The humanitarian community may also lack capacity to scale up to deliver at the scale of stated requirements. For example, in Somalia in 2017, although the revised appeal appeared to be underfunded, some coordinating the scaled-up response felt it was working at its collective operational limits and could not have absorbed more funding. In many other complex and insecure environments, such as Syria, Iraq or Yemen, the system often struggles to programme at scale and absorb high levels of funding especially where security restrictions, counter-terrorism policies and due diligence requirements limit agencies’ ability to deliver directly and through partners.

## **The measurement problem**

Before we even arrive at these attribution problems, however, there is a basic knowledge gap on the scale and immediate impacts of funding shortfalls – information is missing, partial or unreliable. The practical problem of measuring and communicating what does – and does not – happen as a result of funding shortfalls has implications for all parts of the appeals system and all stages of the HPC. It also creates issues for coordination, as well as dilemmas around directing constrained resources to support the process or to deliver aid. It is a three-part challenge: firstly, at the needs and planning stage, having a reliable target against which to measure the shortfall; secondly, at the resource-mobilisation stage, comprehensively counting the funding levels; and thirdly at the monitoring and evaluation stages, systematically reporting collective reach and results. We shall explore all of these in the next part of this report.

## Implications for the system: the appeals side

There is clear consensus, as we have already seen, that there is room for improvements to HRP processes – to make them a more reliable basis both for understanding where humanitarian needs are and aren't being met, and for informing funding decisions. Comparability and consistency are key to this: individual appeals need to be internally robust and cross-sectorally consistent, but for donors they also need to contribute to a global picture of needs and gaps to support allocation decisions *between*, as well as *within*, countries. Given the context specificity of crises, needs and response, this is by no means methodologically or morally straightforward.

Although there has been significant improvement in standardisation of the HRP processes over the past five years, methods, practice and quality still vary widely between countries. As we shall see in the next section (Implications for the system: the donor side), donors making decisions about global allocations lack confidence in the HRP-related documents as clear and robust guides to the greatest needs and the greatest gaps. At present the HRPs and HNOs include partial information on the methodologies they use to arrive at their requirements and variable means of communicating and reporting against them, generating both a comparability and a credibility gap.

Three areas for improvement in the quality, transparency and comparability of the appeals process came to the fore in the course of this research – both at the global and country case study level. In the first instance, generating reliable requirements involves addressing needs assessments, setting priorities and parameters and clarifying costings and revisions. Secondly, a better understanding of funding shortfalls requires better reporting and tracking of what flows both inside and outside the appeals. And finally, understanding and responding to the consequences of

underfunding requires more systematic monitoring and analysis. The following sections examine each of these in turn.

## **Generating reliable requirements**

### **Needs assessments**

Humanitarian needs assessments have progressed significantly since the CAP era, and the introduction of the HNOs has enabled a much clearer focus on the needs analysis underpinnings of the response plans. Joint needs assessments are much more prevalent and tools and methods much more sophisticated. The FAO-based Food Security and Nutrition and Analysis Unit (FSNAU) early warning dashboard and the joint humanitarian–development Drought Impact and Needs Assessment in Somalia were widely cited as positive examples.

However, challenges persist, and these are the subject of ongoing discussion and new problem solving of a breadth and depth beyond the scope of this report. Signatories to the Grand Bargain recognised the importance of needs assessments that are “impartial, unbiased, comprehensive, context-sensitive, timely and up-to-date” and conducted in a transparent, collaborative manner (Grand Bargain Secretariat, 2016). Progress under this workstream appears to be limited (Metcalf-Hough et al, 2018) and work continues to address this, including through developing methods to assure the quality of multi-sector needs assessments.

Needs assessments in complex, dynamic and often insecure or inaccessible environments cannot of course be expected to be entirely accurate, current or granular – they will always be estimates and projections. Yet there is clear room for improvement in specific relation to the appeals process. The HNO format includes explicit recognition of the major gaps and challenges in assessing needs and those for each of the case study countries highlight these. In Somalia and Haiti, for example, out-of-date population data seriously compromises calculation of the numbers of people affected by crisis.

Despite the challenges of data and access, there is no shortage of needs assessments to inform the HRP. The 2017 HNO for Haiti reported 100 needs assessments in 2016; in Chad the 2017 HNO reported 25 multi-sector assessments alone. But the problem is less of quantity than of coverage, coherence and quality. Interviewees reported that the assessments are of variable quality, often fragmented and poorly shared and synthesised. Food and nutrition assessments – for example through Somalia’s FSNAU and Chad’s Cadre Harmonisé – are relatively transparent, sophisticated and consistent compared with those for other sectors, and truly cross-sectoral assessments that transcend supply-driven or status-focused (e.g. refugees) silos are rare. For readers of the HNOs, there is little transparency of the methodologies by which they triangulate and bring these diverse sources into a collective picture of the numbers of affected people and the scale and severity of needs. While there are no quick fixes to these issues, the HNOs and HRPs could benefit from better communication of their methodologies and accessibility of their sources.

The timings of the HPC cycle are also not synchronised with seasonal needs assessments. In Somalia, the HRP is launched before FSNAU’s twice-yearly food security and nutrition assessments, so the response plan is based on quickly outdated projections. Consequently, the 2017 HRP had to be dramatically revised upwards in the face of a worsening situation, and in contrast, the following year, the high levels of food insecurity projected in the 2018 HRP were not realised. In Haiti, although efforts were underway to prepare the Integrated Food Security Phase Classification (IPC) assessment<sup>17</sup> in time for the HNO, agencies suggested that a cycle that was less fixed to the calendar year could have more flexibility to reflect seasonal realities. There is a balance between a global deadline for all HRPs, so that the fullest global picture of needs and requirements can be presented under the December launch of the Global Humanitarian Overview – and a rolling calendar adapted to contextual realities, but which may prove

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<sup>17</sup> The IPC is a standardised tool for food security analysis that uses a scale from 1–5, with 1=generally food secure, 2=borderline food insecure, 3=acute food and livelihood crisis, 4=humanitarian emergency, 5=famine/humanitarian catastrophe.

more burdensome for coordination and less digestible for donors. A more systematic approach to updates and mid-year reviews could offer a solution.

Better and more frequent needs assessments are clearly resource intensive and agencies noted that they too are a casualty of underfunding, becoming a “luxury add-on” when funding is tight for basic response. Where bilateral donor funds fall short, pooled funds can support important needs assessments. In Somalia, in 2017, the SHF allocated US\$1.6 million from its reserve allocations to support ‘enabling programmes’ including a joint multi-cluster needs assessment and providing stop-gap funding for FSNAU. In the Democratic Republic of Congo, the CERF allocated funding to support joint analysis as well as life-saving work – a new approach which may be replicable elsewhere.

## **Scope and prioritisation**

Needs assessments involve judgement calls as to what constitutes humanitarian need and who are identified as the ‘people in need’. The response plans have a further task of deciding which of these humanitarian needs should fall within their scope, how they should be prioritised and who are identified as ‘the people targeted’ for assistance. However, donors repeatedly point to the problem of poor prioritisation and overly wide scope of the appeals: setting the parameters in different places means that requirements can be seen as ‘inflated’ and are not comparable between countries. Failing to prioritise clearly means that scarce funds cannot be allocated to the worst-off people first.

The HRP guidelines make it clear that a good response plan is a well prioritised one – the plans should limit themselves to only including humanitarian needs and first target the most urgent of these. This concept is at the heart of humanitarian principles and needs-based response codified in the core principle of impartiality set out in fundamental commitments of agencies and donors alike (see inter-alia Poole, 2014). Setting out the distinctive features of the post-CAP response plans, the 2013 Global Humanitarian Overview restated: “They should be prioritised. There are almost always more

necessary or desirable actions to be done than capacity and resources allow, and it is permissible to plan to address as many as possible, up to full capacity – i.e. drawing the boundaries as wide as implementation capacity allows. However, this must be accompanied by prioritization within those boundaries. The humanitarian imperative demands that the humanitarian community identify and address the top-priority needs first.” (OCHA, 2013)

So, prioritisation is a much-repeated word around the appeals, a clear theme in the HRP documents and in donor exhortations, particularly when resources are constrained. Yet it is interpreted and applied in many ways within and between appeals. Two issues underly it, and indeed the very definition of the limits of humanitarian action: setting parameters for what is considered within scope and triage of the needs included in the response.

### **Setting the parameters**

The OCHA guidelines make it clear that the response plans need to face hard choices and “set boundaries” as the humanitarian community can never meet all needs, and “draw a line” as “many protracted crises occur in contexts of general poverty and deprivation, where humanitarian needs can be detected anywhere” (OCHA, 2013). In practice these lines are far from clear. All three HRPs note that they prioritise “life-saving action” but as we know from age-old and unresolved debates on what constitutes humanitarian action, there is no practical consensus on what this means, and contextual interpretation varies. In Chad, only severely rather than moderately food insecure populations were included, and in Somalia, previously the only country to include IPC level 2 in its scope, the 2019 planning process was intending to limit its scope to a higher threshold of emergency needs. In Haiti, where the humanitarian situation stems not from current conflict and food emergencies but from the after effects of recurrent disasters, protracted displacement and chronic deprivation, the thresholds were much harder to set.

