

# Falling short?

## Humanitarian funding and reform

October 2024



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Thank you

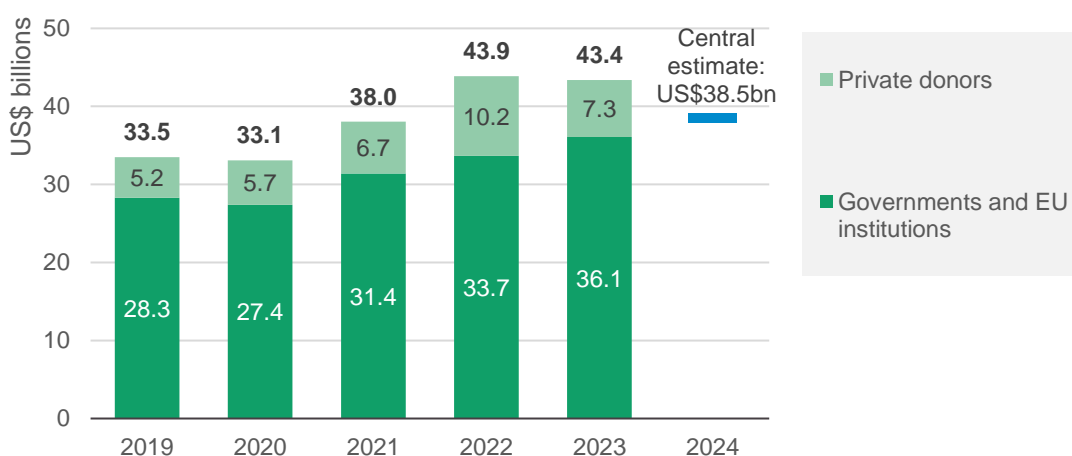


# Executive summary

## Overview

Funding to the humanitarian sector stalled in 2023, failing to keep pace with rising demand. While international humanitarian assistance remained historically high at over US\$43 billion, interagency appeals faced a funding gap of US\$32 billion, the largest on record. Ultimately, humanitarian funding and reform efforts fell short, and many millions of people targeted by international humanitarian responses did not receive the support they needed.<sup>1</sup> With key donors and organisations across the sector making budget cuts, Development Initiatives' (DI's) projections indicate that funding will fall further in 2024.

### Humanitarian financing declined in 2023 and is projected to drop further in 2024



For full sources and notes see Figure 1.1.

In 2022, most of the largest humanitarian donors increased their contributions in response to the Ukraine crisis, but the picture in 2023 was mixed. Several made significant cuts, including the UK, Germany and Canada. While these were mostly offset by increases from other donors such as Japan and Norway, the donor base continued to narrow, with a small number of donors providing the vast majority of funding. Taken together with the overall funding decrease and reports that major donors are planning further cuts, this underlines the fragility of a system already under strain.

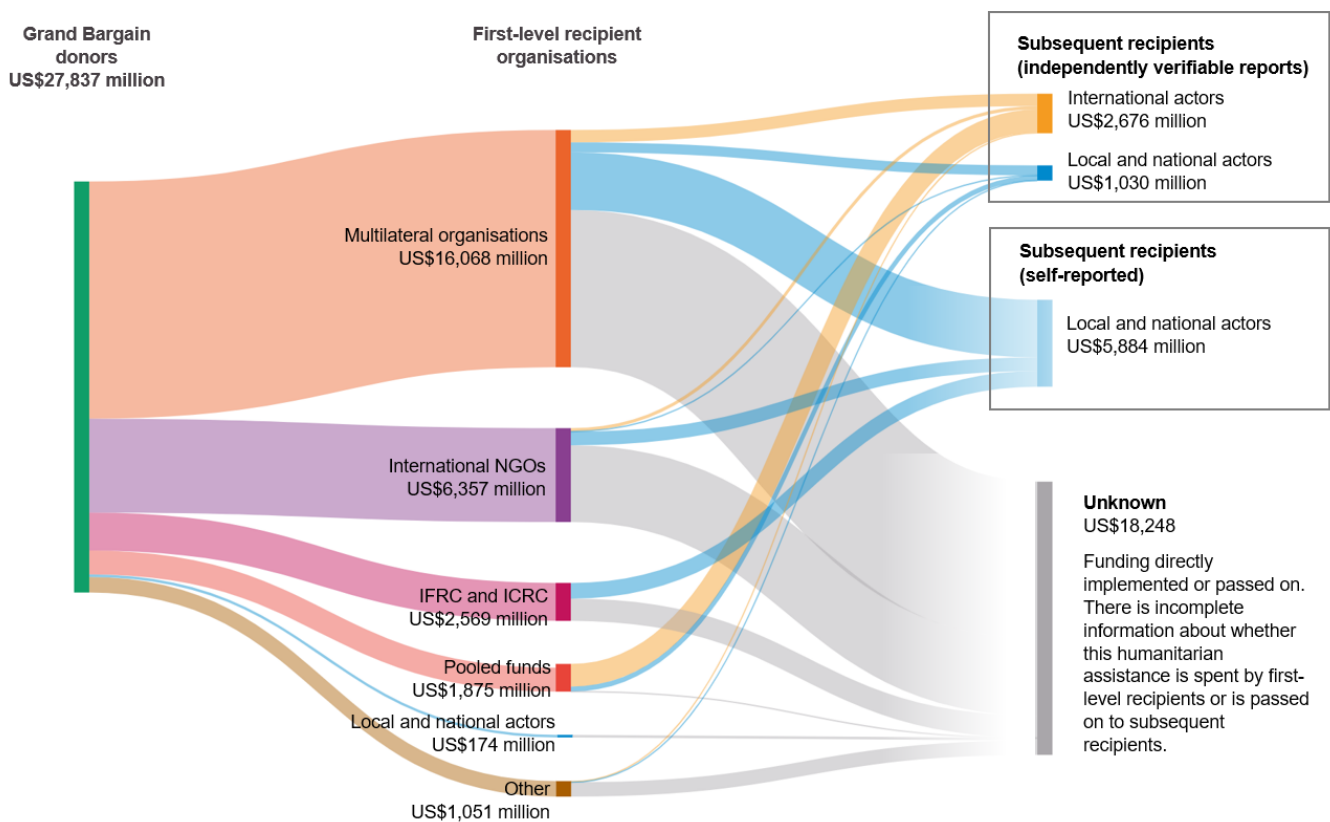
International humanitarian assistance continued to focus on protracted crises, part of a significant shift over the last decade. In 2014, only 29% of funding required for interagency appeals was for protracted crises, but in 2024 this had reached 91%. This should spur more coherent action across the humanitarian–development–peace nexus to address the underlying drivers of crises. It also reinforces the importance of Grand Bargain commitments to increase multi-year funding and planning.

► Read more in [Chapter 1, giving a global overview of crisis and funding response](#).

## Funding to local and national actors

While more funding is essential to keep pace with need, it is equally important to improve **how** funding is channelled to crisis responses, to ensure the most effective use of limited resources. Some progress was made in 2023 across several key areas in this regard. Despite the longstanding Grand Bargain commitment to provide an aggregate of at least 25% of funding to local and national actors as directly as possible, Grand Bargain signatories only provided 4.4% of their total funding to local and national actors in 2023, and only provided 0.6% directly (based on independently verifiable data). Taking into account self-reported, global aggregates by Grand Bargain intermediaries – which are not possible to verify independently – this figure rises to 25%. Across the broader humanitarian system, direct funding for local and national actors increased from 2.3% to 4.5% of all trackable funding, but this was due to new allocations by two specific non-Grand Bargain donors.

## Multilateral organisations continue to receive the largest share of international humanitarian assistance, while transparency on funding to subsequent recipients remains challenging



For full sources and notes see Figure 2.2.

However, a lack of data and inconsistent reporting by intermediaries makes overall funding to local and national actors impossible to assess comprehensively and verify independently. In 2023 pooled funds channelled 18% of their funding to local and national actors, the highest proportion since 2018 and an increase in volume of 49% over this period. UN OCHA's country based pooled funds – which provide highly transparent data on funding allocations and sub-grants – continued progress in increasing their share of funding to local and national actors to 30% in 2023, although overall volumes decreased.

Obtaining support for indirect costs and overheads remains a challenge for local and national actors. Guidance issued by the Inter-Agency Standing Committee in 2022 based on research by DI<sup>2</sup> has spurred some momentum on this issue, as increasing numbers of donors and international intermediaries have published policies and changed their practices. However, more than half of Grand Bargain signatories do not have publicly available policies, and those that are available vary in quality and implementation. USAID and NEAR stand out among Grand Bargain signatories, both covering up to 15% of indirect costs for local and national actors, while several private foundations led the way outside the Grand Bargain, covering up to 25%.

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► Read more in [Chapter 2, which assesses funding to local and national actors](#). The chapter concludes with a contribution from Elise Baudot Queguiner, Head of Humanitarian Financing at the International Council of Voluntary Agencies (ICVA), which emphasises the need to increase funding to local and national actors and make it more accessible, transparent and of higher quality.

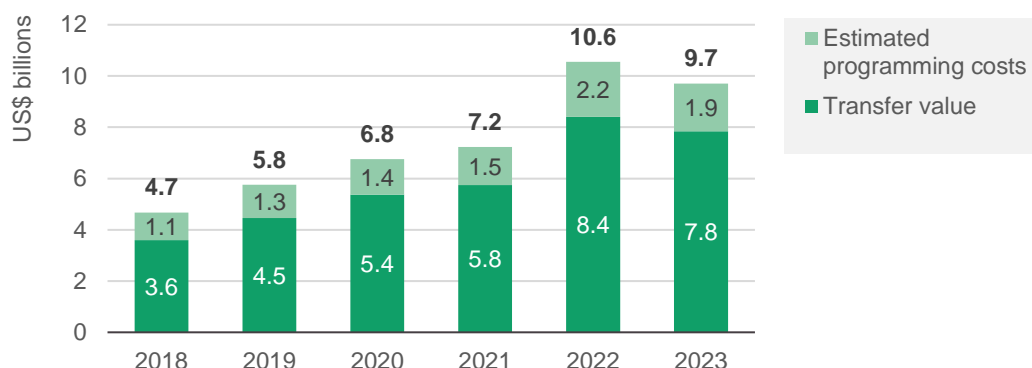
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## Cash and voucher assistance

The adoption of humanitarian cash and voucher assistance (CVA) has grown significantly over the last decade, but 2023 data suggests that this growth could be stalling. Growth has been driven by donors and implementers alike, who largely agree it can be a more cost-efficient way to deliver assistance than other delivery modalities, and that cash provides choice and dignity to affected populations. The volume of humanitarian CVA declined for the first time in 2023 after years of growth in line with a decline in overall funding, but it grew slightly as a share of overall international humanitarian assistance.

