



ROLES FOR PHILANTHROPY IN THE HUMANITARIAN SECTOR

Memo

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LANDSCAPE OF THE HUMANITARIAN SECTOR

The need for humanitarian assistance is severe, global, and growing.¹ Today, humanitarian crises – events that present a critical threat to the health, safety, security, or wellbeing of a group of people – affect over 125 million people in every region of the globe.² This number has almost *doubled* since 2011.³ These crises range from highly-publicized refugee crises like Syria, affecting more than 10 million people and receiving 31% of all humanitarian assistance in 2015,⁴ to “forgotten crises” like the armed conflict in Colombia, affecting almost 6 million people and receiving 0.2% of assistance.⁵

Funding is increasing but not fast enough, and not to all places in need. Funding for humanitarian assistance reached a record high of \$28 B in 2015, a 40% increase since 2011. However, in the same year the sector also faced the largest recorded shortfall to date (by some accounts) – a 45% gap in UN-coordinated appeals for funds.⁶ The donor pool is highly concentrated – three-quarters of *all* funding comes from 20 government donors, with the top five government donors providing almost half of all funding.⁷ Private foundations contribute a tiny ~1% of total humanitarian assistance.⁸ The targets of humanitarian assistance are also becoming increasingly concentrated – in 2015, five crises (in Syria, Yemen, South Sudan, Iraq, and Sudan) accounted for more than half of all funding allocated to specific emergencies, as opposed to the third of funding the top five crises received in 2011. In contrast, certain “forgotten crises” – such as the Sahwari refugee crisis in Algeria and the ethnic conflicts in Myanmar – are routinely missing from international media headlines and remain underfunded year after year.⁹

Beyond the gaps in funding, the changing nature of crises has created new challenges in the landscape. Crises are increasingly long-term. In 2015, there were 6.7 million refugees living in situations of protracted displacement; the average length of these situations is 26 years.¹⁰ The increasing length of crises necessitates the continued involvement of humanitarian actors – almost 70% of the 58 countries that received humanitarian aid in 2014 were in their 10th straight year of receiving aid.¹¹ Crises are also increasingly complex, driven by a combination of social, political, and environmental forces, rather than any one issue. Over 95% of crises between 2013 and 2015 were defined as complex emergencies – those characterized by extensive violence and displacement, widespread damage to societies and economies, and / or the hindrance of humanitarian assistance by security risks or political constraints.¹²

¹ In this document, humanitarian assistance is defined as assistance intended to save lives, alleviate suffering and maintain human dignity during and after man-made conflicts and/or natural disasters, as well as to prevent and strengthen preparedness for such situations

² These crises fall into three categories: man-made crises (including armed conflicts or large accidents such as plane crashes), natural disasters (such as earthquakes and droughts), and complex crises, which combine natural and man-made elements [Source: Humanitarian Coalition; Development Initiatives 2016 – “World Humanitarian Data and Trends”

³ OCHA 2016 – “World Humanitarian Data and Trends”

⁴ Development Initiatives 2016 – “World Humanitarian Report”

⁵ The Humanitarian Data Exchange

⁶ Note that UN appeals are one metric, of several, for measuring the shortfall

⁷ *Ibid*

⁸ Development Initiatives 2015 – “Humanitarian Assistance from Non-State Donors;” Note that this figure excludes corporate donors; in addition, this figure is likely an underestimate as it is a bottom-up estimate from various iNGOs and NGOs as collected by the Development Initiatives group for the Global Humanitarian Assistance Report. There is no global aggregated estimate available for private philanthropies. However, several experts have confirmed that it is likely to be in this order of magnitude

⁹ Development Initiatives 2016 – “World Humanitarian Report”

¹⁰ UNHCR 2016 – “Global Trends: Forced Displacement in 2015;” note that this number is the average length of time of the situation (from the start to end of displacement), not the average length of time an individual will spend displaced – there are some refugees who have been displaced for decades and others who are newly displaced, depending on the conflict

¹¹ ALNAP 2015 – “The State of the Humanitarian Sector”

¹² OCHA 2016 – “World Humanitarian Data and Trends”