Many agencies interviewed expressed frustration with donor calls to prioritise the appeals, with one interviewee in Chad noting the “heart-breaking level of prioritisation” that already happens.

Prioritisation is often heard as code for simply limiting the scale of humanitarian ambition, in order to reduce requirements. This led in some cases to a practice of setting parameters of response according to prospects of funding. In all three countries, agencies reported excluding or cutting projects or budgets by second-guessing what donors would be prepared to fund – leading to response plans influenced by ‘market assessments’ (Taylor et al, 2017), rather than based on needs. This de facto prioritisation was then the product of a post-hoc deflation or “whittling down of activities”, rather than a strategic agreement on what should and should not be within the scope of the response. As one donor interviewee noted, “yes, prioritisation is good, but prioritisation based on needs is better”.

Setting thresholds and boundaries of humanitarian response becomes even more problematic when there is underinvestment in development. In Somalia, one agency noted that “in the long-standing absence of other investments, humanitarians have become habituated to backstopping basic services”. Surveys of field staff in both Haiti and Somalia revealed a resounding call for greater investment in development and durable solutions to balance short-term emergency funding (Ground Truth Solutions, 2019a and 2019b). A focused HRP therefore demands a complementary plan for investment in development. All HRPs demonstrate alignment with various national development plans and work to different degrees with national governments and development actors, but as levels of development investment show, this does not necessarily translate into funding (OECD, 2018) or a needs-based focus on the drivers of humanitarian need.

There is a concerted focus on these long-term solutions in both Chad and Somalia. In Chad, donors and agencies are focusing on working with national authorities at the humanitarian–development nexus – it is a focus country for the UN-led New Way of Working and a pilot country for the European Commission’s nexus approach. In Somalia, a development-focused Recovery and Resilience Framework is the counterpart to the HRP, which should – investments permitting – allow it to focus on time-critical action for emergencies.



In Haiti, limited development engagement makes such a humanitarian exit strategy less feasible. While interviewees questioned whether the HRP was an appropriate vehicle in the current context, alternatives were limited: the 2015 Haiti Transitional Appeal Plan was cited as a sobering example. Trialled as a “different, more holistic” mechanism, to support national authorities to address the basic development challenges “that result in persistent humanitarian needs and risks”, extreme underfunding meant it was not repeated and indeed a flash appeal was launched to draw donor attention to the deteriorating situation.

Narrowing the parameters of the HRPs is therefore not something that can be achieved in isolation from the wider aid financing environment. Solutions go beyond the realm of technical fixes to the process to raise the bigger question of the role of the appeals in a system that demands both political and financial investment to shift from a “begging bowl and benefactor” model (Clarke and Dercon, 2016) to sustainable efforts to address poverty, risk and resilience.

### **Triage of needs**

The humanitarian imperative demands that the most severe needs are addressed first, but this demands a comparable way of assessing the relative severity of needs within and between crises. As Figure 7 shows, the HNOs include a rough indicator of degrees of severity by region which is heavily caveated. The use of severity measures in needs assessments is analytically challenging (Benini, 2016) and OCHA guidance highlights the potential for inappropriate use or misinterpretation of its simplified tool (OCHA, 2014). It is intended as a starting point for discussion, analysis and validation, not a granular or static final word on needs.

The Chad, Haiti and Somalia HRPs create, explain and use their severity mapping in very different ways. The Haiti HNO includes a composite regional heatmap as well as sector-specific ones. Chad contains just a regional one with specific food security and malnutrition severity mappings set out in the separate Lake Chad regional needs overview and 2018 food security appeal. And in the Somalia HNO, food insecurity severity is disaggregated by urban,

rural and internally displaced population, and risk by seasonality. Food insecurity and malnutrition projections are based on well-established, standardised tools: in Somalia and Chad, where food insecurity dominates the humanitarian needs, IPC and the Cadre Harmonisé are respectively used. Other sectors lack such widely adopted and well-developed severity classification tools.

Given that the HNO severity mappings are neither intended nor usable as the basis for comparing severity between crises, work is underway to develop a separate national-level crisis severity index. Due to be piloted in 2019, this INFORM Global Crisis Severity Index would be independent from the appeals process but could provide a national (rather than subnational) overview of severity which might play a part, alongside the HRP, in broadly informing donor allocations.

Within the appeals, in none of the case study countries is there a link to the data and methodology behind any of the severity designations in the HNOs, nor clarity on how these then informed strategic prioritisation in the HRPs. The list of priorities in these three HRPs appears to be broad and not linked to a clear action plan for ensuring the most urgent needs first, compared with, for example, the detailed plans set out in the HRPs for Syria or Yemen.

Prioritisation also demands a common agreement of what needs to be done first, which – with good leadership and most critically, flexible funding – might mitigate the arbitrary coverage that comes from actions being delivered based on ‘first-funded first’ projects and agencies. The South Sudan HRP, for example, gives a clear plan of what will be prioritised with the first 25%, 50% and 75% of funding, a model which could be learned from and replicated elsewhere. Such planning should also synchronise with the seasonal cycle in the country, both supporting the case for timely funding and early action and providing the basis for any downward revision of requirements later in the year (see section: Revising the appeals). However, for this to be effective, it demands a shift away from the current dominant model of fixed bilateral funding allocations to agencies and projects – a model which allows little room for funds to be reallocated to priority projects.

## Costings

Underfunding is measured against the estimated cost of the HRP, but the methods behind these costings are opaque. This is a well-recognised part of the trust problem, causing donors to suspect that the appeals are inflated and prompting ongoing efforts by agencies to improve costings methods and transparency (UNGA, 2015; Baker and Salway, 2016).

The Haiti, Somalia and Chad HRP use project-based costing, with the requirements by cluster being the sum of the projects within it, each costed according to individuals agencies' own methods. While some cost parameters for certain deliverables might be agreed within clusters or as a result of cash-based programming or consortium working, these are not systematic, comprehensive or transparent. None of the three countries' HRP contained reference to costing methodologies or unit cost guidance.

In the absence of clear unit costs or methodology, some donors and indeed some HRP seek an indication of the relative expense of appeals by reverse-engineering requirements – dividing the total cost by the number of people targeted or reached. This can give a top-line indicator of the relative and changing costs of responding in different countries or locations. However, inconsistencies and variations should not be read as ineffectiveness or inflation: such a simplistic calculation does not show the variable drivers of cost – including access, local markets and economies of scale – and indeed of the varying methods of determining the number of people in need. For example, in Chad the 'cost per beneficiary' calculated in this way ranged between US\$131 and US\$301 over the past five years, in Somalia between US\$253 and US\$467 and Haiti US\$28 and US\$398. These figures may be an indicative reference point for understanding the cost of response, but as they reveal nothing about the reasons behind this, it would be highly problematic to take them as an indicator of the robustness or cost effectiveness of the HRP.

In an attempt to overcome the opacity and inconsistencies of project-based costings, alternative costing models or 'unit-based costings' have been adopted in several countries including Democratic Republic of Congo (DRC), Afghanistan, Ethiopia,

Mozambique and Myanmar. The methods differ by country but have in common a departure from calculating requirements as the sum of projects, towards an approach where clusters agree the unit costs of particular deliverables considering risk and contingencies – for example latrine construction or malnutrition interventions – and then calculate the cost of the cluster’s collective outputs based on these. The total costs can then be presented in the HRP either as entirely project-less or with the project level retained, recognising that there may still be a need to show these for coordination, fundraising or accountability reasons.

Humanitarian leadership, in the form of the Inter-agency Standing Committee (IASC), has agreed that there needs to be improvements to the current prevalent costing models so that the “HRPs will be viewed as a *‘credible reference’* of how overall humanitarian need can be met through a coordinated and accountable response and what its price tag will be” (IASC, 2016). Technical options and short and medium strategies to operationalise them have been proposed (see Baker and Salway, 2016).

The IASC had proposed a roadmap to move incrementally towards a standardised unit cost-driven, rather than project cost-driven model, testing pilot countries in 2019 and then rolling out more widely. However, further examination by the IASC costing sub-group suggested a more cautious and nuanced approach to support HCTs to adopt a coherent and transparent process and method for costing HRPs that is appropriate to context and capacities, with options including project-based or variations on unit-based costing (IASC, 2017). In the three country case studies for this report, agencies expressed both a desire for improved costing methods, and a concern about the further administrative burden it would bring to the process, potentially for little donor reward.