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## The volume of cash and voucher assistance declined for the first time in 2023 in line with overall funding for humanitarian responses



For full sources and notes see Figure 3.1.

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For the Grand Bargain, growth in global volumes of cash and voucher transfers is one of the few success stories, increasing from US\$3.6 billion in 2018 to US\$7.8 billion in 2023 after a peak of US\$8.4 billion in 2022. International actors, particularly the UN, continue to provide the bulk of global CVA. The visibility of local and national actors delivering CVA to populations in need is limited, and aside from global total figures from implementers, a lack of disaggregated data makes it difficult to track CVA more broadly, hampering coordination and the ability to target funding for CVA effectively. Given overall resource constraints and its concentration in a small number of contexts, the future trajectory of humanitarian CVA is unclear.

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► Read more in [Chapter 3, which assesses the use of CVA](#). The chapter concludes with a contribution from *Ruth McCormack and Crys Chamaa of the CALP Network, exploring current practice around humanitarian CVA and its evolution over the last 15 years.*

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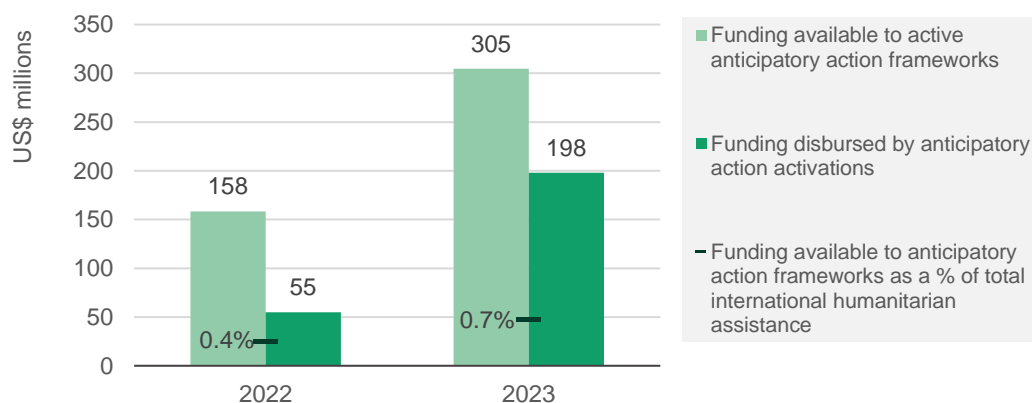
## Anticipatory action and other pre-arranged financing mechanisms

Past research has shown that between 2014 and 2017 around a fifth of humanitarian responses were due to crises that could have been anticipated.<sup>3</sup> Despite this, anticipatory action remains an underused humanitarian response modality. It can prevent and mitigate acute humanitarian impacts for predictable hazards more effectively than reactive responses, saving lives, livelihoods and money in the longer term. Funding for anticipatory action frameworks increased in 2023 but stood at less than 1% of total international humanitarian assistance, a fraction of what is needed.



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## Funding available to anticipatory action frameworks increased in 2023 but still makes up less than 1% of total international humanitarian assistance



For full sources and notes see Figure 4.1.

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Other pre-arranged financing mechanisms in the form of contingent credit, risk transfer schemes and contingency budgets make up a much greater volume than anticipatory action, but generally do not target the most severe humanitarian crises.

Research in 2024 by DI and the Centre for Disaster Protection, ongoing at the time of writing, has identified possible ways to improve the transparency of pre-arranged finance, including anticipatory action, and recommendations to clarify shared definitions and strengthen reporting practices. Without a strong emphasis on local leadership of anticipatory action frameworks, they may face similar challenges to CVA, which has increased in scale while becoming increasingly concentrated among international actors. There is a risk that populations who stand to lose the most through disasters remain the furthest away from critical decisions that affect them.

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► Read more in [Chapter 4, which assesses the use of pre-arranged finance and anticipatory action for disasters](#). The chapter concludes with a contribution from Lydia Poole, Associate Director – Evidence, Centre for Disaster Protection, which explains the need to increase funding for anticipatory action overall and ensure preparedness for rapid disaster responses.

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## About DI's Crisis and Humanitarian Finance programme

Our Crisis and Humanitarian Finance programme analyses resource flows and programming targeting people at risk of and affected by crises, promoting data transparency and access to information through our research and publications. Our Crisis and Humanitarian Finance team also contributes to a broader programme of work at DI examining the intersections between humanitarian response, development assistance and climate finance. For further details on the content of this report, to ask questions or suggest future analysis, please contact us at [gha@devinit.org](mailto:gha@devinit.org).

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# Chapter 1: Global humanitarian assistance – crisis and funding response

## Summary

In 2023, humanitarian response requirements were the highest on record. As of August 2024, the UN estimates that 311 million people are in need of humanitarian assistance.<sup>4</sup> This compares to the 168 million people in need less than five years ago.<sup>5,6</sup> Most of the people are in contexts that have had ongoing responses from the international humanitarian community for years. Recent escalations or deteriorating conditions that put further strain on the system have come in contexts that have had response plans for a number of years, such as Lebanon, Palestine, Sudan, or Ukraine.

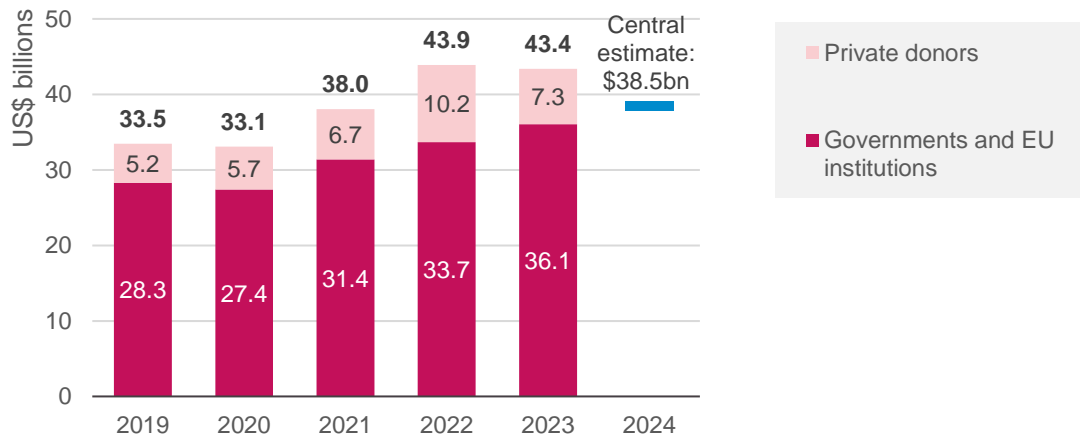
At the same time, funding to the humanitarian sector stalled in 2023. Some donors have cut their humanitarian contributions, and private funding has come back down from the 2022 peak when it was buoyed by financing for the Ukraine response. Few government donors commit beyond 10% of the 0.7% official development assistance (ODA) target to humanitarian assistance. There are also signs that funding for international humanitarian assistance will reduce further in 2024, forcing humanitarian actors to make tough choices. Indeed, Development Initiatives' (DI's) projections show that total humanitarian funding, including that to interagency plans, is set to drop in 2024.

The path ahead for the humanitarian sector is not one of unprecedented growth, as it has been in recent years. Funding shortfalls, high humanitarian needs, difficulties in humanitarian access, and the protractedness of crises pose significant difficulties. The future is more uncertain.

## What is the funding trend for international humanitarian assistance?

**Figure 1.1: Humanitarian financing declined in 2023 and is projected to drop further in 2024**

Total international humanitarian assistance, 2019–2023; projection for 2024



Source: Development Initiatives (DI) based on Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), UN Central Emergency Response Fund (CERF) and our unique dataset for private contributions. Projection produced by DI.

Notes: Figures for 2023 are preliminary. Totals for previous years differ from those reported in previous Global Humanitarian Assistance reports due to updated deflators and data. Data is in constant 2022 prices. The 2024 projection is based on how much funding has been received at the time of writing compared to the same point in previous years (see our [‘Methodology and definitions’, Chapter 5](#)).

Total international humanitarian assistance declined slightly in 2023 although the sector is still receiving historically high amounts of funding. The Ukraine crisis boosted humanitarian financing volumes in 2022, and while the rate of increase in humanitarian funding was not sustained, the sector received a similar amount of funding in 2023.<sup>7,8</sup>

The outlook for the future remains uncertain. With key donors making cuts to their humanitarian budgets, and organisations across the sector reacting to the financial ‘crunch’ by reducing their budgets, funding levels for 2024 are projected to drop further. The central estimate of our 2024 projection is lower than the amount received in the previous two years. If realised, this would be the biggest reduction in total international humanitarian assistance on record.

- Preliminary data shows that in 2023, total international humanitarian assistance amounted to US\$43.4 billion, a 1.1% decrease on 2022. This stagnation follows two years of significant growth in the sector as financing increased from US\$33.1 billion in 2020 to US\$43.9 billion in 2022.

Unlike previous years when resources increased from both public and private sources, 2023 is a more complicated picture. Government funding increased, though with large variability across donors (see the [next sub-section](#)).

- Funding from governments and EU institutions increased by US\$2.4 billion in 2023. This means that, in 2023, public humanitarian assistance stood at its highest-ever level: US\$36.1 billion.
- However, this top-line figure hides a more complex picture. While some key donors, such as the US, increased funding and thus drove the overall increase in public humanitarian assistance, other key donors cut humanitarian funding in 2023 (see the [next sub-section](#)).<sup>9</sup>

Funding from private donors declined significantly in 2023 following a short-lived increase driven by donations for the Ukraine response and has now reverted to a similar range as that seen before 2022.

- Private donors, such as the general public, foundations and corporations, contributed an estimated US\$7.3 billion in 2023. This is a 28% decrease on 2022 levels which were US\$10.2 billion.
- This reflects the waning 'Ukraine effect' on private humanitarian financing. In 2022, the sector saw a significant rise in private financing due to the escalation of conflict in Ukraine that year, but it appears that this has reverted back to previous private funding levels despite the continued war in Ukraine.
- Taking a longer-term view, the amount of funding from private donors is still trending upwards, with an average annual growth rate of 9.3% per year between 2019 and 2023.

Humanitarian assistance in 2024 seems set to fall by the biggest drop on record according to a projection produced by DI.