The nature of humanitarian assistance has not fully caught up to these changes, with funding remaining short-term in outlook and restrictive in nature. While the average length of a UN-coordinated humanitarian appeal is 7 years, providing multi-year funding is complex and so in practice, most donors provide very short-term funding. Moreover, the majority of this funding is restricted, making it difficult to disperse to continuously evolving crisis situations – in 2014, 84% of funding was earmarked for specific locations, activities, or commodities.¹³ Much of this is for good reason – earmarks ensure that funding reaches the people it intends to, in the form it intends to (often food, water, other essentials). However, this means that areas that are key for long-term relief, such as security and economic recovery, are persistently underfunded.¹⁴ In addition, funding neglects local capacity-building. Local and national NGOs receive a scant 0.6% of humanitarian funds directly.¹⁵ While international institutions often have better infrastructure and stronger accountability than local actors, this pattern leaves local actors who have stronger knowledge of the needs in their communities less equipped to respond to crises. And while international NGOs often implement projects through local partners, in most cases, these iNGOs are focused on conducting urgent relief and are not able to invest in developing the capacity of these partners.¹⁶

The humanitarian sector is aware of these challenges, and energy to reform the sector is growing. There have been a number of calls to action in the last few years, most notably at the World Humanitarian Summit in Turkey in 2016. Indeed, this Summit produced the “Grand Bargain” – a call for major changes to the global humanitarian system, including a commitment to direct 20% of humanitarian funding through local/Southern organizations. There has also been an influx of new energy into the space – in the form of new actors (private sector players), new delivery mechanisms (delivering cash-based assistance rather than commodities), new financing mechanisms (greater use of instruments such as pooled funds and impact bonds), and new ways of programming that are community-designed and community-led. And finally, there is new leadership in the form of a new UN Secretary General, leading a reform agenda.

However, there remains an urgent need for greater and more effective funding, and stronger actors, to ensure that response goes beyond immediate relief, meets the longer-term development needs of those affected, and reduces the need for assistance in the future.

ROLES FOR PHILANTHROPY

Private philanthropic actors – both corporate and family-funded entities – have a unique opportunity to catalyze change in the humanitarian landscape. Although private philanthropies only comprise ~1% of total humanitarian assistance,¹⁷ they bring three core assets to the table. First, flexible funding: philanthropies can deploy funding quickly and flexibly towards higher-risk or long-term strategic efforts. Second, convening power: they can use their relationships and voice to convene unconventional or new actors (such as other institutional private donors and high net worth individuals) to shift dialogue and policy. Third, strategic expertise: they can deploy specific expertise in sectors relevant to humanitarian assistance, e.g., logistics, technology, data analytics.

¹³ Development Initiatives 2016 – “Global Humanitarian Assistance Report”

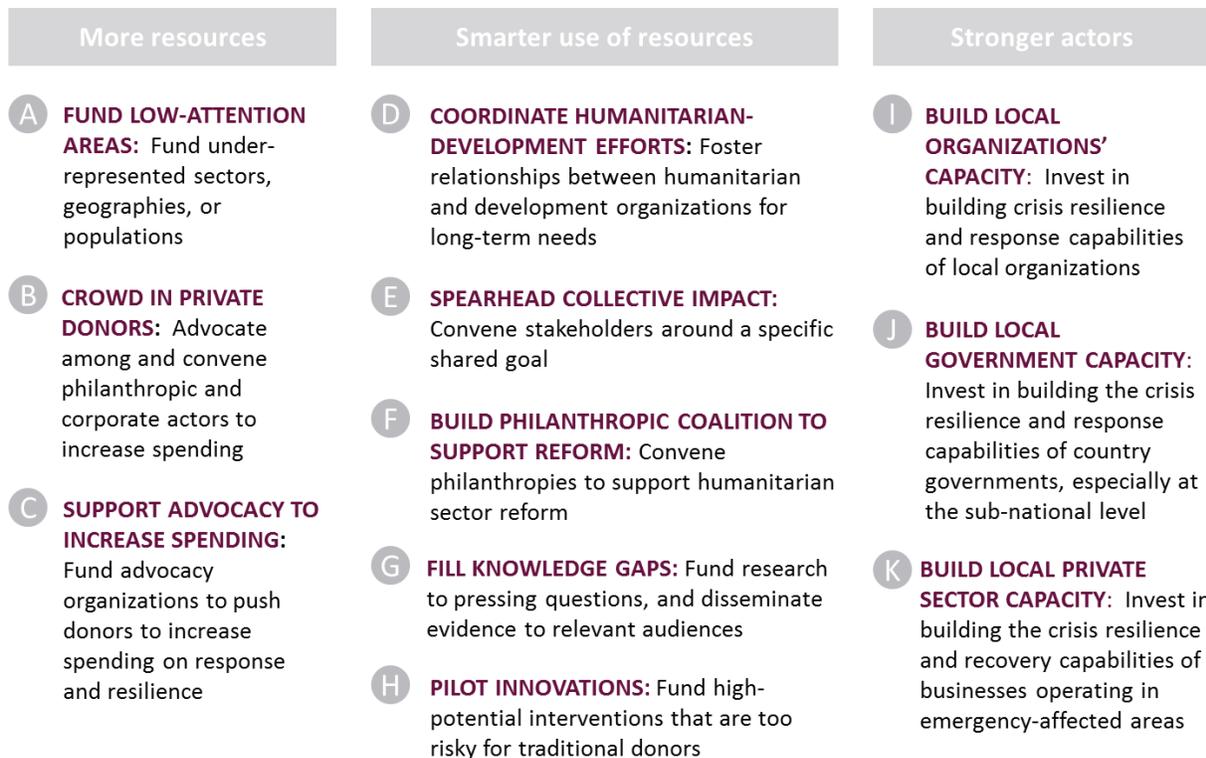
¹⁴ ALNAP 2015 – “The State of the Humanitarian Sector”

