



## VOICE KEY HIGHLIGHTS

# FUNDING IMBALANCES: HOW UNEVEN PRIORITISATION AND INSUFFICIENT FUNDING AFFECT HUMANITARIAN AID

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# Introduction

*This paper summarises the main ideas discussed during the event 'Funding Imbalances: how uneven prioritisation and insufficient funding affect humanitarian aid', hosted by VOICE on 21 June 2022. Complementary views were shared by Vince Chadwick (Devex), Arnaud Dupont (DG ECHO), Céline Mias (CARE International) and Milward Mwamvani (LM International) - two representatives of our 87 VOICE member organisations - as well as Martin Scott (University of East Anglia).*

According to OCHA, 324 million people worldwide will need humanitarian assistance in 2022, mostly due the consequences of conflicts, climate change and Covid-19 (3 Cs), recently aggravated by increased food insecurity generated by the conflict in Ukraine. This number has risen steadily in recent years, and with it the need for more funding.

While global funding needs in 2021 reached \$37.7 billion, humanitarian organisations were only afforded 70% (or \$26.4 billion) of that amount. And along with the increasing humanitarian funding gap come funding imbalances: "Yemen's appeal was less than a third pledged; Ukraine's Flash Appeal and Regional Refugee Response Plan together were nearly 90% pledged" (March 2022, TNH). As a result of both the increased needs as well as the funding gap and imbalances of allocations, humanitarian actors need to heavily prioritise and millions of people find themselves without the humanitarian aid that they need.





# Why are there funding imbalances between humanitarian crises?

## > How does DG ECHO aim to allocate funding?

Arnaud Dupont, Head of the Unit on Programming, Control and Reporting at the European Commission's Directorate General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) gave an overview on how the DG allocates funding and intends to limit funding imbalances among crises. DG ECHO follows a needs-based approach, conducting both an evaluation and a ranking of needs thanks to a set of key indicators, including severity of the crisis, number of people in need, risk factors, field expertise, partners' intervention capacities, policy commitments, and state of previous allocation. This assessment allows for the establishment of a "baseline": the initial annual allocation for a given context.



As for in-year reinforcements, the DG takes due account of media visibility, in conjunction with a situation's needs. Media coverage can notably be relevant to obtain additional funding as it is public information available to the budgetary authority. However, media coverage never results in reducing funding possibilities for less visible crises. Still in this constrained budgetary context, and with the aim of reducing the need to prioritise and therefore the risk of funding imbalances, DG ECHO sees media coverage as a support to its advocacy effort for increased funding for humanitarian aid at EU level.

## > Which external factors influence the level and flexibility of humanitarian funding?

**Media coverage.** In a context where NGOs have been witnessing funding imbalances increase, they often wonder whether this could be a result of selective donor focus, and how much of the latter is influenced by media attention (as suggested by Milward Mwamvani, LM International). Although media coverage is often considered to be a direct driver of such political attention, the panellists and participants challenged the assumptions that high media coverage necessarily generates high levels of funding, and that in the contrary, a lack of media coverage negatively impacts levels of humanitarian funding.

# Why are there funding imbalances between humanitarian crises?

Martin Scott presented the main findings of the research he co-led on "The Influence of News Coverage on Humanitarian Aid: The Bureaucrats' Perspective", which suggests that it is mostly emergency funding which is impacted by media coverage. The study found that intense amounts of sudden-onset national coverage can trigger pressure on donors to allocate the funding that a crisis needs and progressively lead political decision-makers to shift emergency budgets to a specific crisis, perhaps away from where they might have been spent otherwise.



These considerations, however, have been found to only impact emergency funding, which constitutes a limited (albeit non-neglectable) part of humanitarian finance. As for annual funding, it has been found that most of the time, media coverage is not a driver of uneven allocations (apart from exceptions such as the 2020 Beirut blast). According to Martin Scott, most decisions on annual funding are political.