- The central estimate of the 2024 projection suggests that the sector is set to receive less funding than the previous year for the second consecutive year in 2024. This estimate, US\$38.5 billion, would be a 11% decrease on 2023 levels at the same time that 311 million people need humanitarian assistance.
- The financing crunch has also led humanitarian actors to prioritise where they provide humanitarian assistance (the percentage of people in need who are targeted fell to 60% in 2024 – the lowest ever percentage targeted).<sup>10</sup> One stark example came when the World Food Programme warned that funding shortfalls in 2023 led to cuts in more than half of its operations worldwide, widely impacting the food security and nutrition of affected populations.<sup>11</sup>
- This finding aligns with the broader conversation across the sector about the financing crunch. Humanitarian agencies are undergoing staffing cuts, with both the International Rescue Committee and Save the Children reporting plans to reduce staff numbers.<sup>12,13</sup>
- Our projection provides an indicative view of what might happen if funding trends from previous years repeat. Like any other projection, it is based on assumptions and comes with a margin of error. In 95% of simulations, the projection was between US\$36.2 billion and US\$41.9 billion. It is also based on how much funding has been

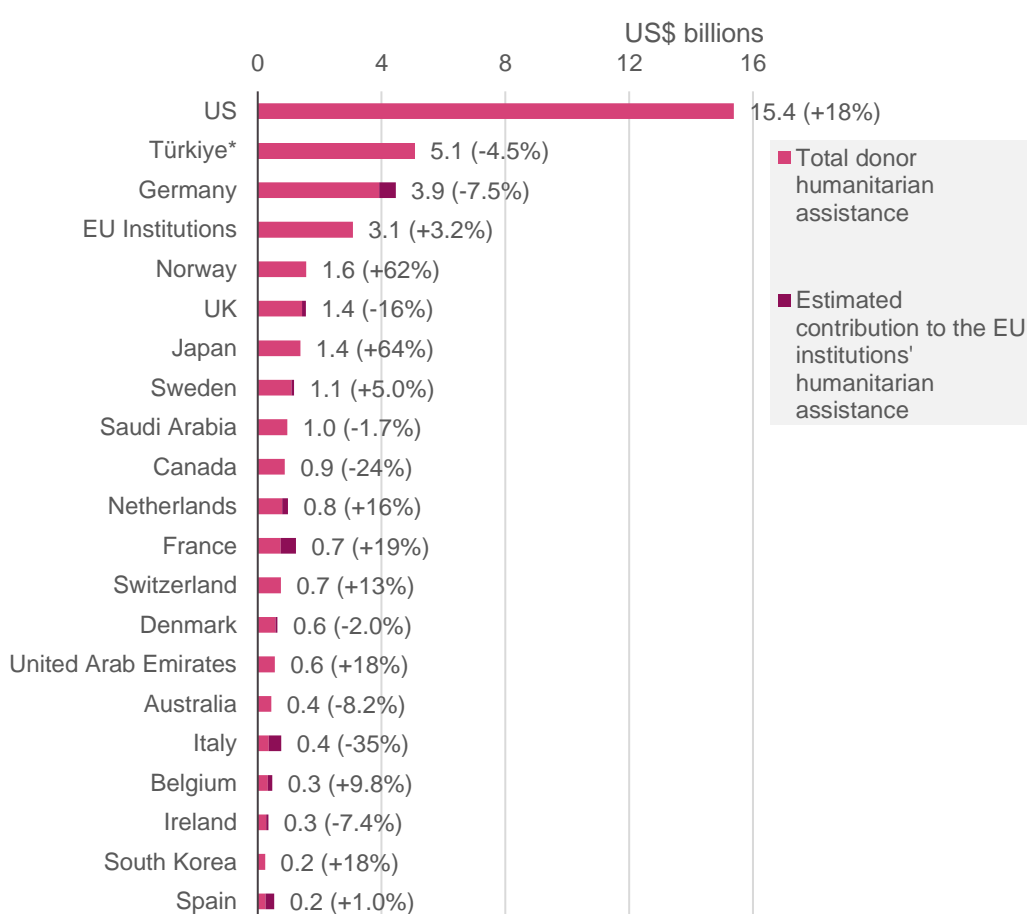


received so far in 2024 compared to the same point in previous years. This method assumes that the pace of humanitarian funding contributions for the remainder of the year will match that of previous years. The projection also does not account for possible escalations in existing crises that might release greater funding amounts from donors (see our [‘Methodology and definitions’, Chapter 5](#)).

## What are the trends in donor contributions?

**Figure 1.2: While most donors increased contributions in 2022, 2023 is a mixed picture**

20 largest public donors of humanitarian assistance in 2023, and change from 2022



Source: DI based on OECD DAC, UN OCHA FTS and UN CERF.

Notes: 2023 data is preliminary. Data is in constant 2022 prices. The total donor funding label reflects funding in 2023 and the percentage change compared to 2022 (excluding any estimated contribution through EU institutions). ‘Public donors’ refers to governments and EU institutions. Contributions of current and former EU member states to EU institutions international humanitarian assistance shown separately. Percentage change excludes EU contributions. \*Türkiye is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely spent on hosting Syrian refugees in Türkiye, and so not strictly comparable with the international humanitarian assistance from other donors in this figure. 2022 figures differ from the *Global Humanitarian Assistance Report 2023* due to final reported international humanitarian assistance data and a different year for constant prices.

In 2023, only 12 of the top 20 donors increased their humanitarian funding and 8 shrunk their humanitarian portfolios. To compare with the previous year, 15 of the top 20 donors increased their international humanitarian assistance in 2022. This could indicate that the tide is starting to turn: while not all donors are decreasing spending, it could be indicative of future trends.

- The largest increases in humanitarian assistance are from: the US (up US\$2.4 billion, around an 18% increase), Norway (up US\$0.6 billion, around a 62% increase), and Japan (up US\$0.5 billion, around a 64% increase). The Netherlands, France, Switzerland, the United Arab Emirates (UAE) and the Republic of Korea all increased their humanitarian contributions by over 10%.
- However, some of the decreases came from large donors. Funding from Germany declined by 7.5%, from the UK by 16% and from Canada by 24% (each funding drop equal to around US\$0.3 billion).
- Media reports suggest that there are poor prospects for the volume of humanitarian financing in 2024 and onwards. Following cuts to German humanitarian spending in 2024, recent reports suggest that this could be slashed by more than 50% in 2025.<sup>14</sup>
- Elsewhere, a report on the 2025 government budget of the Netherlands indicates that humanitarian financing may be cut by 9%. Meanwhile, UK ODA as a percentage of GNI fell to 0.36% in 2024, its lowest level since 2007 (excluding in-country refugee costs).<sup>15,16</sup>

However, despite the decrease in funding from some of the top 10 donors of humanitarian assistance, overall public international humanitarian assistance increased in 2023, largely due to the data suggesting an increase from the US.

- Preliminary data from the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) suggests that US disbursements **increased** to US\$15.4 billion in 2023, a large rise from US\$13.0 billion in 2022. Yet, the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) shows that US funding **decreased** from US\$17.3 billion in 2022 to US\$13.5 billion in 2023.
- While the DAC data represents disbursements, FTS data looks at both commitments and disbursements. Therefore, it appears that some portion of the 2022 US commitments were disbursed in 2023.<sup>17</sup>

The donor base continued to narrow in 2023, with only a small number of donors accounting for the vast majority of funding.

- The top 3 donors contributed 63% of public funding in 2023 (up from 61% in 2022), while the top 10 donors provided 85% of public funding (up from 83% in 2022). The top 20 donors accounted for 98% of all public funding, up from 95% in 2022.

In 2023, the EU established a voluntary target for humanitarian funding of 0.07% of GNI, and encouraged Member States to “continue efforts to close the humanitarian funding gap ... and ensure that an appropriate share, for example 10%, of their ODA is devoted to humanitarian action, on the basis of existing humanitarian needs.”<sup>18,19</sup>

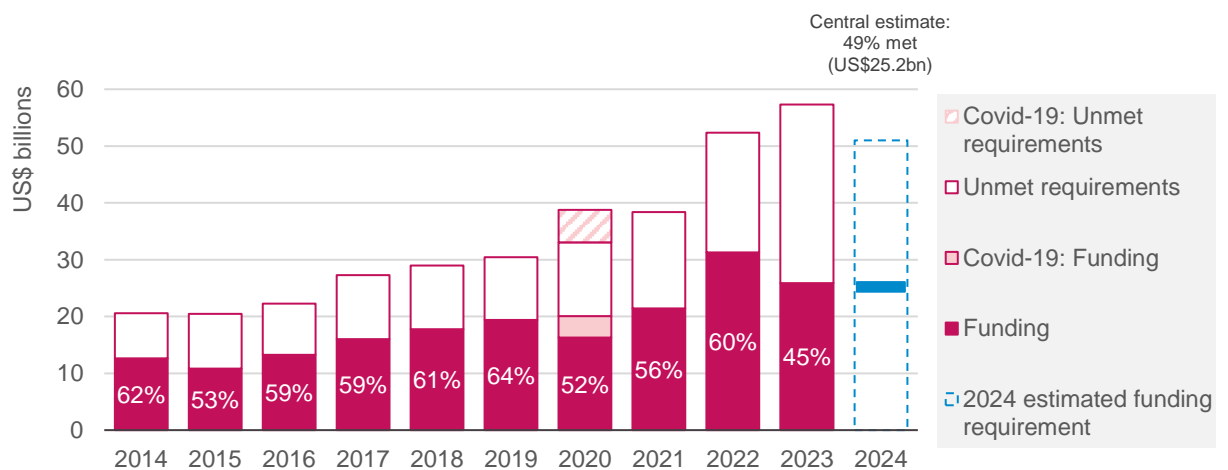
- However, only a small number of donors contribute over 10% of the 0.7% ODA target as humanitarian assistance (that is, 0.07% of GNI).

- In addition to the unique case of Türkiye,<sup>20</sup> eight donors contributed over 0.07% of GNI: Norway (0.25% of GNI), Sweden (0.18%), Denmark (0.14%), UAE (0.11%), Germany (0.10%), Switzerland (0.09%), Saudi Arabia (0.09%) and the Netherlands (0.08%).

## Was humanitarian funding sufficient?

**Figure 1.3: Rising funding requirements and a drop in funding to response plans have led to the widest funding gap on record**

Funding and unmet requirements, UN-coordinated appeals, 2014–2023; projection for 2024



Source: DI based on UN OCHA FTS, data extracted 19 July 2024 – 2024 funding requirements data updated on 2 October 2024; UN High Commissioner for Refugees (UNHCR), data extracted 5 August 2024; and Syria 3RP financial dashboard data, data extracted 5 August 2024.

Notes: Data is in current prices. 2024 data is preliminary in terms of total requirements as of October 2024.