## **Revising the appeals**

The HRPs represent an annual forecast but the situations they cover are dynamic and often volatile. The HRP requirements set out estimates of projected needs and response based on the best available, but imperfect, information at the end of the previous

calendar year. During the year, evidence availability, humanitarian situations and absorption capacity can change significantly, and the original plans and costs may need to be revised.

While clusters and agencies continue to assess and adapt to changing needs and new challenges, the HRP is a more static document. There is the latitude to issue revisions, as part of a mid-year review or in exceptional circumstances, but there is no guidance or expectation for the appeal to be systematically updated. As a result, even among the three case study countries, we see very different approaches to revising the appeals.

The 2017 Somalia appeal was a successful example of an upward revision. In the face of evidence of the worsening food security situation, the Humanitarian Coordinator issued a revised appeal with nearly double the level of requirements – increased from US\$864 million to US\$1.5 billion. Donors responded accordingly to the call for scaled-up early action with new and increased allocations.

Downward revisions in the three case study countries appeared to be more arbitrary. In Somalia, when needs transpired to be less severe in 2018 than projected in the 2018 HRP, with the numbers of people facing food insecurity falling by a third, requirements were not revised downwards. The disincentives to do so were political and logistical as well as financial. At the political level, some attributed it to a fear of dampening momentum ahead of the High-Level Meeting on Somalia. Logistically, the ongoing cycle for developing the next HRP meant that there was little spare bandwidth to work on revisions for the previous year. In the case of UNHCR, while the levels of needs and response depend on the highly fluid levels of refugee returns, the budget is fixed and pre-approved. In Chad too, although the Chad-specific element was revised downwards in the regional Lake Chad needs overview for 2017, agencies noted that capacity constraints meant that this was not reflected in a mid-year revision of the Chad HRP.

An OCHA guidance note (OCHA, undated) gives recommendations to agencies on how to cut requirements in unfunded appeals, and judging against these, Haiti is arguably a prime example of how not to cut. The guidance recommends

against “large systematic downscaling of financial requirements using elapsed time as the main consideration”. This is because such simple formulas risk masking the underfunding problem by “hiding uncovered needs” and limit scope for flexibility to cover ongoing costs or scale-up again if needed.

Yet in Haiti, the 2017 HRP was revised downwards in August 2017 by over a third, from US\$291.5 million to US\$192 million. This mid-year revision was attributed both to the poor prospects of funding (the appeal was only 22.6% funded at that point) and based on the limited time left to implement. Agencies interviewed reported that the cuts made were more based on the optics of levels of requirements than on changing levels of needs. Faced with low funding, resources could not be invested in revisiting needs assessments. Such downward revisions can prove counterproductive – rather than sending a message of adaptiveness and transparency, they can serve to conceal the level of needs, undermine the credibility of the original planning process and create a “self-fulfilling prophecy” (OCHA, undated) of underfunding.

Regular ‘live’ revisions of requirements are clearly not feasible in terms of the workload and confusion this would bring. The HRPs need instead to build trust in their best estimates and implementation monitoring. Sequenced prioritisation (as explored on the section: Scope and prioritisation) should be the basis of communicating what is needed at given points in the year, and monthly bulletins could set out where needs have been ‘missed’ – where funding gaps one month cannot be ‘caught up’ the next month as needs and response capacity change. Where needs are significantly lower than projected, a more systematic approach to communicating downward revisions at the mid-year review would also support a better understanding of shortfalls of funding against needs.

## **Tracking funding levels**

The tally of funding against appeals is measured by the OCHA-run Financial Tracking Service (FTS), a live online database. Originally developed to track funding against the limited number of UN

agencies with requirements in the appeals, it has become increasingly sophisticated and comprehensive and is now the largest current database of international humanitarian financing flows within and beyond the appeals system.

The picture that it gives of funding or underfunding levels is, however, not absolutely accurate for several reasons. The use of multi-year and unearmarked allocations cannot be readily tracked against the annual HRP requirements, distinctions between funds flowing ‘inside’ and ‘outside’ the appeals may not be clear-cut, and critically, reporting to FTS is voluntary.

## **Limits of voluntary reporting**

The representativeness of the FTS figures has steadily grown as more and more donors and agencies report their contributions. Yet gaps remain. Interviews with agencies in Chad and Haiti revealed two instances of significant underreporting of contributions received. One of these was attributed to lack of staff awareness and capacity to report, the other to discrepancies with the accounting systems of the UN agency in question. Other agencies suggested that the picture of underfunding may be distorted by practices of reporting after the year end, or through an inability to reflect the use of unearmarked funds which may work their way through the system in circuitous ways, for example backfilling projects that were later bilaterally funded.

The net effect of these gaps on the underfunding picture for each country cannot be understood from these few illustrations – it would demand a systematic verification of all agencies’ figures. Increased commitment from donor and agencies alike to ensure prompt reporting to FTS will improve the accuracy of the data on the extent of underfunding and the timeliness of allocations.

## **Funding ‘outside’ the appeals**

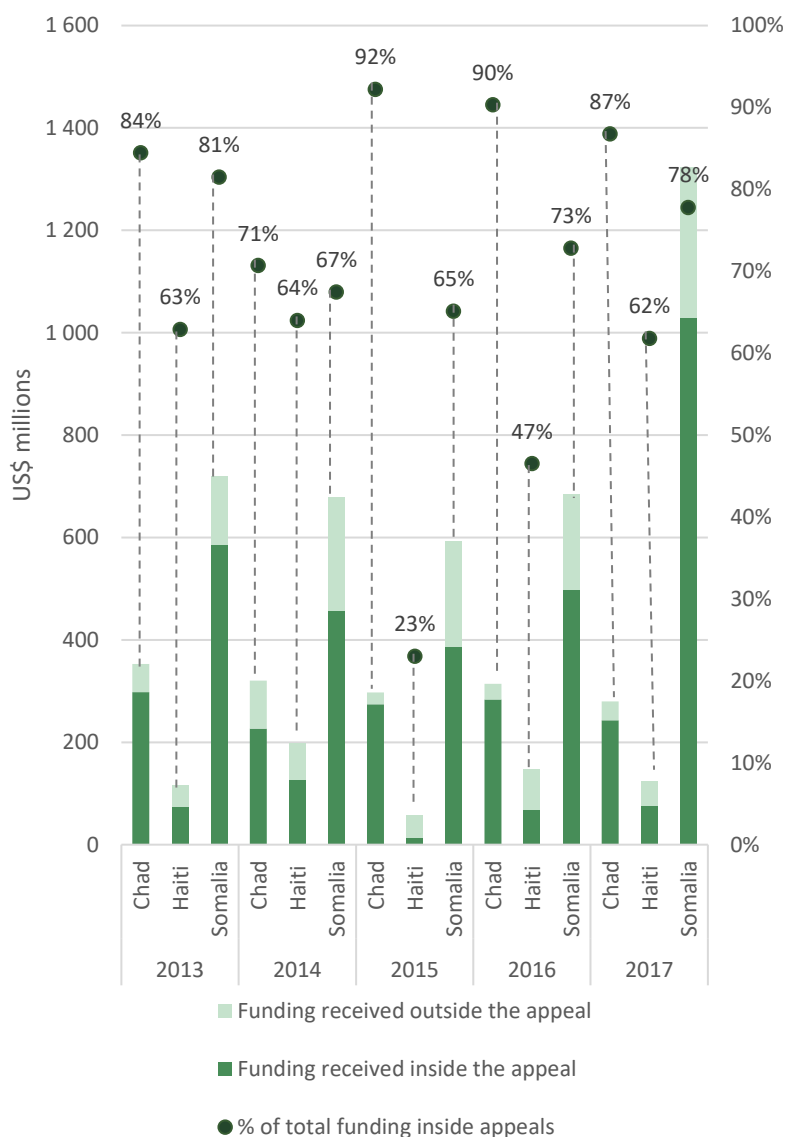
Significant levels of funding are also reported to FTS as flowing ‘outside’ the appeals to agencies and projects which fall outside the

scope of the appeal. Yet the distinction between ‘inside’ and ‘outside’ the appeals is not always clear. In some cases, this is a result of simple misclassification of project-specific or unearmarked allocations. In other cases it may go to the governments of the affected countries or to agencies which do not officially participate in the appeals but which nonetheless contribute to its aims and provide assistance in places which are underfunded under the appeal (most notably the International Committee of the Red Cross, International Federation of Red Cross and Red Crescent Societies (IFRC) and Médecins Sans Frontières).

The three case study countries show varying amounts of funding outside the appeals over the past five years. The relatively small proportions of funding inside the appeal in Haiti in 2015 and 2016 can be explained by the introduction of the transitional appeal plan in 2015, and in 2016 – in response to Hurricane Matthew – significant funds to the national government, Red Cross National Societies and other agencies outside the appeal.