¹⁵ *Ibid*, Development Initiatives 2016 – “Global Humanitarian Assistance Report”

¹⁶ Oxfam 2015 – “Turning the Humanitarian System on its Head”

¹⁷ Development Initiatives 2015 – “Humanitarian Assistance from Non-State Donors;” note that this estimate is for private foundations and trusts, and excludes corporate contributions – the contribution from private foundations and trusts, and corporates (philanthropies and companies) amounts to ~3% of total funding

Philanthropies can use their unique assets to cultivate more resources, smarter use of resources, and stronger actors in the humanitarian sector. The graphic below lays out almost a dozen different roles philanthropies can adopt to achieve these goals:



Each of these roles has a different value proposition. If the focus is on **immediate relief**, funding low-attention areas and building the capacity of local organizations and governments can directly support response efforts or first-responders (actors who are at the front-lines of emergency response). If the focus is on **long-term relief**, coordinating humanitarian-development efforts and building the capacity of local organizations, governments, and private sector can help build resilience and reduce the overall need for international humanitarian assistance. Finally, if the focus is on **improving the humanitarian system** itself, crowding in private donors, coordinating humanitarian-development efforts, and building a philanthropic coalition to support reform can bring new actors into the system or improve the functioning of existing influential actors.

In the following section, each role is described in further detail, along with an explanation of how philanthropy can uniquely contribute to the role, and an example of the types of initiatives a philanthropic actor might join or support in the role.

A - FUND LOW-ATTENTION AREAS: Fund under-represented geographies, populations, or sectors

- **Need for role:** As discussed above, humanitarian funding is highly concentrated in a few major crises. Almost one-half of funding goes to the top five crises (e.g., Syria, Sudan), leaving many countries and populations underfunded (e.g. forgotten crises such as the Colombian armed conflict or the Lake Chad Basin conflict, which spans Nigeria, Cameroon, Chad, and Niger)¹⁸
- **Philanthropy's contribution:** Philanthropies are less tied to immediate political demands than multi- / bi-lateral donors, and are often able to provide faster, and more flexible funding to specific populations or areas within a country
- **Example:** The [START Fund](#) is a multi-donor pooled fund (\$12.9 M) managed exclusively by NGOs that provides small-scale grants for small- and medium-scale crises that receive insufficient funding or attention from existing actors. Projects are chosen by local committees, made up of staff from Start members and their NGO partners, within 72 hours of an alert. This makes the Start Fund the “fastest, collectively-owned, early response mechanism in the world”¹⁹

B - CROWD IN PRIVATE DONORS: Advocate to and convene private philanthropic actors to increase spending; serve as a role model by signing on to humanitarian initiatives that have not historically seen private-donor involvement

- **Need for role:** Institutional private donors remain relatively uninvolved in the humanitarian space, providing roughly ~1% of total humanitarian assistance.²⁰ They face a relatively high barrier to entry, given the complexity of engagement as well as the complexity of the existing humanitarian system²¹
- **Philanthropy's contribution:** Philanthropies are well positioned to attract other private donors as they speak the same language, often share similar objectives, and may be seen as more neutral actors compared to governments or non-profits
- **Example:** The [NYC Fund for Girls and Young Women of Color](#) is an initiative by the New York Women's Foundation; by building partnerships, the New York Women's Foundation was able to crowd in an additional 15 donors who were previously less active in the intersectional gender equity space