Figures for the breakdown of funding to date in 2024 are not visualised because the funding data is partial and continuously changing at the time of writing. The 2024 projection is based on how much funding has been received so far in 2024 compared to the same point in previous years. The percentage of requirements met in 2020 includes all funding, for Covid-19 and other responses, against all requirements that year.

Over the past decade, the funding needed for humanitarian plans has grown significantly. Although funding towards these plans has also grown, it has struggled to keep pace with accelerating humanitarian needs. Interagency humanitarian plans were only 45% funded in 2023. This is the lowest percentage on record and has prompted interagency response plans in 2024 to narrow their focus and prioritise the use of more limited resources. According to our projection, funding is set to fall further in 2024.

- The global funding requirement in 2023 increased to US\$57.3 billion, a US\$5.0 billion increase from 2022.
- At the same time, funding to interagency humanitarian appeals dropped significantly from a peak in 2022 of US\$31.3 billion (driven in part by the well-funded Ukraine

crisis response) to US\$25.9 billion in 2023 (a drop of 17%). This US\$5 billion drop represents the largest year-on-year reduction in funding to UN-coordinated response plans on record.

- The combination of reduced funding and increased requirements in 2023 led to the lowest coverage on record at 45%. This is in stark contrast to the rest of the previous decade. From 2014 to 2022, plans were on average 59% funded in a given year.
- The funding gap increased to US\$31.5 billion in 2023. This is a substantial increase from US\$16.9 billion in 2021 and a significant departure from the historical precedent. Between 2014 and 2019, the humanitarian funding gap stood at an average of US\$10.1 billion – already a huge number.
- The increase to US\$ 31.5 billion in 2023 poses significant questions about the sustainability of the humanitarian system and its ability to meet the needs of people affected by crisis.

People affected do not live in an abstract world of ‘percentage of the funding requirement met’. International humanitarian assistance had its largest ever funding gap in real terms in 2023, meaning millions of people who needed assistance did not receive it.

- UN OCHA’s *Global Humanitarian Overview* mid-year update noted that underfunding had led to around 3.5 million Afghans “[losing] access to their yearly wheat consumption, including 50,000 female-headed households”, while more than 100 million targeted people worldwide had not received water, sanitation and hygiene assistance due to underfunding and attacks on infrastructure.<sup>21</sup>
- UN OCHA’s update points to other examples such as Myanmar where “health partners have had to prioritise services for internally displaced people, leaving about 1 million non-displaced people who had been targeted for support without assistance.”
- Another example comes from Yemen where UNHCR’s funding shortfall has led to the agency reducing its cash assistance by 25% in 2024.<sup>22</sup>

The amount of funding required in 2024 has declined from a record high in 2023, but this reduction is not solely due to a decrease in humanitarian needs.

- A joint statement from international NGOs notes that the number of people in need declined by 64 million people, in part reflecting efforts in some contexts to improve food security and nutrition.<sup>23</sup>
- However, the statement notes that it is also “a result of ‘boundary setting’ prioritisation that will effectively provide aid to some while denying it to others”. Meanwhile another analysis suggests that changes to targeting fewer people significantly decreased the funding requirement in 2024 and outweighed the effects of any change in the number of people in need.<sup>24</sup>
- Therefore, while less funding was ‘required’ in 2024, this is partly due to the humanitarian system prioritising what should be included in the ‘requirement’ number. As European Commissioner for Crisis Management, Janez Lenarčič, noted at the launch of the 2024 *Global Humanitarian Overview*, “These figures are more a result of prioritisation and a sharpening of focus on the most vulnerable.”<sup>25</sup>

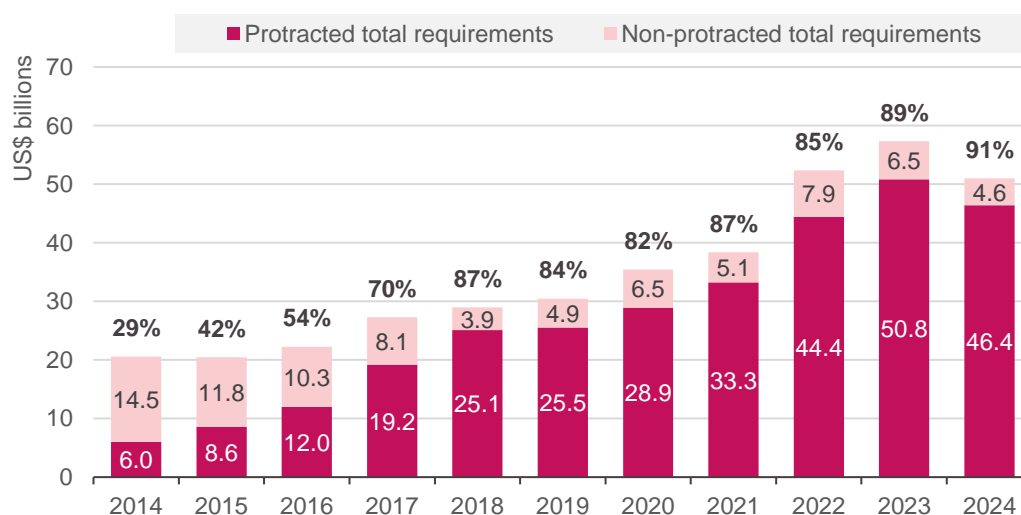
DI's projection for 2024 shows that interagency plans are set to receive even less than they did in 2023.

- Our central estimate is that interagency plans will receive US\$25.1 billion in 2024. If this is the case, it will be the second year in a row that funding to humanitarian appeals has declined.
- Based on simulations of funding in 2024, humanitarian plans are likely to receive at least US\$23.1 billion; while more than was received in 2021, this is unlikely to surpass US\$29.7 billion and reach 2022 levels.
- If the central estimate of US\$25.1 billion is realised, this would equate to 49% of the estimated total funding requirement. This would be only a modest improvement despite efforts by actors involved in coordinating the 2024 planning process to prioritise and more narrowly target people in need.
- Our projection provides an indicative view of what might happen if assumptions from previous years hold true. This projection, like any other, is based on assumptions and comes with a margin of error. It is based on how much funding has been received so far in 2024 compared to the same point in previous years. This method assumes that the pace of humanitarian funding contributions for the remainder of the year matches that in previous years. The projection also does not account for possible escalations in existing crises that might release greater funding amounts from donors.

## Are protracted crises now the norm?

**Figure 1.4: Over 9 in 10 dollars needed for interagency appeals are for protracted crisis responses**

Funding and unmet requirements, UN-coordinated appeals, 2014–2024



Source: DI based on UN OCHA FTS, UNHCR and Syria 3RP financial dashboard data.

Notes: Data is in current prices. 2024 data is preliminary in terms of total requirements as of October 2024.

Protracted crises are defined as appeals which have had UN-coordinated interagency plans for at least five consecutive years, excluding COVID-19 response plans. Acknowledgement: chart is adapted from Lilly D and Pearson M, 2022.<sup>26</sup>



A significant driver of the recent growth in funding required is that of protracted crises. DI defines protracted crises as contexts that have had UN-coordinated country response plans or regional response plans for at least five consecutive years.

In 2014, most funding required was for contexts that were **not** protracted. However, in 2024, the vast majority of funding required and provided was for protracted crisis responses, here defined as contexts with five or more years of consecutive UN-coordinated interagency plans.

- 91% of all funding required for interagency appeals in 2024 was to protracted crises, compared to only 29% in 2014.
- The amount of funding required for interagency appeals that are defined as not protracted fell from US\$14.5 billion to US\$4.6 billion.
- In 2014, there were nine appeals for protracted crises; in 2024, this rose to 31.
- The growth in funding needed for protracted crises is a significant driver of the growing funding gap with over double needed in 2024 compared to 2017.

The protracted nature of crisis requires a forward-looking approach to interagency coordination and planning. It should also spur increased links across the humanitarian–development–peace nexus to address the underlying drivers of crises. Multi-year funding and multi-year planning have never been more suited as ways to respond efficiently and effectively to humanitarian crisis, given that most continue year after year.

- Of 20 Grand Bargain donors, 14 report providing over 30% of their total humanitarian funding as multi-year funding in 2023 (according to available data from Grand Bargain self-reports).
- The six donors who did not meet the target included:
  - The EU/DG ECHO who report providing 13% of their funding as multi-year in 2023 (an increase from 7% in 2021).
  - The US who report providing 22% of funding as multi-year in 2023, although in absolute terms it is a large increase from US\$1.1 billion to US\$2.9 billion.
- The UK and Japan are unable to report multi-year funding.

Public reporting on multi-year humanitarian funding outside these global aggregate figures from self-reports continues to be poor. This means that it is still not possible to identify which protracted crises or implementing organisations are receiving multi-year funding from Grand Bargain donors.

## **From rapid rise to a rocky road ahead: conclusion**

International humanitarian assistance has grown significantly over the last decade. Our analysis shows that it was as recently as 2012 that total ‘public’ international humanitarian assistance was under US\$13.2 billion. The rise to nearly US\$36.1 billion in 2023 is quite spectacular when seen in this context.

But the future is more uncertain. Humanitarian needs are far higher than they were a decade ago, and the acceleration of funding required outpaces the funding received. The

humanitarian sphere now faces significant challenges that could slow this unprecedented growth.

Firstly, total humanitarian funding dipped in 2023 and is projected to do the same in 2024. Humanitarian organisations are reporting financial squeezes and staffing cuts. Humanitarian financing is below the level at the same point in 2023, and this feeds into a more sombre outlook. The key question is whether the signs in the data and reports across the sector are a temporary dip in the long-term trajectory of growth, or usher in a humanitarian recession.

Secondly, reductions in financing from a number of donors together with increased funding from the US have narrowed the donor base further. In turn, this has increased the system's dependence on a shrinking number of key donors. This raises questions about the resilience of the humanitarian system in the face of unknown future political conditions.

Thirdly, interagency appeals now suffer from a US\$31.5 billion funding gap. Despite donor funding continuing to increase, it is not keeping up with the demands of humanitarians. This means the humanitarian sector has a choice: do less (and prioritise between needs), reduce costs (and find efficiencies in the system) or find more money (from existing or new donors). These choices are difficult, and individual organisations and the wider system are finding ways to navigate a path through them.

However, beyond these short-term options is the reality that the humanitarian sector now operates as a large global safety net for people affected by crisis over the medium to long term. In 2024, 91% of appeal requirements are for protracted crises. And while the large funding gap is in part due to financing, it is as much due to a lack of political solutions. The inability of actors to tackle the root causes of conflict and complex emergencies means that humanitarian needs persist year after year, and as a result, the system keeps demanding more and more funding.