**Figure 8: Funding inside and outside the appeals: Chad, Haiti and Somalia, 2013–2017**



Source: Development Initiatives based on OCHA Financial Tracking Service.

Notes: Data in current prices.

Somalia presents an example of how the funds outside the appeal can be taken into account in determining the scale of underfunding against strategic outcomes. In 2017, the HRP monitoring documents deliberately included the US\$294 million reported as outside the appeal in its totals of the available funds for the response. As its December 2017 bulletin noted, the 27% of funding outside the appeals from 2010 to 2017 still contributed to supporting the strategic aim of the appeals. This is particularly because a significant proportion goes to IFRC which, although outside the appeal, is an observer to the Somalia HCT and coordinates closely with the clusters.

All countries produce ‘3W’ maps, coordinated and published by the OCHA country teams, showing ‘who does what where’. These aim to include all response agencies, whether or not they participate in the appeals. They give a useful overview of operational presence – the ‘who’ and the ‘where’ but tend to fall short of showing the scale and type of the ‘what’. Adding in this ‘what’ and overlaying these maps with information about the funding levels to agencies both inside and outside the appeals could provide a useful overview of where non-HRP responses are, and are not, complementing HRP coverage.

## **Monitoring reach and results**

As the former UN Secretary-General noted, a system predicated on individual project delivery by individual agencies “sets up funding gaps in appeals which are measured in terms of how many projects have not been funded rather than in terms of the overall impact that that gap in financing will have on the achievement of an outcome” (UNGA, 2015). This points to a lacuna in humanitarian response – the lack of knowledge of what impact assistance, or its absence, is having. The humanitarian system in general is able to report on outputs but ill-equipped to “define outcomes clearly, quantify and measure them” (Pongracz et al, 2016) at even the project-specific level, let alone the collective one.

It is of course a problem that goes wider than humanitarian assistance – the complex causality linking aid to outcomes is largely

a “black box” (Ramalingham, 2013). And in volatile, resource-constrained crisis settings there are evident limitations to levels of investment and rigour of results. But at a practical level there is much more that can be done to track the outputs and outcomes set out in the HRP, and so identify incidences and consequences of underfunding.

## **Ongoing monitoring**

Monitoring is clearly a weak link in the humanitarian programming cycle. There are multiple tools and formats available for cluster and country-level reporting – dashboards, situation reports, bulletins, mid-year reviews – but these are inconsistently used. The case study countries issued update bulletins with differing regularity in 2017: Somalia and Haiti published periodic monitoring reviews but Chad did not. Even the most basic figures on the numbers of people reached by response under the 2017 Chad and Haiti HRP are hard to find – current totals are not provided in bulletins, nor any provisional aggregates summarised in the following year’s HRP or updates.

Reports are also often fragmented by cluster or lack the overlaying and analysis of information that would enable a clear picture of the gaps of coverage against needs. For example, unlike Chad and Haiti, the Somalia dashboards do provide details of the numbers of people reached, tracking these on a monthly basis under each cluster and against specific target indicators for their strategic objectives (see OCHA, 2018b). But it is hard to interpret what is meant by ‘reach’ – without accompanying analysis it is hard to understand the level of provision, the reasons for monthly variations, discrepancies between funding and coverage, or severity of the gaps.

Recognising these weaknesses, OCHA is actively seeking to ensure better generation and consolidation of information and analysis. Its aim is an interlinked suite of HPC tools with integrated information and data management which brings together the recently overhauled project system (to better show who is doing what where) with the improved FTS (which better shows where funding flows), as the

basis for monitoring the coverage and gaps of response – all visible in the new ‘Humanitarian Insights’ HPC platform.

However, as with needs assessment, the products of information management are only as good as the information that goes into them, and only as valuable as the extent to which they are actually used. Agencies are often lacking the staff and time to dedicate to quality monitoring. Cluster leads are often overstretched, and agencies report that monitoring support is among the first ‘overhead’ to be cut because of underfunding. The focus therefore needs to be on the essentials of coverage and gaps, and presented in a clear and consistent way between sectors and countries.

## **Annual accountability against objectives**

All HRP set out strategic objectives – this is a standard part of their purpose and template. But there is no progress reporting against these objectives, or annual accounting of delivery against them. At best, selected achievements and challenges are listed in the HNOs of the following year or in year-end bulletins or ‘periodic reports’, but this is neither systematic nor the norm. Again, the collective sum falls short of its parts: as the system operates primarily on bilateral relationships between agencies and donors, there is a much higher expectation of accountability at this project or agency level than at the HRP level.

Even at this project level, evaluation and reporting focus on what was, rather than what was not, delivered. As noted in a synthesis of Syria response evaluations, programmes tend to be evaluated ‘on their own terms’, in other words on what they delivered, instead of what they did not and “as a result, the implications of underfunding – an issue of continuing and growing significance – are poorly reflected” (Darcy, 2016). Many HRPs include a standard ‘What if’ page, setting out what might be the consequences of underfunding – but this tends to be a top-line negative rearticulation of the objectives for funding mobilisation, rather than monitoring purposes.

The idea of annual reporting has been mooted in the past, including at the creation of the Good Humanitarian Donorship initiative in 2003, and tabled as an issue for discussion following the shift from the CAP to the present system. However, this has had limited traction – the 2018 Afghanistan HRP is an exception in committing to undertaking a review or evaluation to inform its 2019 appeal. The lack of wider uptake is due to both a lack of donor demand and agency reluctance to add further weight to an already heavy process. But independent evaluation could potentially reduce this burden. It could also have the effect of improving coordination, bringing agencies together in shared accountability for effectiveness, rather than remaining in single agency accountability for project delivery. To test this, it could be piloted in a few countries, building on Afghanistan’s example.

Monitoring and reporting will, however, be a waste of time and resources if they are not used. On the agency side, making them worthwhile would mean using them to make the programme cycle actually cyclical – linking up the monitoring and evaluation phase to the planning phase by being prepared to learn and adapt accordingly. On the donor side, it would mean not only working with agencies to develop a new generation of impact rather than output indicators, but also being prepared to have the findings inform their funding allocations, something which we shall explore in the next section.

## Implications for the system: the donor side

The underfunding problem is three-fold: it is one of *insufficiency* – not enough funding, one of *inequity* – uneven distribution of limited funds and one of *inappropriateness* – providing funding too late or too rigidly. The logic is that better appeals processes lead to clearer understanding of the realities of shortfalls, which should support not only the mobilisation of *more* funds<sup>18</sup> if needed but also a more

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<sup>18</sup> Despite funding constraints, the donor response to the 2017 upward revision of the Somalia HRP for famine early action, as part of a wider ‘four famines’

*rational and timely distribution* of existing funds. So, if this triple underfunding problem is to be tackled, improvements to process, transparency and coordination on the appeals side must be met with similar advances on the donor side.

Most donors state that they fund according to needs (Dalrymple and Smith, 2015) and commit to this under the Good Humanitarian Donorship principles. In reality, complex choices of where and when to allocate finite funds are far from a linear translation of needs assessments into disbursements, influenced by a range of priorities, incentives and biases (see inter alia Obrecht, 2017; Darcy et al, 2013). The aim of needs-based funding is often unfulfilled – due to limited funds, countervailing biases and a failure of collective action (see inter alia Smillie and Minnear, 2004; Poole, 2014).

Again, technical fixes cannot resolve deeper questions of the political economy of humanitarian assistance and or expand the size of funding pots, which for many donors are under pressure. However, certain measures can go a long way in supporting primarily better distribution, and to some extent mobilisation, of funds to the appeals.

## Appeals-based allocations

Donors make *global* allocation decisions – deciding which countries, sectors or agencies to prioritise in their annual budgets, and *in-country* or *regional* allocation decisions – choosing how to distribute their geographic specific envelopes. Allocations tend to be set annually, with some funds held back to respond to new emergencies or changing needs.

It would, of course, be unrealistic to expect donors to use the appeals as a simple invoice but many donors report referring to the HRP in both their global and crisis-specific allocations. Few, however, use them as a major factor in their decision-making, with other considerations and sources of evidence informing the “who,

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strategy which also included Yemen, Nigeria and South Sudan, has shown that mobilising additional funding in exceptional circumstances is possible.

where and what” of funding both within and outside the appeals (de Geoffroy et al, 2015).

The four largest donors to the appeals – the US, Germany, the European Commission and the UK – all channelled at least 60% of their FTS-reported funding through the appeals, but each use the appeals to different extents and in different ways. The US provided more than 39% of funding to the appeals in 2017 but does not use them as a formal part of decision-making processes for global or in-country allocations. Instead, decisions draw on existing sectoral, geographic and partnership preferences as well information gathered by in-country staff and partners. The appeals are used more at a political than a technical level – both as an objective presentation of the magnitude of humanitarian crises and as a primer on the workings of the humanitarian system.