**Interactions between humanitarian and development funding.** Céline Mias and Milward Mwamvani (respectively representing CARE International and LM International), mentioned that existing funding mechanisms did not cover the gap between the immediate relief and the long-term resilience projects (humanitarian-development nexus). This increases the difficulties encountered by humanitarian NGOs in accessing funding.



**Political momentum.** Vince Chadwick, Brussels Correspondent for Devex, reminded that different momentums attract different reactions: at EU level, the negotiations on the Multiannual Financial Framework (MFF) are a real driver for the seven years ahead. Such a framework leaves a limited margin for annual negotiations, apart perhaps in the case of global (and highly-mediatised) events, such as the Covid-19 pandemic, or the war in Ukraine – which might offer a political momentum prone to securing additional funding for humanitarian aid.



# How do humanitarian NGOs adapt to funding imbalances?

## > How do humanitarian NGOs prioritise their efforts?

In order to address growing needs, NGO representatives explained that humanitarian actors aim to support crisis-affected people based on an analysis of needs, therefore independently of the extent of media coverage. Concurrently, humanitarian NGOs work on long-term solutions (Céline Mias, CARE International) and strengthen their collaborative efforts with other actors, both in focused humanitarian programming and with a nexus approach (Milward Mwamvani, LM International).



## > How do humanitarian NGOs adapt their fundraising strategies?

Both CARE and LM International representatives mentioned that they tend to rely on public appeal funds for largely mediated crises, as these might be sufficient to cover the humanitarian needs (e.g., in the case of the 2022 Ukraine conflict), which leaves more leeway for crises that receive poor media attention to benefit from institutional donor resources. However, Céline Mias and Milward Mwamvani report that it remains hard to fundraise for poorly mediated crises and that identified priorities cannot always be funded – largely because of the lack of media attention on these crises. They also work on advocating for the diversification of the donor base, and innovative systems such as flexible pooled funds.

## > How do humanitarian NGOs advocate for a change in funding habits?

Céline Mias explained that, in order to shine a light on the world's most neglected crises, CARE International complements its funding strategies with other approaches, such as the publication of reports (e.g. [The Most Under-Reported Humanitarian Crises of 2021](#), CARE), the implementation of locally led solutions, advocacy towards donors, and measures to address the root causes of crises. Moreover, Milward Mwamvani indicated that LM International works on innovating strategies, such as the “quadruple helix”, which aims at simultaneously engaging with the private sector, the academia, governments, and civil society organisations to find joint solutions. Vince Chadwick suggested that NGOs could benefit from increasing their collaboration with the media, for example by inviting journalists to document crisis-affected contexts, in order to further disseminate the challenges faced by people in need and humanitarian NGOs.

# VOICE recommendations on funding imbalances:

## 1. Increase humanitarian funding at both EU and Member State levels

- Seize the opportunity of the MFF and annual budget negotiations to secure additional humanitarian funding at EU level, without reducing development funding
- Broaden the humanitarian donor base, both at international and European levels, to help bridge the humanitarian funding gap
- Open a dialogue and increase collaboration with academia, journalists, and decision-makers outside of the humanitarian sector, notably financial authorities

## 2. Respect humanitarian principles in funding decisions

- Respect the humanitarian principles of humanity, neutrality, impartiality, and independence
- Respect the commitments outlined in the 2007 European Consensus on Humanitarian Aid and the 2021 EC Communication on the EU's Humanitarian action: new challenges, same principles
- Follow a needs-based and people-centred approach

## 3. Increase the efficiency and effectiveness of humanitarian funding

- Increase the share of multi-year and unearmarked funding, to help humanitarian NGOs respond to unexpected shocks rapidly and build resilience
- Enable inclusive and transparent funding decisions by inviting international, national, and local NGOs, as well as crisis-affected people to take part in funding decisions
- Spend each euro efficiently and effectively by financing anticipatory action and preparedness, through climate finance and nexus approaches, which propose gender-responsive and locally led solutions in line with the Grand Bargain 2.0 commitments

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