# Chapter 2: Funding to local and national actors

## Summary

Humanitarian funding continues to be distributed largely to multilateral actors and international NGOs, despite years of efforts through the Grand Bargain to increase the proportion of funding to local and national actors. This year, across the humanitarian system, the overall volumes of funding for localisation have increased, due to new direct allocations by non-Grand Bargain donors. Yet the full picture of how much funding reaches local and national actors remains obscure, despite increased commitments made by intermediary organisations in 2023 to improve data transparency.

Progress has been made on the provision of overheads to local and national actors, with new policies adopted by four different Grand Bargain signatories over the past year. But overall, progress on localisation remains patchy, with little meaningful change in terms of access to quality financing for first responders.

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## What is funding for local and national actors?

By 'funding for local and national actors' we mean funding to local or national NGOs, to local or national governments and to Red Cross or Red Crescent National Societies in line with the definitions agreed within the Grand Bargain.<sup>27</sup> Southern international NGOs, which receive funding to operate within the country they are headquartered in, are included as national actors. Red Cross Red Crescent (RCRC) National Societies and local or national governments that received international humanitarian assistance to respond to domestic crises are included only when contributing to the domestic crisis response.

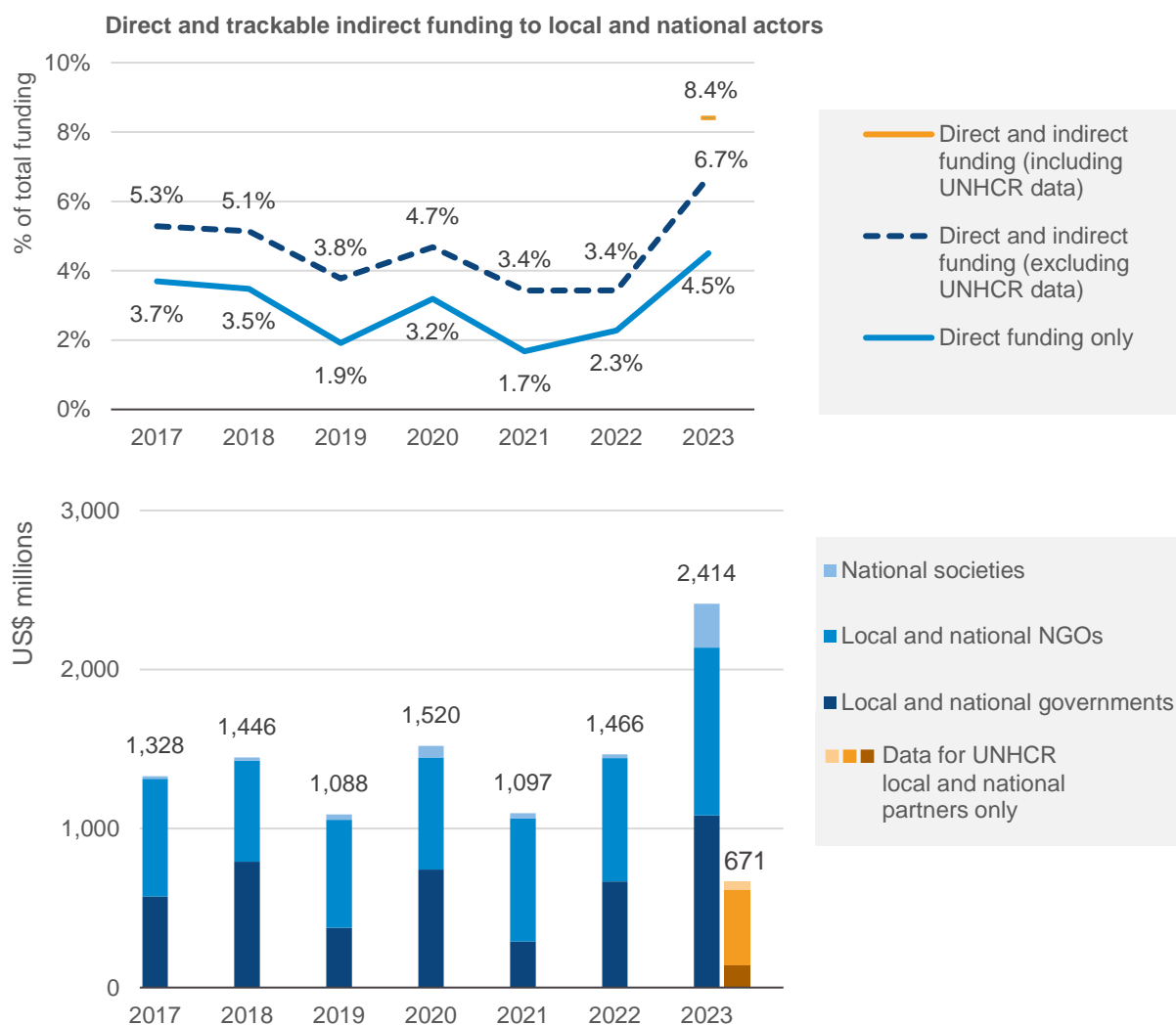
In 2016, the Grand Bargain set a target of providing 25% of global humanitarian funding to local and national responders 'as directly as possible' (i.e. through up to one intermediary to local and national actors). However, funding often passes through additional intermediary organisations, and this indirect subsequent funding is still not publicly reported by many actors, meaning it is subject to limited tracking and transparency. See our ['Methodology and definitions', Chapter 5](#), for more detail.

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## Is funding to local and national actors increasing?

**Figure 2.1: Funding to local and national actors has increased significantly due to large direct allocations from Gulf actors for specific crises**

Proportion and total volumes of direct and indirect funding to local and national actors, 2017–2023



Source: DI based on UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) data, country-based pooled funds (CBPFs) data hub and UN High Commissioner for Refugees (UNHCR) 2023 partner budget information.

Notes: See our 'Methodology and definitions', Chapter 5, for more information on the identification of local and national actors. Data is in constant 2022 prices.

In 2023, funding to local and national actors increased for the first time in five years. However, this is due to large direct funding flows from Saudi Arabia and the United Arab Emirates (UAE) to specific country responses.

- In 2023, US\$1.7 billion was directly allocated to local and national actors, an increase of 71% over 2022 (US\$970 million), from 2.3%<sup>28</sup> to 4.5% of all trackable humanitarian funding.
- This increase in funding can be attributed to two donors:
  - The Saudi Arabian government provided US\$761 million, of which US\$309 million went directly to the Ukrainian government and US\$330 million to the Government of Yemen.
  - The Red Crescent Society of the UAE, previously a very limited reporter to the Financial Tracking Service (FTS), provided US\$236 million to the Syrian Arab Red Crescent, a mix of in-kind and financial assistance.<sup>29</sup>

Assessing the overall picture of direct and indirect funding remains challenging. Last year, Grand Bargain members of the Caucus on funding for localisation, as well as several signatories, committed to full transparency of funding flows to all partners, in particular local and national actors, to better enable accountability efforts in line with the 25% target.<sup>30</sup> Data transparency on funding through one intermediary to local and national actors – which counts towards the Grand Bargain 25% target by qualifying ‘as directly as possible’ – has improved slightly thanks to new reporting practices by the UN High Commissioner for Refugees (UNHCR). It now publishes granular data on its partnerships that can be independently verified against Grand Bargain definitions of local and national actors<sup>31</sup> (although there is room for improvement in terms of format accessibility and reporting frequency).

By doing this, the UN Refugee Agency has paved the way for other multilateral agencies to provide greater transparency on funding flows, in line with Grand Bargain commitments and a sector-wide demand for data on how financial resources move through the system. However, given this new data for 2023, overall volumes of direct and indirect funding based on granular data between 2022 and 2023 are no longer comparable, further pointing to the need for sector-wide adherence to reporting commitments.

- All trackable direct and indirect humanitarian funding to local and national actors in 2023 totalled an estimated US\$3.1 billion, based on data for direct flows (FTS) and partial data for indirect flows (including FTS, country-based pooled funds’ allocations and UNHCR data).
- This was 8.4% of all trackable humanitarian flows in 2023. However, 2023 is the first year for which data from UNHCR is available, rendering comparisons of this figure with previous years impossible without excluding UNHCR.
- Excluding data from UNHCR, the share of total direct and indirect funding that went to local and national actors is 6.7% – an increase of 65% from 2022 to 2023. This is largely due to large volumes of funding provided by the Saudi Arabian government and the Red Crescent Society of the UAE as mentioned above.
- Indirect funding to local and national actors totalled US\$1.4 billion (4.0% of total funding) in 2023, of which almost half (US\$671 million) is newly reported funding provided by UNHCR to its partners.



There was a shift in the proportions of total global direct and indirect humanitarian funding provided to different local and national groups in 2023, again due to the large new volumes of funding from Saudi Arabia and the UAE.

- Local and national governments received US\$1.2 billion in funding, representing 40% of trackable localised funding, a similar share as in 2022.
- Local and national NGOs received US\$1.5 billion (50%) of all trackable localised funding in 2023, a drop from 53% in 2022.
- National Red Cross Red Crescent (RCRC) Societies received the remaining US\$330 million (11%), which was a sharp increase from the US\$23 million received in 2022, largely due to the contributions from the Red Crescent Society of the UAE to the Syrian Arab Red Crescent.
- While most funding to local and national governments (88%) and National RCRC Societies (82%) was made directly, just 20% of funding was made directly to local and national NGOs, with the remainder passing first through at least one intermediary.
- UN country-based pooled funds (CBPFs) represented 11% of total global funding to local and national actors that was independently verifiable in 2023, at US\$329 million.

UN Office for the Coordination of Humanitarian Affairs (OCHA)'s CBPFs – which provide highly transparent data on funding allocations and sub-grants – continued increasing their share of funding to local and national actors, although overall volumes decreased.

- In 2023, CBPFs channelled 30% (US\$327 million) of subsequent funding to local and national actors, a 2.3% increase from 2022 (although this represented a US\$52 million decrease in volume).
- International NGOs received 44% (US\$482 million) of subsequent funding from CBPFs, and multilateral organisations received 25% (US\$276 million).
- In 2023, the Venezuela CBPF channelled the largest proportion of its subsequent funding to local and national actors, at 72% (US\$8.4 million), an increase from 61% in 2022. Somalia and the Syria Cross-border Humanitarian Fund also saw increases, from 61% to 69% (a total of US\$38 million) and 42% to 55% (a total of US\$74 million in total) respectively.
- The Lebanon CBPF saw the largest increase in its proportion of funding channelled to local and national actors from 21% in 2022 to 39% in 2023.
- The CBPFs with the lowest percentages of funding to local and national actors (excluding Iraq and Jordan)<sup>32</sup> were the Sudan fund (4.5%, US\$3.5 million) and the South Sudan fund (9.1%, US\$4.9 million).
- Of the 19 CBPFs active in 2023, 10 (53%) allocated at least a quarter of funding to local and national actors directly. This is an increase from 2022, when 9 of 20 (45%) active CBPFs reached this target.