For Germany, which provided 13% of funding to the appeals, the HRP’s are just one input among many to the annual regional and crisis-specific allocation of the humanitarian budget envelope. Low coverage of appeals is also a factor in its allocation of remaining funds later in the year. In the UK, which provided 10% of funding to the 2017 appeals, an assessment of the HRP’s is included in the UK Department for International Development (DFID)’s intervention criteria for budget allocations although, with much funding decided on a multi-annual basis, their direct influence is limited. However, they do prove a valuable resource to inform political briefings to support crisis reserve allocations – as they also do for the US and many other donors.

The European Commission’s humanitarian directorate (ECHO) is in the process of developing new prototype software to support more objective and transparent allocation decisions as part of a multi-step quantitative and qualitative decision-making process. This Funding Allocation Support Tool (‘FAST’) analyses multiple metrics, with the level of funding of HRP’s one of 20 weighted indicators. ECHO also has a long-standing aim to allocate 15% of its humanitarian funding to ‘forgotten crises’, informed by an annual list drawn up from a composite index which includes level of funding to the appeal as one metric (ECHO, 2008).

### **Box: The HRP in Sida's allocation processes**

Sweden is the sixth largest bilateral donor to the appeals, and a major donor to pooled and unearmarked funds that indirectly support the responses. Sweden's development agency, Sida, which disburses more than half of Sweden's humanitarian assistance, also aims to have as transparent and objective an allocation process as possible. At a global level, it draws explicitly on the level of needs identified by the appeals as one of 15 indicators in its ranking methodology for annual country allocation levels, and levels of underfunding are a factor in disbursements of reserve allocations throughout the year. The appeals are seen as the critical tool for a coordinated identification of needs and response and, excepting funding the International Red Cross and Red Crescent Movement, Sida strongly encourages its partners to participate in the appeals and channels 90% of its non-core funding to projects included within them.

#### **\*End box\***

The HRP tends to be viewed by donors as an indicator rather than a prescription – and often an indicator as much of the state of the system as of the state of need. Some donors noted in interview that a well-grounded, well-articulated and strategic HRP is taken as a sign of reliable leadership and coordination in-country. Several donors emphasise that agencies need to demonstrate participation in the appeal to be eligible for funding.

Several donors cited a lack of reliability and comparability of the HRP as a reason for their limited use in decision-making. They would like to be able to use appeals more but struggle to do so: to make global allocation decisions, they need to be able to judge between consistently formulated and prioritised appeals. This creates a circular problem: agencies see little indication that a 'good' appeal results in more or better-targeted funding. This leads to reluctance to invest scarce resources in improving something which is not seen to be used and perpetuating the inconsistency of the appeals. While donors call for greater transparency of appeals requirements, a greater transparency of their own allocation processes is also important to break this circular problem. ECHO



and Sweden both place a high value on the objectivity and transparency of allocation processes and are leading moves to improve the clarity and understanding of allocation processes across the donor community. And such transparency of allocation processes must be the pre-requisite of better donor coordination.

## **Donor coordination**

No donor can unilaterally fund all requirements of all appeals, however well grounded, comparable, costed and prioritised those appeals may be. The levels of funding, and of underfunding, of appeals are the emergent property of multiple decisions of multiple donors. If taken in isolation from each other, these decisions on what, where and when to fund result in global inequities of assistance and the persistence of ‘forgotten’ or neglected emergencies. Preventing and counteracting this demands a commitment to donor coordination – one which would seem not only a reasonable but necessary counterpart to donor demands for humanitarian agency coordination.

## **In-country coordination**

Donor coordination is most evident at the country level, but largely informally and with varying degrees of engagement. In Somalia, for example, where there is a long-standing and well-represented donor community, donors regularly engage with each other and with the HRP process. The swift and concerted donor response to the 2017 increase in requirements for Somalia, with additional allocations from existing and new donors, is perhaps evidence of this. In Haiti, donors had a common platform to engage with the HRP process through an ‘HCT plus’, though engagement was felt to have dropped away since the peak of the response to Hurricane Matthew. In Chad, a lack of in-country donor presence was strongly felt. Few donors have permanent representations in Chad. This is perhaps itself an indicator of the political deprioritisation which drives underfunding, and although there has been an upturn in visits from

headquarters, this was not felt to be a substitute for the relationship-building that sustained presence would bring.

Agencies in all three countries felt that greater donor coordination and inclusion in the HRP process would lead to a greater mutual understanding – for donors of the basis of agencies’ requirements and for agencies of donor capacity and expectations. However, a note of caution was sounded – given the degree of donor second-guessing that is already prevalent in the formulation of the appeals, donors should be extremely careful not to intentionally or unintentionally negatively influence prioritisation of needs.

## **Global-level coordination**

While there is evidence of country-level donor coordination practice, albeit patchy and imperfect, there is no platform for global-level coordination. Certain ‘top donors’ may have informal channels to share priorities but this is far from comprehensive. Pledging conferences do provide a global platform for mobilising combined donor attention to unmet needs, but these are crisis specific and may indeed have the effect of pitching appeals against each other, rather than systematically rebalancing the collective coverage of needs.

The Good Humanitarian Donorship group, created over 15 years ago, has not proved able to provide this function, the Montreux donor retreats focused on thematic reflection rather than strategic coordination, and the Grand Bargain stops short of such an overarching commitment to improving effectiveness. The concept of a donor ‘division of labour’ had been suggested before the World Humanitarian Summit to fill this evident gap. Its basic idea was that donors could share information about their allocation priorities, processes and intentions in order to at least begin to identify gaps and ensure an even-handed complementarity of sectoral and geographic coverage (Scott, 2015).

There appeared to be limited political appetite on the part of donors to explore this concept and it was notably absent from the World Humanitarian Summit commitments. However, recent discussions

suggest that there may be new potential to revisit and reinvigorate the idea. In 2018, ECHO, supported by OCHA and Sida, convened a meeting to improve understanding of different funding allocation methods, with the ultimate aim of improving their needs and evidence base. The level of interest from the diverse group of donors who attended suggests there is appetite for continued sharing of information and practical models. These technical discussions may be a long way from any ambition of donor complementarity, let alone donor coordination, but if enough momentum, engagement and will can be mobilised they could be a first step on the way.

## **Flexible funding**

Rebalancing funding to the appeals also involves building in more flexibility, allowing agencies to respond to changing needs and bridge emerging gaps. The appeals are, predominantly, project based,<sup>19</sup> based on a model of bilateral funding to individual agencies for set activities. However, unearmarked funds and pooled funding are important to enable donors and agencies to mitigate the consequences of underfunding.

## **Unearmarked funding**

Giving agencies the latitude to decide where to allocate core funds shifts the balance of decision-making away from donors and closer to those delivering the response. Unearmarked funds (without restrictions on use) or softly earmarked funds (typically with broad geographic restrictions), allow agencies the flexibility to scale-up and down, programme adaptively and bridge funding gaps – to perform the ‘financial gymnastics’ (see section: Underfunded locations) necessary to stretch limited funds to address the greatest needs.

Under the Grand Bargain, donors committed to progressively reduce the level of earmarked funding towards a target of 30% unearmarked or softly earmarked funding. There is no available data

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<sup>19</sup> Except in the case of activity-based costed appeals (see section: Costings).

on the current levels of unearmarked humanitarian assistance and FTS does not show how much of the appeals' funding derives from unearmarked funds. Figures from UN agencies suggest that 18% of their overall humanitarian-related funding in 2017 came from core rather than project-based funding<sup>20</sup> (Urquhart and Tuchel, 2018).

While some donors, including Sweden, are at the forefront of increasing unearmarked funding, progress has been extremely variable between donors and, in aggregate, moderate (Metcalf-Hough et al, 2018). Legal issues constrain some donors; for others there are political constraints around control and visibility. Accountability and trust are also factors. Agencies already report to donors against their unearmarked funds, but the appeals-side improvements to requirements and reporting already outlined could also support this.

At a country level, without systematic financial reporting, it is hard to ascertain the extent to which unearmarked funds are an option for agencies facing funding gaps – this is likely to vary between UN and NGO agencies and depend on who their funders are. However, most agencies interviewed in each of the case study countries reported little access to non-project specific funds to mitigate the consequences of underfunding. Some UN agencies reported being able to draw on internal contingency funds to bridge gaps, but these were often relatively small and unsustainable funds and required repayment. For example, in Chad, WFP reported calling on its global Immediate Response Account for a US\$20 million internal loan. Apart from a small number which had recourse to unrestricted private sources, the underfunded NGOs interviewed reported that they did not have unrestricted funds that could be called on to mitigate shortfalls, instead seeking where possible to redirect project funding if needed and if donor conditions allowed them to do so.