C - SUPPORT ADVOCACY TO INCREASE SPENDING: Fund advocacy organizations to push donors to increase spending on humanitarian efforts, especially to underfunded areas

- **Need for role:** There is a need for advocacy around humanitarian aid from non-humanitarian actors. Humanitarian organizations themselves are reluctant to conduct advocacy for fear of losing access to affected areas or marring their image as neutral intermediaries²²
- **Philanthropy's contribution:** Philanthropies have more flexible reporting requirements than multi- / bi-lateral donors, and may have the latitude to take a more explicitly political role, which enables them to fund harder-to-measure activities like advocacy
- **Example:** [The ONE Campaign](#), an advocacy organization focused on extreme poverty, conducts public campaigning and insider advocacy in order to increase the wealthy-country budgets for humanitarian aid and development programs; funding organizations like ONE to do such work is one way philanthropists can increase spending on humanitarian efforts

¹⁸ Development Initiatives 2016 – “Global Humanitarian Aid Report”

¹⁹ startnetwork.org/start-fund

²⁰ Note that this figure is for private foundations and trusts, and does not include corporate donors

²¹ Development Initiatives 2015 – “Humanitarian Assistance from Non-State Donors”

²² ALNAP 2015 – “Advocating for Humanitarian Action and Access”

D - COORDINATE HUMANITARIAN-DEVELOPMENT EFFORTS: Integrate the efforts of development and humanitarian actors to better meet long-term needs of communities by testing and disseminating resources, fostering partnerships between humanitarian and development organizations, and providing funding to and promoting effective dual-mandate organizations

- **Need for role:** A growing number of crises require long-term solutions that cannot be met through humanitarian assistance alone - 69% of countries that received humanitarian assistance in 2014 are in their 10th straight year of receiving aid.²³ Oftentimes, donors provide money for either humanitarian assistance or development work, but not funding that can be flexibly used for both
- **Philanthropy's contribution:** Philanthropies have flexible and agile funding as well as the ability to “speak the language” of both humanitarian and development actors; however, they have less experience playing this role, which requires strong relationships with both communities
- **Example:** The International Rescue Committee developed an [Outcomes and Evidence Framework](#), a set of collective outcomes and indicators meant for the use of humanitarian and development organizations

E - SPEARHEAD COLLECTIVE IMPACT: Convene stakeholders around a specific shared goal

- **Need for role:** It is challenging to get the numerous actors in the humanitarian sector to focus jointly on a single issue over a long time-frame. The challenge that fragmentation poses to more effective and resource-efficient aid delivery has been clearly articulated in the humanitarian community, and was a major focus of a large UN humanitarian reform effort in 2005²⁴
- **Philanthropy's contribution:** Philanthropies are well placed to convene diverse actors given their ability to combine funding with networks of UHWNIs, private actors, and traditional (bilateral, multi-lateral) donors
- **Example:** [The Tent Partnership for Refugees](#), hosted by the Tent Foundation, brings together businesses, refugee relief organizations, governments, and academia together to amplify **business-led initiatives** to support displaced persons and ultimately end displacement

F - BUILD PHILANTHROPIC COALITION TO SUPPORT REFORM: Convene philanthropic actors to advise and support reform to improve the functioning of the humanitarian system

- **Need for role:** The UN reform agenda has come up regularly in the humanitarian dialogue. At a June meeting organized by ALNAP, a forum focused on improving humanitarian action, the most cited recommendation among 200 top humanitarians was for the secretary-general to “reform UN agency mandates and roles to better meet the basic humanitarian needs of affected people”²⁵
- **Philanthropy's contribution:** While philanthropic actors are a relatively small part of the humanitarian ecosystem, and are thus unlikely to drive reform, they can come together to collectively advise and support existing reform efforts
- **Example:** [SDG Philanthropy Platform](#) - While not a reform coalition, this initiative is a vehicle for integrating the philanthropic voice into the global sustainable development agenda

²³ ALNAP 2015 – “The State of the Humanitarian Sector”

²⁴ Humanitarian Response – “What is the Cluster Approach?”