The Central Emergency Response Fund (CERF) can only fund UN agencies, and therefore its sub-granted funding to local and national actors technically does not count towards the Grand Bargain target as it is channelled through two intermediaries (CERF and then UN agencies). However, subsequent funding to local and national actors, which had previously been on the rise, has reduced.

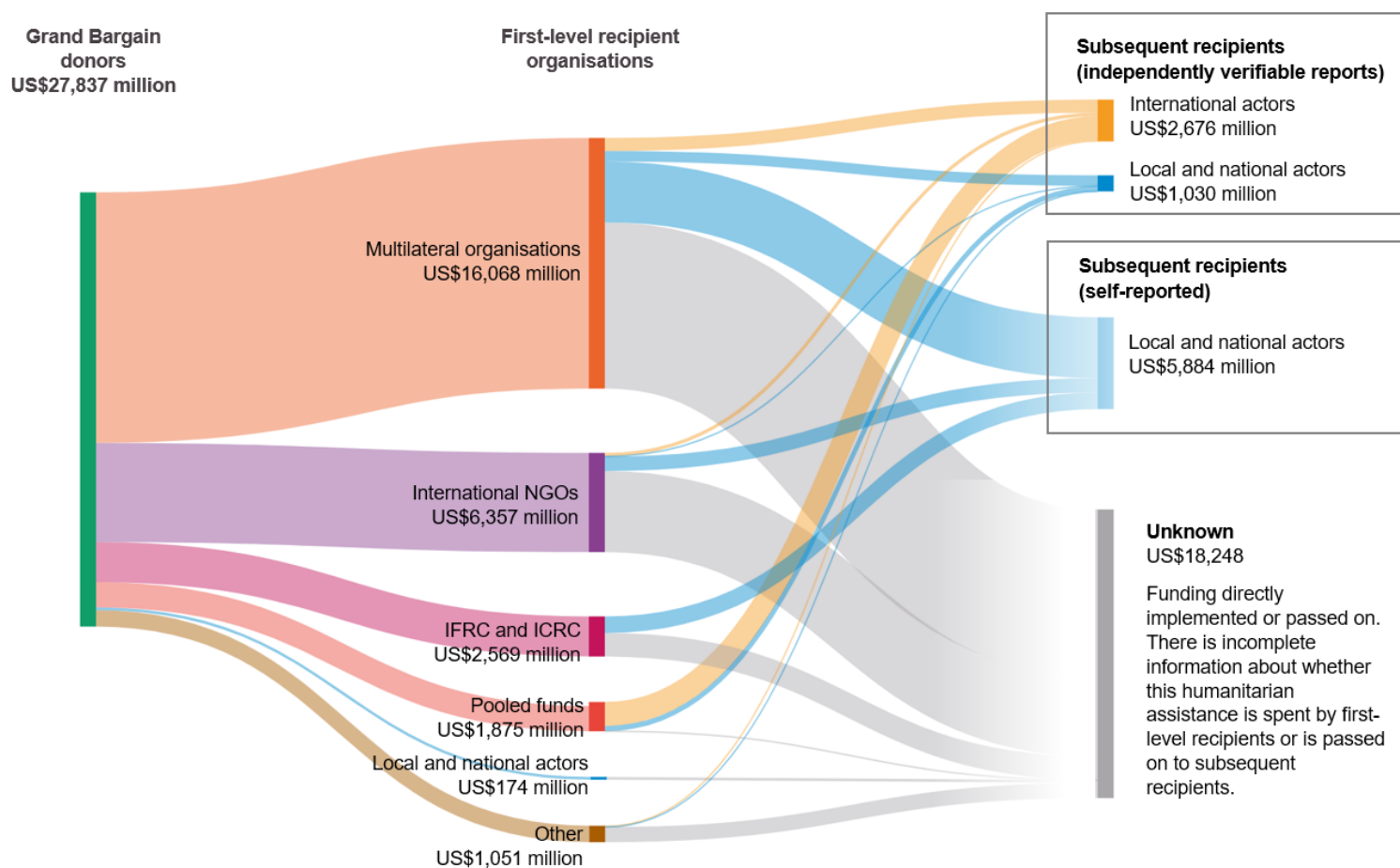
- In 2023, 10% (US\$69 million) of CERF allocations were sub-granted to local and national actors. This is a decrease from 12% (US\$89 million) in 2022.

While most 'first-level' funding (i.e. received directly from a donor) that goes to pooled funds is directed to the UN CERF and CBPFs, other pooled funds seek to provide greater funding and autonomy to local and national actors. Locally led humanitarian funds allow organisations with the relevant contextual knowledge to make decisions about how money is spent. Examples include the regional Consultative Group of Risk Management fund in Central America, the Community Resilience Fund in Nepal, the NEAR Change Fund and the Syria-Türkiye Solidarity Fund. In such funds, local and national implementers' involvement is protected and prioritised, and where possible local and national NGOs can adapt funding to changes in the context, allowing for greater flexibility. Some examples of NGO-led crisis response funds include the Sahel Regional Fund, the Human Mobility Hub, the Nabni Building for Peace facility, and the Global Start Fund. These funds focus on obtaining flexible and predictable funding, which is then allocated to NGOs to complement existing work to fill specific gaps in crisis response.<sup>33</sup>

## How are Grand Bargain signatories channelling humanitarian funding?

**Figure 2.2: Multilateral organisations continue to receive the largest share of international humanitarian assistance, while transparency on funding to subsequent recipients remains challenging**

Channels of delivery of international humanitarian assistance from Grand Bargain public donors, 2023, to first-level and subsequent recipient organisation types



Source: Development Initiatives (DI) based on OCHA FTS data, CBPFs and Central Emergency Response Fund (CERF) data hubs, UNHCR 2023 partner budget information and Grand Bargain 2024 self-reports. Notes: 'First-level funding' refers to funding received directly from a donor.' Funding received via subsequent recipients' refers to funding received through one or more intermediary organisations. Data is in constant 2022 prices.

In 2023, there were no major changes in direct funding patterns of Grand Bargain signatories. Most funding the Grand Bargain signatory donors reported to FTS was directly channelled to multilateral institutions and international NGOs.

- In 2023, 58% of all funding from Grand Bargain signatory donors went directly to multilateral institutions and 23% was channelled to international NGOs.
- Of funding to multilateral donors from Grand Bargain signatory donors and captured on FTS, 74% was received by just three multilateral institutions. The World Food Programme received 45% (US\$7.2 billion), the UN High Commissioner for Refugees (UNHCR) received 17% (US\$2.7 billion) and UNICEF received 13% (US\$2.1 billion). This distribution has remained consistent since 2018.
- The International RCRC Movement received 9% of funding.
- Pooled funds received 5.8% of first-level funding (received directly from Grand Bargain donors). Of this, 66% went to CBPFs and 32% went to the UN's Central Emergency Response Fund (CERF).

In terms of progress on localisation, large donors such as USAID and the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) have published new localisation strategies. However, despite the longstanding Grand Bargain commitment to provide an aggregate of 25% of all funding to local and national actors (either directly or via up to one intermediary), little progress has been made in terms of direct funding. This is in line with the longer-term trend evident since the early stages of the Grand Bargain.

- In 2023, local and national actors directly received US\$174 million, accounting for only 0.6% of all first-level funding from Grand Bargain donors. This represents a slight increase from 0.5% in 2022.
- While total global funding from Grand Bargain signatories has increased by US\$7.8 billion since 2018 (from US\$20 billion to US\$27.8 billion), direct funding to local and national actors has increased by only US\$74 million.
- Of the direct funding to local and national actors from Grand Bargain donors in 2023, around two-thirds (US\$115 million) went to local and national NGOs.
- A fifth (US\$39 million) went to national or local governments and the remainder (US\$20 million) directly to National RCRC Societies responding in the countries where they are based.
- This distribution is roughly in line with the average annual share of direct funding to each of those groups since 2018.

There remains a significant gap in understanding progress on the localisation funding target in terms of indirect funding to local and national actors. Large volumes of funding from intermediaries to subsequent recipients are only reported in aggregate in organisations' annual reports or Grand Bargain self-reports, and remain without independent scrutiny, despite renewed commitments to provide greater transparency.<sup>34</sup> As mentioned above, newly available data from UNHCR on their partnerships, including with local and national actors, slightly improved the transparency of subsequent funding. However, including the self-reported data by Grand Bargain intermediaries paints a different picture of much greater funding volumes to local and national actors:

- Based on independently verifiable and publicly reported data, Grand Bargain signatories provided 4.4% of their direct and indirect funding to local and national

actors in 2023. However, this figure includes new data provided by UNHCR and is therefore incomparable with data from 2022.

- Excluding UNHCR data, direct and indirect funding from Grand Bargain donors to local and national actors (as a proportion of the total they provided) increased slightly from 1.6% in 2022 to 1.9% in 2023.
- When also including data on funding to local and national actors from the Grand Bargain intermediaries' self-reports – which are not possible to verify independently – the share of all funding from Grand Bargain signatories channeled to local and national actors in 2023 rises to 25%. This stands in stark contrast with the much lower share based on independently verifiable data and raises the question where this funding is directed and whether the self-reported figures align with the agreed Grand Bargain definitions, underlying the urgent need for improved public reporting.

## What progress was made on the provision of overheads?

Aside from the quantity of funding reaching local and national partners directly or through intermediaries, there is a growing emphasis on the quality of that funding and partnerships. Part of this discussion is the historically limited ability of local and national actors to recover their indirect costs and secure overheads funding to strengthen organisational core capacities.