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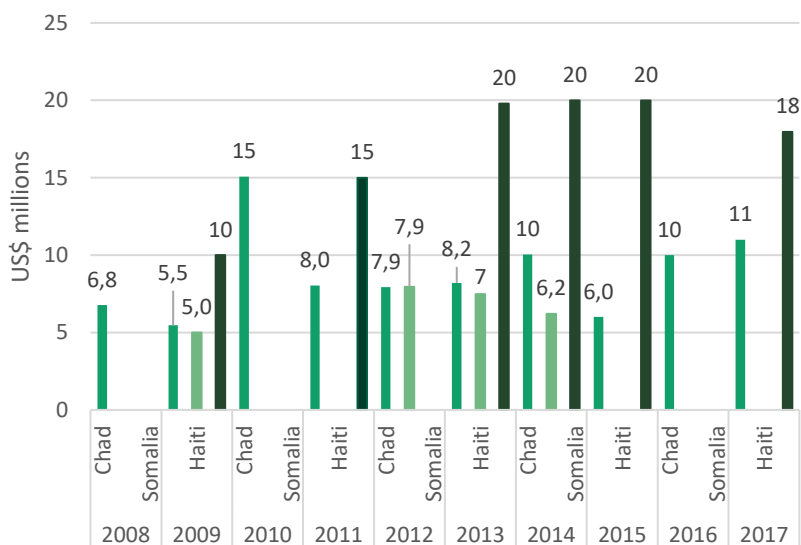
<sup>20</sup> This figure represents unearmarked humanitarian funds to nine UN agencies involved in humanitarian response in 2017.

## Pooled funding

While unearmarked funds might allow individual agencies to fill gaps in their own delivery, pooled funds offer a more response-wide mitigating mechanism. Pooled funds can counterbalance uneven funding of appeals at the global level, through the Central Emergency Response Fund (CERF), directly accessible to UN agencies only, and in-country through CBPFs, accessible to all agencies. Funding to pooled funds is relatively modest against the scale of underfunding to the appeals, but contributions do appear to be on the rise, reaching record levels in 2018 for both the CERF (US\$555 million) and the 18 CBPFs (US\$945 million).

At the global level, the CERF has two windows – one for rapid response and the other for underfunded emergencies. The Underfunded Emergencies window (UFE) targets situations suffering from slow and inadequate funding in order to “to carry out life-saving activities in places where humanitarian assistance is chronically underfunded” (UN CERF, 2017). Its approach “addresses critical humanitarian need and helps draw attention to funding gaps and to places where donor interest may have waned” (UNGA, 2017). The UFE is not exclusive to crises covered by a UN-coordinated appeal, and underfunding is not the sole criterion for selection. Its allocation methodology includes weighted scores in the composite CERF Index for Risk and Vulnerability, as well as in levels of underfunded requirements. In the first-round allocation for 2018, all the selected countries were less than 50% funded against requirements.

**Figure 9: CERF UFE allocations to Chad, Haiti and Somalia 2008–2017**



Source: Development Initiatives based on the Central Emergency Response Fund (CERF).

Notes: The lack of bars for Haiti and Somalia in some years is due to no received funding through the CERF Underfunded Emergencies (UFE) window in those years. Data in current prices.

As Figure 9 shows, Chad has received CERF UFE funding every year in the past decade (to address different aspects of its underfunding). While Somalia received funding in six of the past ten years, it received a much higher total volume. Haiti has been the least frequent recipient of the three, receiving no allocations since 2014.

In Chad, in particular, the CERF was positively seen by interviewees as a vital go-to source to respond to priority underfunded needs. However, it was acknowledged by donors and by the CERF secretariat to be far from up to the task of significantly mitigating the worst effects of the shortfall. In 2017, despite US\$11 million of CERF allocations, a funding gap of US\$346 million remained. Interviewees at global and country level also suggested that

unmitigated underfunding one year increased vulnerability and led to increased calls for rapid response funding the next.

This is representative of the global limits of the CERF as a counterbalance to underfunding. Though the 2017 contributions to the CERF reached a then record high of US\$505 million, with US\$145 million of this disbursed through the UFE, this pales in comparison with the US\$10.1 billion appeals shortfall, and indeed against the UN Secretary-General's call for a US\$1 billion CERF. This prompts serious questions for CERF about where and how its allocations should be targeted for most impact, and ongoing discussion about how the CERF can be effective in the large protracted crises. Spread too thin, CERF allocations risk being of little effect to address the consequences of funding gaps, especially given that grants are often dissipated further through onward granting by the recipient UN agency.

As we have seen earlier (see section: Underfunded agencies), Somalia is the only one of three case study countries to have a CBPF. Contributions to the SHF have increased; according to their annual reports, they more than doubled between 2016 and 2017, reaching US\$57 million. This reflects both an overall global increase in contributions to pooled funds and the exceptional donor mobilisation for Somalia's 2017 famine prevention effort.

Like the CERF, while the SHF's relative size limits its reach (in 2017, it represented 5.0% of all funds to the HRP) it is still strategically important as a modality to respond with agility to underfunding. The SHF aligns its allocations closely with the HRP – its standard allocation grants are directed to projects included in the HRP (based on strategic consideration by the Inter-Cluster Coordination Group and agreed by the humanitarian coordinator and SHF Advisory Board) while its reserve allocation targets critical gaps in funding as well as unforeseen needs.

Considering the growth of CBPFs and the inclusiveness and flexibility they bring to target underfunded UN, international and local agencies alike, it is unsurprising that interviewees in Haiti and Chad would like to see the establishment of CBPFs. Indeed, in the 2018 HRP for Chad, the Humanitarian Coordinator made a clear

call for the creation of a Chad CBPF, in this case to support the multi-year approaches so clearly needed to respond to its protracted crises (OCHA, 2017c). CBPFs are seen as more than a mechanism for mitigating funding gaps: they are a signal and channel of concerted donor engagement, and a vote of confidence in the leadership and strategic direction of the coordinated response.



# Conclusions

There is no simple answer to the question of what happens when appeals are underfunded. Few global conclusions can reliably be drawn from the illustrative and context-specific information available. The search for evidence, however, has highlighted important systemic issues which must be addressed if we are to better understand how shortfalls in humanitarian assistance are affecting people in need, and better act to mitigate these impacts.

## **Consequences of underfunding: key findings**

Interviews and reviews of the data and documents for Chad, Haiti and Somalia have indicated recurrent impacts on underfunding the delivery of humanitarian response. In particular, they have highlighted how certain subnational crises suffer critical shortfalls and dramatic reduction of humanitarian presence; how, across sectors, there are cuts to projects and provisions and failure to meet all but the most urgent needs, leaving others to deteriorate and then become the following year's severe case-load. They have also suggested that shortfalls jeopardise commitments to localisation and undermine cost effectiveness.

Agencies seek to mitigate these effects, in the first instance by seeking additional funds or redirecting contingency or flexible funds to cover gaps. But when these are not forthcoming, they make difficult choices to cut or reduce their provision – for example closing offices, reducing services or cutting the size or frequency of distributions. Agencies have reported how these cuts push people into high-risk coping strategies and leading them to deplete resources and erode resilience to even small future shocks. From the perspective of the people who this aid aims to assist, surveys indicate that it falls short of meeting their most important needs or reaching the people most in need.

There is of course a clear attribution problem. Not all persistently unmet needs in these chronically poor contexts are a result of humanitarian failings, and not all humanitarian failings are a

consequence of funding shortfalls. But there is also, in the first instance, an information problem. On the needs side, the bases of requirements are opaque and variable within and between appeals; on the response side, the collective coverage of needs is subject to limited monitoring.

## **Appeals-side improvements**

The appeals have evolved significantly since the first CAPs in the early 1990s. Their scope, scale and inclusivity has grown – as has the depth of their analysis, the sophistication and standardisation of their tools, and the level of their strategic coordination. Efforts and initiatives continue at both the country and global level to improve their rigour, clarity and relevance.

But there are limits to the extent to which the appeals can become more streamlined and strategic and more than the sum of their project-based parts. On the political economy level, tensions remain between agency interests and collective intent. On the practical level, a desire for more coordination and documentation must be balanced with not diverting overstretched resources further away from delivery.

Bearing this in mind, the report has explored several areas in which improvements should be continued or initiated. Given the technicalities and trade-offs involved in each, it has not sought to prescribe how these should be implemented, instead to identify them as the basis for further discussion and constructive dialogue.

In each area, consistency, comparability and clarity of communication are key – individual appeals should be internally robust and cross-sectorally consistent, but good practice needs to be global if it is to support allocation decisions *between*, as well as *within*, countries.