²⁵ ALNAP 2015 – “A Bucketful of UN Reform”

G - FILL KNOWLEDGE GAPS: Fund research to pressing questions and disseminate evidence to relevant audiences who need and can apply the knowledge

- **Need for role:** There is a dearth of research on humanitarian work. There have been more than 2,000 impact evaluations or equivalent studies of development projects since 2006, but fewer than 100 have been conducted in humanitarian settings²⁶
- **Philanthropy's contribution:** Philanthropies can take a longer-term view than multi- / bi-lateral donors, and can invest in multi-year research projects and fund projects that are seen as secondary to response
- **Example:** [ALNAP](#), or the Active Learning Network for Accountability and Performance in Humanitarian Action, is a forum on learning, accountability and performance issues for the humanitarian sector. They publish a flagship annual State of the Humanitarian Sector Report, among many other pieces of research

H - PILOT INNOVATIONS: Fund high-potential interventions that are too risky for traditional donors in order to demonstrate what works in the field

- **Need for role:** Broad innovation investment in the humanitarian sector remains limited from large donors – many large donors allocate less than 1% of their humanitarian budget to R&D²⁷
- **Philanthropy's contribution:** Philanthropies have (in theory) the risk tolerance to test innovations that may fail, and are thus well-positioned to fund pilots
- **Example:** The [Humanitarian Innovation Fund](#) (HIF) supports organizations and individuals to identify, develop, and share innovative and scalable solutions for effective humanitarian assistance

I - BUILD LOCAL ORGANIZATIONS' CAPACITY: Invest in building the capacity of local organizations (community-based organizations, non-profits, and other first responders) to prepare for, respond to, and recover from crises

- **Need for role:** The 2016 World Humanitarian Summit, a global convening of leaders in the space, articulated local capacity building as a key need – between 2007-2013, less than 1% of annual humanitarian assistance went directly to local NGOs²⁸
- **Philanthropy's contribution:** Philanthropies are able to provide smaller, less restricted grants than traditional multi- / bi-lateral donors, which is key for funding scrappier local organizations
- **Example:** [Geneva Global](#) is a fund that flexibly disburses “micro grants” of \$3,000-\$10,000 to community based organizations following crises

J - BUILD LOCAL GOVERNMENT CAPACITY: Invest in building the capacity and leadership of country governments, especially at the sub-national level, to prepare for and respond to crises

- **Need for role:** There is scant humanitarian funding for country governments. Between 2007-2013, less than 2% of annual humanitarian assistance went directly to recipient governments²⁹
- **Philanthropy's contribution:** Certain philanthropies are well-positioned to provide strategic expertise (e.g., earthquake resilient buildings, technological assistance for early warning systems, training assistance) to local governments

²⁶ CGD 2016 – “Three Key Takeaways on Bridging the Humanitarian-development Divide”

²⁷ Deloitte 2015 – “The Humanitarian R&D Imperative”

²⁸ Oxfam 2015 – “Turning the Humanitarian System on its Head”

²⁹ *Ibid*

- **Example:** [UNDP Early Recovery](#) - this UNDP program involves strengthening local government capacity for relief and recovery planning, coordination and implementation, improving the capacity for local risk management

K - BUILD LOCAL PRIVATE SECTOR CAPACITY: Invest in building the resilience and recovery capabilities of local businesses in emergency-affected areas, in order to support the livelihoods and resilience of the surrounding community

- **Need for role:** Businesses are under-equipped for crises. In the US, a country with a relatively strong preparedness infrastructure, 40% of businesses do not reopen after a disaster³⁰
- **Philanthropy's contribution:** Philanthropies are well-positioned to support private sector actors, due to a shared language, a (sometimes) shared goal of financial sustainability, and the ability to provide flexible funding
- **Example:** The [Connecting Businesses Initiative](#) is a UN-supported initiative that supports networks of businesses in creating platforms to support crisis mitigation, preparedness, response, and recovery

These roles are not mutually exclusive – indeed they complement one another. They are most effective when conducted in partnership with existing actors, and when they are applied to a specific area of focus (whether geographic, demographic, or sectoral).

CONCLUSION

The humanitarian system is facing a critical juncture where it must adapt to the shifting landscape of crises. Philanthropy, with its flexible, risk-tolerant capital and its unique networks and expertise, can play a key role in this adaptation. By working hand-in-hand with the existing institutions in the humanitarian sector and local partners, philanthropies can both help provide immediate relief to underserved populations and also invest in sustainably reducing the need for relief itself.

³⁰ FEMA.gov