After years of sustained advocacy from local and national actors in favour of the sharing of overheads or indirect costs, the IASC issued guidance for its members<sup>35</sup> in late 2022 based on research carried out by Development Initiatives (DI)<sup>36</sup> and Grand Bargain signatories committed to allocating overheads through the Caucus on the role of intermediaries. Two years later this momentum continues, as increasing numbers of donors and international intermediaries publish policies and change their practices on indirect cost recovery for local and national actors. This is part of broader efforts by signatories to revise their partnership policies and models – on overheads and other aspects of their funds – and collaborate with their partners, in particular local and national actors. However, based on information collated by DI, while at least four signatories adopted new policies in the past year, more than half of the Grand Bargain signatories still lack publicly available policies that institutionalise equitable cost recovery for local and national partners.<sup>37</sup>

- Of the 25 Grand Bargain government donors, 5 have policies in place. This includes the German Federal Foreign Office (GFFO), which committed to a new policy within the last twelve months and, like USAID, has increased the percentage of indirect cost recovery it offers. An additional 4 governments are developing their policies, and 5 operate with guidelines in place.
- Of the 12 UN agencies, 9 have provided DI with policy details and 8 have policies in place. This includes the World Health Organization, which has newly adopted a policy. An additional UN agency is continuing to develop its policy on partner overheads.
- Of the 26 NGOs, 13 have committed to a policy, 3 of which were new over the past year (CARE, Catholic Relief Services and the Danish Refugee Agency).



There are 5 organisations developing policies; 4 of these have been doing so for over a year.

- The International RCRC Movement does not have policies or has not reported policies specific to this issue. However, the ICRC provides its National Society partners with 7% of overheads and the IFRC is piloting an approach, with support of key donors, that allows its local partners to recover 6–7% of indirect costs.

The widespread adoption of policies by a range of Grand Bargain signatories enabling a more equitable cost recovery for local and national partners is a welcome step. However, these policies vary in terms of quality and implementation, and feedback from local partners still indicates inconsistent application of newly adopted policies. The policies also vary in the percentage of indirect costs covered for local and national partners, but commonly range from 4% to 12%.

- USAID and NEAR stand out among Grand Bargain signatories as they provide an indirect cost rate of up to 15%.
- For comparison with humanitarian funders outside the Grand Bargain, some private foundations provide 25% to local and national actors.

## **The stalling of the localisation agenda: Conclusion and recommendations**

In line with findings from Development Initiatives' 2017–2023 annual Global Humanitarian Assistance reports, despite strong sector-wide commitments to providing increased levels of funding to local and national actors, independently verifiable data shows little visible change across the sector. As the humanitarian system reaches its tipping point – with refocusing and prioritisation affecting sector-wide budgets – and with the Grand Bargain in its ninth year, a new and realistic conversation is needed about what continues to hamper meaningful progress on the localisation imperative.

Furthermore, despite the 2023 endorsement of the outcomes of the Caucus on funding for localisation – in particular the monitoring and accountability framework<sup>38</sup> drafted by DI – obtaining a clear picture of funding flows to local and national partners and tracking the aggregate 25% target remains impossible. This is mostly because of a continued lack of transparency by most intermediaries. The self-reporting exercise of the Grand Bargain provides some insight into current practices, but this data is in global, organisational totals and provided retrospectively. This makes it impossible to verify independently and the data has limited use for local and national groups at country level that are trying to understand how funding flows through the humanitarian system in their crisis context. In addition, several signatories continue to publish data that does not align with Grand Bargain definitions. USAID, for example, is leading the way in terms of its organisational commitment to localisation and transparency around its progress, but applies its own internal metric which differs from other signatories.<sup>39</sup> To ensure progress on this commitment, the largest humanitarian actors must work on ensuring full transparency on how much funding is being provided and to whom.

Without greater transparency, it is impossible to gauge and have informed discussions about the quality of such funding. However, one area where progress can be seen is on the provision of overheads, where DI continues to be involved in the roll-out and monitoring of the IASC Guidance on the Provision of Overheads to Local and National Partners.<sup>40</sup> In 2023, 37% of Grand Bargain signatories had policies in place to ensure cost recovery from local and national partners. There is also a growing evidence base on locally led and international funding mechanisms that focus on providing funding to local and national actors, including DI's recently updated catalogue of quality funding practices.<sup>41</sup>

### Grand Bargain signatories must:

- Urgently convene a frank and realistic political discussion with commitments to concrete pathways to increase direct funding (e.g. due diligence passporting) or indirect funding (e.g. pooled funds, locally led networked models) to local and national actors. This is required to focus efforts that can accelerate progress towards the 25% funding target to local and national actors by 2026.
- Implement the endorsed Collective Monitoring and Accountability Framework<sup>42</sup> to properly report and publish on indirect funding to partners, and ensure transparency on financing flows and accountability towards the 25% target.
- Continue to implement the IASC Guidance on the Provision of Overheads to Local and National Partners,<sup>43</sup> by developing and implementing institutional policies and working towards greater collaboration with local and national actors.

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### Insight: Helping local and national NGOs access quality financing

*Elise Baudot Queguiner is Head of Humanitarian Financing at the International Council for Voluntary Agencies (ICVA). She has long experience in the humanitarian sector, including as General Counsel and Director of Policy, Strategy and Knowledge for the International Federation of Red Cross and Red Crescent Societies (IFRC) and as an entrepreneur and consultant specialising in strengthening not-for-profit organisations.*

Two of ICVA's core priorities are ensuring that 1) humanitarian financing meets the needs of populations affected by crisis and 2) NGOs have access to quality and principled funding.<sup>44</sup> Critical to these objectives is increasing funding to frontline local and national NGOs. This chapter highlights that local and national actors, which includes local and national NGOs, only received 0.6% of direct funding from Grand Bargain signatories in 2023.

Drawing from the expertise and operational experiences of our more than 160 members, and working closely with our Humanitarian Financing Working Group, ICVA takes a three-fold approach to funding frontline responders: 1) increase amounts of financing, 2) support access to quality funding and 3) ensure transparency of funding.

### 1) Increasing amounts of financing

While supporting efforts to increase efficiencies in the system, **growing humanitarian needs cannot be met by current or declining levels of bilateral aid**. While continually calling for increased bilateral funding, we are working with our members to explore new sources of financing, including building bridges to climate and development financing, accessing non-traditional donors and promoting innovative financing solutions.

### 2) Supporting access to quality funding

In addition to growing levels of financing, it is critical that local and national NGO responders can access quality funding. Strengthening **organisation capacities** and promoting **equitable partnerships** and **intermediary funding mechanisms** are key.

Informed by its localisation baseline work, ICVA is helping NGO forums in crisis contexts to foster peer learning and build shared services among their members, strengthening both institutional capacities and access to funding. Partnerships – whether between or among UN agencies and NGOs – are all challenged to reflect the Principles of Partnership.<sup>45</sup> ICVA works to address power imbalances, promote mutual understanding and develop solutions among our members and their partners. Together with organisations such as UNICEF<sup>46</sup> and UNHCR, partner contracts and systems have been improved. A community of practice on due diligence reform across all actors in the sector is being launched to further drive efficiencies.

Humanitarian pooled funds are a confirmed means to finance local and national NGOs. These funds have a wealth of experience and track record of innovation. We look forward to sharing insights among funds through a **community of practice of pooled funds** being launched with the Start Network. We are also increasing our evidence base on funds, exploring risk management dynamics among donors, pooled funds, international, national and local NGOs. We are also proud to host the CBPF Resource Facility<sup>47</sup> empowering local and national NGO voices in the governance mechanism of the CBPFs.

### 3) Ensuring transparency of funding

As this chapter highlights, despite progress, we still do not have effective means to truly measure funding being provided directly – or as directly as possible – to local and national NGOs. There are gaps in reporting by international actors. For pooled funds only the financial data of CERF and CBPFs is reported on. We have therefore partnered with DI to review these reporting challenges, test the feasibility of wider-scale reporting by local and national NGOs, and promote aggregate financial indicators among humanitarian pooled funds.

ICVA has been actively engaged in the Grand Bargain since its inception, playing a pivotal role in driving its commitments and advocating for more effective humanitarian action through improved partnerships, increased funding for local and national NGOs and greater transparency. Given current funding dynamics, we hope this process leads to a meaningful solution, addressing what is undoubtedly a significant and complex issue. However, without bold, transformative actions, there is a risk that efforts could become focused on superficial changes rather than addressing the structural challenges at hand. We need grand solutions to a grand problem.

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# Chapter 3: Cash and voucher assistance

## Summary

The use of cash and voucher assistance (CVA) in humanitarian settings has grown significantly over the past decade. The adoption of CVA has been driven by donors and implementers alike, who largely agree that it can be a more cost-efficient way to deliver assistance than other delivery modalities, and that cash provides choice and dignity to affected populations. The growth in global volumes of humanitarian CVA is one of the few success stories of the Grand Bargain, increasing to around US\$8 billion in transfers in each of 2022 and 2023.

Still, research suggests that there is yet more room for CVA to make up a greater share of international humanitarian assistance.<sup>48</sup> There also appears to be limited progress when it comes to connecting the localisation agenda with the delivery of CVA. A report by the Humanitarian Policy Group argues that the way in which the system absorbs “disruptive reforms” such as cash, “raises questions as to whether it will ever willingly concede power to the extent required for ambitions like localisation”.<sup>49</sup> Our analysis suggests that little progress has been made on financing to local and national actors when it comes to CVA, with the caveat that visibility over financial flows to local and national actors is limited. The original Grand Bargain text did not refer to the relationship between CVA and localisation, but the CVA Policy Dialogue initiative, co-convened by USAID and the CALP Network, is now putting locally led CVA on the agenda.

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## What is cash and voucher assistance?

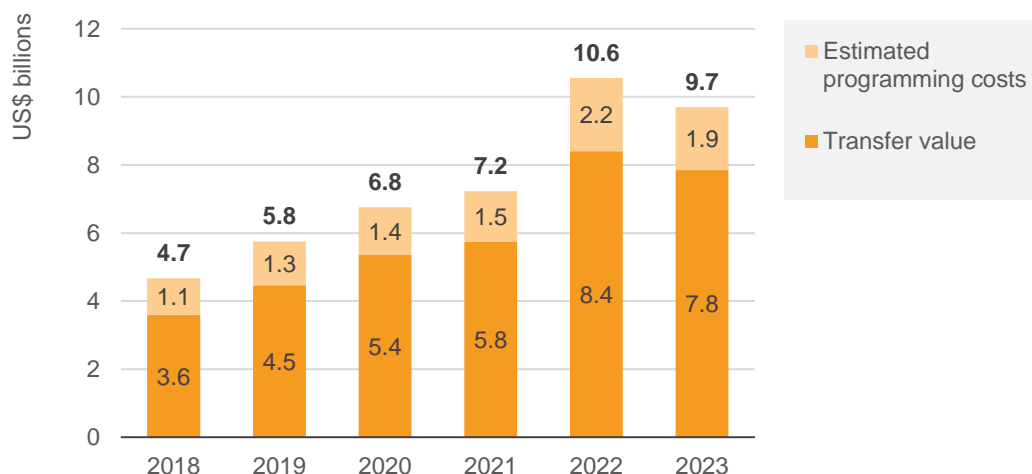
By humanitarian 'cash and voucher assistance' we mean the approach of providing support to crisis-affected populations in the form of cash and vouchers, enabling their greater choice and agency. We mostly do not include cash transfers provided through government-led social protection systems in response to crises due to limited data availability and comparability. See our [‘Methodology and definitions’](#), [Chapter 5](#), for more on how we gather humanitarian CVA data with the CALP network and calculate humanitarian funding for CVA.