## **Generating reliable targets**

Shortfalls cannot be tracked without having credible, comparable targets to measure them against. There is a persistent critique at the

global and country levels that these targets – the appeals requirements – represent a problematic baseline for allocating funds and tracking underfunding. Addressing this requires action in three areas:

**Needs assessments:** in addition to wider existing efforts to improve the objectivity and comprehensiveness of needs assessments, there is room for greater synchronicity between the timing of the annual appeals and seasonal needs assessments. This could allow for planned updates so that projected estimates are as good as possible. Cases of specific pooled funding to support joint needs assessments in underfunded settings could also be replicated.

**Scope and prioritisation:** all the appeals state that they are prioritised, so that, in line with the humanitarian principle of impartiality, resources can be mobilised to meet the greatest needs first. In practice, however, it is hard to tell from the HRPs how the limits have been set and what elements of the response will be done first, and the current agency- or project-focused bilateral funding runs counter to collective prioritisation.

A global ‘cookie-cutter’ template to defining the *parameters* of response would be unwise, however a transparent articulation of where and why these are set, alongside common severity metrics, would begin to make appeals of different scope more comparable. Beyond the appeals, any narrowing of humanitarian response must go hand-in-hand with a widening of other investments in prevention and resilience.

The *triage* of response could also be better set out in each appeal. Learning from existing cases of country practice, a clearer, seasonally informed, sequencing of priorities in all response plans could help to mitigate the arbitrariness of ‘first-funded first’ action – though only if accompanied by sufficiently flexible funding. Instituting this, alongside more systematic mid-year reviews, would be more strategic than counterproductively revising down requirements in the face of underfunding.

**Costings methods:** There is widespread agreement that the appeals’ price tag needs to be the sum of more consistently calculated requirements. The rise of cash-based programming, as

well as the initiatives of some clusters and demands of some consortia donors, is driving more standardisation in some areas. Conscious of the bureaucratic burden and need for context specificity, a roadmap to improve the overall approach to costings in the HRP is being gradually rolled out. Whatever the method pursued in each country, transparency will be essential.

## **Tracking funding levels**

**Reporting to FTS:** OCHA's Financial Tracking Service provides an increasingly complete picture of funding within and outside the appeals but as it is a voluntary reporting system and gaps remain. Donors and agencies need to continue to ensure timely reporting of all contributions to the appeals whether they come from core or earmarked funds.

**Funding outside the appeals:** The distinction between funding flowing 'inside' and 'outside' the appeals is not always clear or relevant when it comes to meeting needs. Funding to agencies which do not participate in the appeals – including the International Red Cross and Red Crescent Movement – often contributes to delivering against its strategic objectives and mitigating shortfalls. Better mapping of the coverage and operations of these agencies could provide a useful overview of where non-HRP responses are, and are not, filling gaps.

## **Monitoring reach and results**

**Ongoing monitoring:** Monitoring of the reach and results of response is fragmented and inconsistent between clusters and countries. The array of monitoring reporting tools and formats are used in a 'pick-and-mix' and often irregular fashion, without the joining-up of information and analysis that would enable a clear overview of emerging gaps and coverage. A standardised monitoring process which maps funding and coverage of delivery against prioritised interventions would support timely alerts to gaps and adaptive responses from both donors and agencies.

**Annual reporting:** It is striking that there is no routine annual reporting against the appeals. They set annual strategic objectives but do not review performance against them. This is a critical missing piece in documenting, and learning from, the consequences of underfunding. The sum falls short of its parts – agencies report bilaterally to donors for the funds they receive but pieces of the jigsaw are not shared, and nor are they put together to provide a collective picture of coverage and gaps. Response-wide reviews are an exception, rather than part of the annual learning cycle. Commissioning independent annual reporting against the response plans could reduce the burden on agencies and help to improve coordination, bringing agencies together in shared accountability for effectiveness, rather than remaining in silos of single agency accountability for project delivery.

All these appeals-side improvements clearly entail the investment of time and resources from agencies which, especially in underfunded contexts, face difficult trade-offs in how they spend both. The right balance needs to be struck between improving the rigour and targeting of delivery and adding weight to an already process-heavy system, detracting from the very business of that delivery. It requires donors to both support these improvements and to respond to the coverage gaps they reveal.

## **Donor-side response**

The problem of shortfalls and inequities in funding clearly cannot be resolved by technical fixes to the HPC alone. Improved appeals must be the foundation of improved funding – agencies need to know that a refined, prioritised picture of the extent and impacts of underfunding actually informs smarter donor behaviour. While donors demand increasing coordination and transparency from the response plans, they must be prepared to match this in their own decision-making.

## Coordination

**Transparency of allocation methods:** The decision-making processes for many donors' allocations are often opaque and pay little reference to the appeals. Many donors point to flaws in the appeals as a cause for their underfunding, but it is not clear if or how they would use them if they were considered more credible. Donors clearly bring other factors and information sources to bear in their allocation decisions, but an open explanation of allocation methods and what role the appeals play in them is important. Sida's initiatives to ensure the clarity and transparency of its own decision-making and catalyse others to do the same are a first step.

**Complementarity and coordination:** Although imperfect, humanitarian agencies' coordination is considerably more sophisticated and systematic than that of their donor counterparts. Donor coordination is more evident at the *country or crisis level*, yet this is uneven and of course depends on established donor presence – the lack of which can be a factor in underfunding. At the *global level*, there is a need to resuscitate the concept of a global forum for donors to share funding plans and priorities, in order to work towards a 'division of labour' and a complementary coverage of needs. While donor preferences will inevitably remain, it would be a move towards addressing the fragmented individual responses that accumulate into underfunded crises.

## Flexible funding

**Unearmarked funds:** Under the Grand Bargain, donors have already committed to increasing flexible funding to enable a more timely, predictable, agile response but progress against this has been moderate. Agencies, however, reported limited recourse to flexible contingency funds to mitigate the worst effects of underfunding.

**Pooled funding:** While unearmarked funding delegates prioritisation decisions from individual donors to individual agencies, pooled funds can support a collective identification of priorities and gaps in line with the response plans. The CERF can function as a global level counterbalance to unequal funding; CBPFs

can mitigate gaps in subnational and inter-agency coverage. Funding to both CERF and CBPFs shows encouraging signs of growth but is clearly far from the scale required for these to mitigate underfunding in a systemic rather than ad hoc manner. Greater concerted investments are needed in these pooled funds as a counterpart to coordinated bilateral funding.

**In conclusion,** while this study highlights lacunae in knowledge of what happens when appeals are underfunded, it should not be read as casting doubt on the seriousness of the humanitarian gap. Whatever the shortcomings in understanding the scale and consequences of underfunding, these should not be the rationale for fatigue and disengagement, but the impetus for improvement. And while many of these improvements can take place at the technical level, they clearly cannot be isolated from wider issues – the questions of principled parameters and political economy that shape both how humanitarian needs are defined and how agencies and donors alike can coordinate to address them.

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# List of abbreviations and technical terms

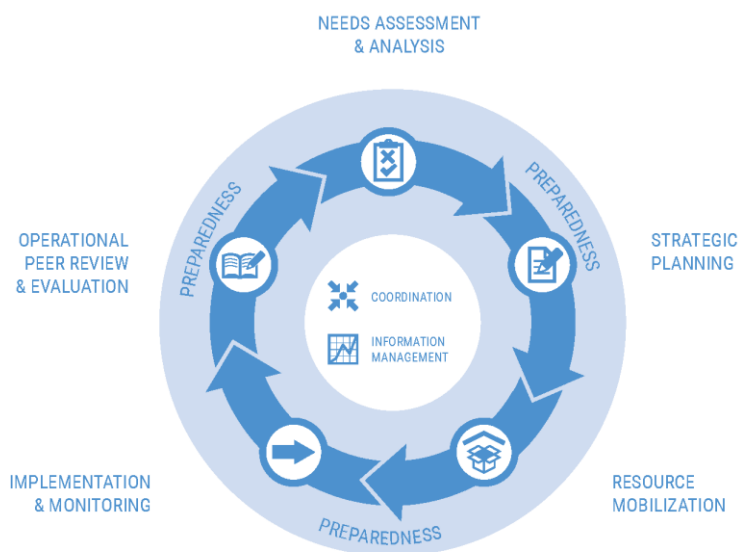
CAP	Consolidated appeal process
Clusters	Groups of humanitarian organisations, both UN and non-UN in each of the main sectors of humanitarian action, which coordinate response at the global level and at national and subnational levels in countries where they operate.
CBPF	Country-based pooled fund
CERF	Central Emergency Response Fund
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
FAO	Food and Agriculture Organisation of the UN
FSNAU	Food Security and Nutrition Analysis Unit
FTS	Financial Tracking Service (OCHA)
HNO	Humanitarian needs overview
HPC	Humanitarian programme cycle
HRP	Humanitarian response plan
IASC	Inter-agency Standing Committee
IPC	Integrated Food Security Phase Classification
OCHA UN	Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Co-operation and Development
RRP	Regional refugee response plan
SHF	Somalia Humanitarian Fund

Sida	Swedish International Development Cooperation Agency
UFE	Underfunded Emergencies window (of the CERF)
UNHCR	Office of the UN High Commissioner for Refugees
WFP	World Food Programme

# Appendices

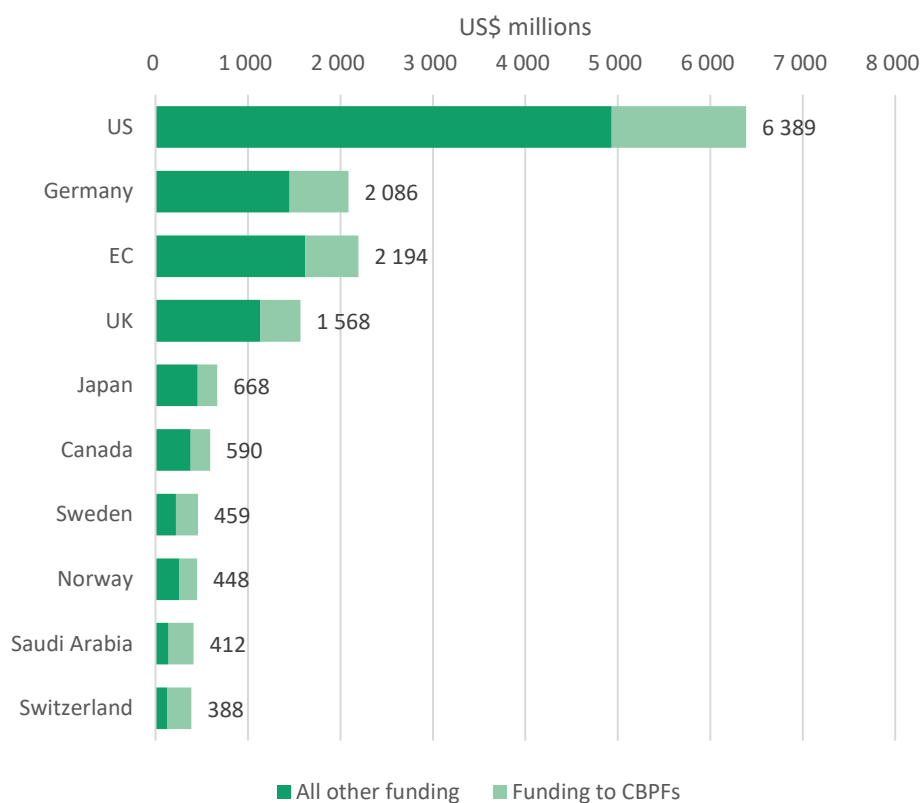
## Appendix 1: The humanitarian programme cycle

The humanitarian programme cycle for the UN-coordinated response plans comprises the five elements shown in the graphic, with each step intended to logically build on the previous and lead to the next. The humanitarian needs overviews should be the culmination of the needs assessment and analysis stage, and the humanitarian response plans (HRPs) should be the culmination of the strategic planning stage.



Source: OCHA. Available: [www.humanitarianresponse.info/en/programme-cycle/space](http://www.humanitarianresponse.info/en/programme-cycle/space)

## Appendix 2: Volumes of funding to appeals from the 10 largest donors, 2017



Source: Development Initiatives based on OCHA FTS.

Notes: CBPF: country-based pooled fund; EC: European Commission; private: private institutions and organisations; UAE: United Arab Emirates; UK: United Kingdom; US: United States of America; Data is in current prices.

## Appendix 3: Methodology

This study draws on a review of key literature, analysis of data from OCHA's Financial Tracking Service (FTS), and 42 in-depth semi-

structured interviews conducted remotely with selected stakeholders at a global level and in each of the three case study countries.

## Appeals analysis

The aggregate appeals analysis in this report covers all HRPs, regional response plans and other UN-coordinated humanitarian action plans that are recorded on OCHA's FTS.

## Country selection

The three case study countries were selected in consultation with the reference group for this study and according to the following methodology:

Data was gathered on all countries which had UN appeals in 2017 and was then filtered according to the following criteria:

- coverage of the 2017 appeal of less than two thirds (66%) of requirements
- number of people in need greater than 1 million
- a severity score of either 2 (humanitarian crisis) or 3 (severe humanitarian crisis) according to ACAPS Global Emergency Overview methodology
- having had a UN-coordinated appeal every year for the last five years (to be able to see trends).

This created a longlist of 10 countries. These were then grouped according to the volume of funding requested by the UN-coordinated appeal in 2017:

- **>US\$1 billion:** Syria, Lebanon, Somalia
- **US\$500 million – US\$1 billion:** Democratic Republic of Congo (DRC), Sudan, Chad, Palestine
- **US\$100 million – US\$500 million:** Central African Republic, Mali, Haiti.

One country was then selected from each group. There were several possible criteria including:

- **highest ACAPS severity level (3):** Syria/Somalia, DRC/Sudan, Central African Republic
- **variety of primary crisis types:** Lebanon (refugee), Chad/DRC/Sudan (complex), Haiti (disaster)
- **variety of geographic locations:** e.g. Lebanon (Middle East and North Africa), Chad (Sahel), Haiti (Americas)
- **alignment with Ground Truth Solutions' planned/existing surveys:** Lebanon/Somalia, Chad, Haiti.

As the application of these criteria did not lead to a single shortlist of three countries, we discussed the importance of the four criteria to the purpose of the study with the reference group. The decision was taken to select based on a mix of severity and crisis types and potential alignment with existing and planned Ground Truths Solutions' surveys which might reveal the impacts of underfunding on affected communities.

### **Selection of interviewees**

In addition to major stakeholders involved in the coordination or evolution of the appeals at the global and country levels, we sought to interview representatives of significant donors and underfunded agencies in each country. To select the priority humanitarian organisations in each country for the interviews, we used the following methodology (and in the cases where representatives were unavailable for interview, alternatives were selected from the longlist based on availability):

- From the list of organisations with requirements in the appeal, reported on FTS, we selected those with appeal requirements greater than US\$1 million.
- Of these, we selected those which had less than two thirds (66%) of their requirements met and grouped them in brackets of 10 percentage points (0%, 1% to 10%, 11% to 20% etc)
- We then selected those with the highest and lowest requirements within each bracket and triangulated against OCHA's 3W mapping, to ensure geographic coverage,



modifying where necessary to include missing areas of operation.

## Appendix 4: List of interviewees

Name	Organisation	Location
<b>Global level</b>		
Lisa Doughten	OCHA	New York
Marcy Vigoda	OCHA	Geneva
Andy Wyllie	OCHA	Geneva
Samir Mahmoud	OCHA (CERF)	New York
Michael Jensen	OCHA (CERF)	New York
Shelley Cheatham	OCHA (CERF)	New York
David Coffey	UN Women	New York
Angela Hinrichs	FAO	Rome
Susanne Mikhail	Sida	Stockholm
Claire James/Philip Rundell	DFID	London
David Fallows	DFID	London
Alexandra Brosnan	USAID	Washington
Joachime Nason	ECHO	Geneva
Androulla Kaminara	ECHO	Brussels
Louis de Brouwer	ECHO	Brussels
Andrew Thow	INFORM	Geneva
<b>Chad</b>		
Pierre Valiquette	CARE	Chad
Mohamadou N'Diaye	FAO	Chad
Florent Méhaule	OCHA	Geneva
Hyewon Lee	UNICEF	Chad
Cesar Tshilombo	UNHCR	Chad
Mary-Ellen McGroarty	WFP	Chad
Pierre Koivogui	Oxfam	Chad
Boukary Gambo	World Vision	Chad
Jean Bosco Ndiokubwayo	World Health Organization	Chad
Yves Horent	DFID	London

Erik Vågberg	Sida	Stockholm
<b>Haiti</b>		
Nathanael Hishamunda	FAO	Haiti
Jessica Pearl	Médecins du Monde	Haiti
Kate Learmonth	UN Population Fund	Haiti
Joseph Severe	UNASCAD	Haiti
Alix Nijimbere	OCHA	Haiti
Elizabeth Narrowe	Sida	Haiti
Phil Gelman	Office of U.S. Foreign Disaster Assistance	Washington
Giuseppe Scollo/Bernard Jerome	ECHO	Haiti
<b>Somalia</b>		
Rainer Palau	International Organization for Migration	Somalia
Deon Nelson and Richard Scott	HALO Trust	Washington
Victor Moses	Norwegian Refugee Council	Somalia
Shuyeb Youb	Relief International	Somalia
Phoebe Mukunga	UNHCR	?
Abdurahman Sharif	Somalia NGO consortium	Kenya
Sebastian Fouquet	DFID	Kenya
Justin Brady	OCHA	Somalia
Emily Gish	USAID	Kenya

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