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## What is the trend in the volume of humanitarian cash and voucher assistance?

**Figure 3.1: The volume of cash and voucher assistance declined for the first time in 2023 in line with overall funding for humanitarian responses**

Funding for humanitarian cash and voucher assistance, 2018–2023



Source: Data collected by the CALP Network from implementing partners supplemented by data from the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) and the Red Cross and Red Crescent Movement's Cash Maps.

Notes: Data for 2023 is preliminary as some organisations have not yet provided data or have provided partial data only. Double counting of cash and voucher assistance (CVA) programmes that are sub-granted from one implementing partner to another is avoided where data on this is available. Transfer values for funding captured on FTS are estimates based on the average ratio of transfer values to overall programming costs for organisations with available data. Data is not available for all included organisations across all years. Data is in current prices.

The volume of humanitarian CVA decreased in 2023 for the first time since Development Initiatives (DI) and the CALP Network started tracking global totals, with data going back to 2015.<sup>50</sup> The decrease in CVA assistance is reflective of the broader funding trend in the sector; international funding for humanitarian responses is under pressure ([see Figure 1.3 in Chapter 1](#)), and CVA is no exception.

- The amount of CVA transferred to people affected by crises declined from US\$8.4 billion in 2022 to US\$7.8 billion in 2023. Total funding, which includes both the transfer value and estimated programme costs associated with delivering cash or vouchers, similarly decreased from US\$10.6 billion to US\$9.7 billion. This decrease mirrors the overall trend in humanitarian financing.
- Despite this decrease, funding to CVA is still significantly higher than historical levels. Total CVA funding in 2023 was US\$2.5 billion higher than in 2021, and the annual growth rate across the period (2018 to 2023) was 16% per year.
- This is in part due to where humanitarian CVA programming is possible. Past research has shown that context determines where and how much CVA can be

implemented.<sup>51</sup> For example, the large-scale use of cash in the Ukraine response continues to contribute to the uplift in overall CVA volumes – despite signs that volumes in Ukraine may have dipped in 2023.

Humanitarian CVA continued to grow in importance as part of the humanitarian sector in 2023, despite the slight decrease in financial volumes.

- CVA constituted an estimated 23% of total international humanitarian assistance in 2023, compared to 22% in 2022. This is a significant increase from our estimate for 2017 (16% of total international humanitarian assistance). It should be noted that the total CVA volume cannot be directly compared to the total humanitarian assistance volume in Chapter 1. This is due to the different methodologies and data sources used to calculate CVA compared to overall volumes of international humanitarian assistance. The former is primarily based on data directly collected from implementing actors, while the latter is calculated based on data – mostly from public reporting platforms – on funding provided by donors.

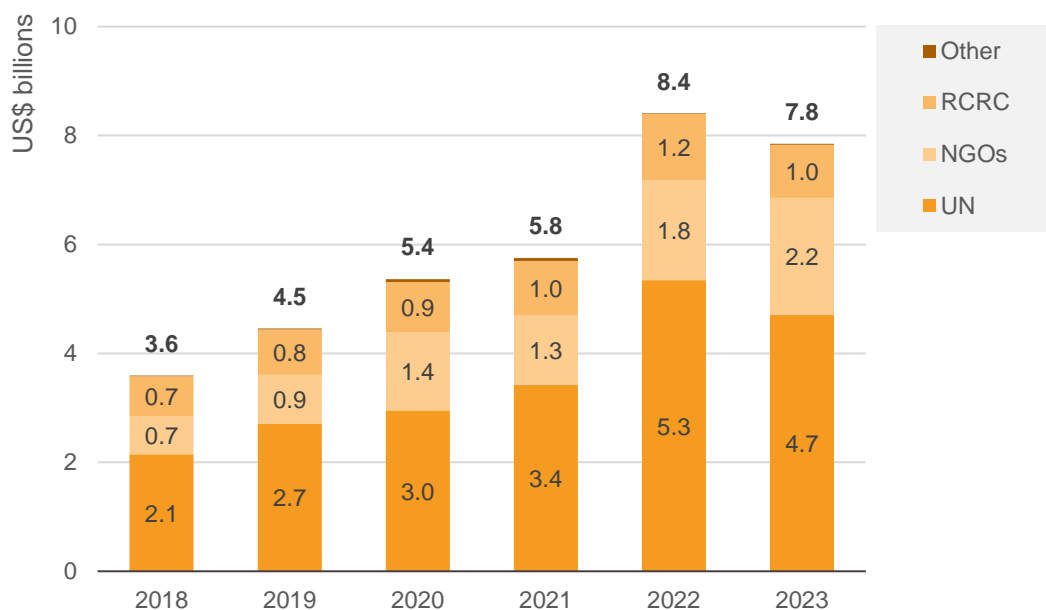
As the nature of humanitarian response shifts towards being more protracted and impacts of climate change increase, links across the humanitarian–development–peace nexus become even more pressing. While data on cash is becoming more visible over time ([see the next sub-section](#)), there is a lack of comparable data on social protection transfers to crisis-affected populations in protracted humanitarian contexts. The International Labour Organization’s *World Social Protection Report 2024–26* argues that social protection contributes to climate change mitigation and adaptation,<sup>52</sup> which is especially relevant to most humanitarian crisis countries that face high risks of disruptions from climate change.<sup>53</sup>

- Humanitarian cash and social protection systems are often fragmented and involve different actors, funding streams and coordination structures. However, they often share objectives and operate in the same geographies.
- Despite this, the lack of data on the volume of social protection payments transferred to people affected by crises is a blind spot when discussing humanitarian cash, as both CVA and social protection payments to the same populations should be considered together. As the latest *State of the World’s Cash* report notes, there is a lack of a shared understanding over how to categorise cash-based social assistance as ‘humanitarian’.<sup>54</sup>
- This lack of comparable data also means there is limited visibility on the role of national governments in responding to crisis and disasters.
- DI is currently working with the Institute of Development Studies to identify the volume of international financing directed to social protection in protracted crisis settings.



## Who delivers cash and voucher assistance, and how?

**Figure 3.2: UN agencies continue to deliver the most cash and voucher assistance**  
Total humanitarian cash and voucher assistance transfer values, 2018–2023



Source: Data collected by the CALP Network from implementing partners supplemented by data from UN OCHA's FTS and the RCRC Movement's Cash Maps.

Notes: Data for 2023 is preliminary as data for some organisations has not yet been provided or is partial. Double counting of CVA programmes that are sub-granted from one implementing partner to another is avoided where data on this is available. Transfer values for funding captured on FTS are estimates based on the average ratio of transfer values to overall programming costs for organisations with available data. Data is not available for all included organisations across all years. Data is in current prices.

UN agencies continue to be the primary channel of delivery for CVA, followed by NGOs and the International Red Cross and Red Crescent (RCRC) Movement.

- UN agencies delivered US\$4.7 billion in CVA in 2023, a 12% decrease compared to 2022; meanwhile, NGOs delivered US\$2.2 billion in CVA, a 17% increase.
- While this may appear to be a substantial shift in who delivers CVA, the UN still constitutes a similar percentage to its historical average. Between 2018 and 2022, the UN delivered 60% of CVA each year on average, while in 2023 the UN delivered 61%. However, NGOs delivered 28% of CVA in 2023 (an increase on their 2018–2022 average of 22%). At the same time, the percentage delivered by the RCRC declined to 12% (lower than its 2018–2022 average of 17%). This is within the context of budget constraints across the RCRC Movement in 2023 and a reduction in global costs by ICRC of just under US\$0.5 billion in 2023 and 2024.<sup>55</sup>
- This reflects the broader sector. Analysis in Chapter 2 shows that 58% of funding from Grand Bargain donors was channelled through multilaterals, while our

analysis here shows that UN agencies delivered 61% of the total cash and voucher transfer value in 2023.

Data on the amount of CVA delivered by local and national actors remains sparse but indicates a low percentage of funding going to local and national actors.

- Limited data shows that 2.1% of CVA can be identified as being delivered by local and national actors in 2023.
- The majority of CVA identified as being delivered by local and national actors comes from data regarding sub-grants (i.e. through intermediaries), and this is an incomplete picture. However, the amount of direct funding we can identify, using the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS), as going to local and national actors is negligible.

The true amount of CVA delivered by to local and national actors is likely to be higher than the data suggests. However, as noted in Chapter 2, without greater transparency by international intermediaries it is unclear how much and in which contexts local and national actors are delivering CVA.

The trend towards cash constituting an increased percentage of all CVA has persisted in 2023.

- In 2023, 81% of CVA was delivered in the form of cash assistance and 19% was delivered in the form of vouchers.
- This continues the uptick seen in 2022, when 80% was delivered in the form of cash assistance, an increase on the 2019–2021 average of 71%.
- As noted in the *Global Humanitarian Assistance Report 2023*, the scale of the Ukraine response in 2022 contributed to the broader shift towards cash as the preferred modality across the sector. Data from UN OCHA's FTS suggests this dynamic carried through into 2023 as large amounts of funding to CVA persist in Ukraine in 2023.

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### **Box 3.1: Challenges in tracking humanitarian cash and voucher assistance**

The data available to track humanitarian CVA is still scattered, not easily accessible and incomplete. This section uses data from a survey of organisations collated by the CALP Network. DI then supplements this survey data with data from UN OCHA, which integrates data from the FTS and the HPC Project Module portals, and uses machine learning to identify CVA. Together, these sources of data provide the best available picture of CVA volumes.

Not all CVA is reported to the publicly available platforms such as FTS. Using a range of methods, DI was able to identify an estimated US\$4 billion in CVA through the FTS in 2023, 41% of the estimated total volume of CVA. However, using just the column that identifies 'Cash transfer programming', only US\$2.6 billion can be identified in 2023 – 27% of the total volume.

This matters. Without reporting to public platforms such as the FTS, organisations, coordinators, technical specialists and implementers are not able to answer key questions. Where is CVA implemented? Who is it going to? Who is funding CVA?

This in turn hampers coordination in the humanitarian system and the ability of humanitarians to identify gaps in cash and voucher programming and to target funding for CVA where it is lacking.

Local and national actors are also not visible in the CVA financing data due to the lack of publicly available data, and thus it is hard to know the extent of their role in the international CVA space.

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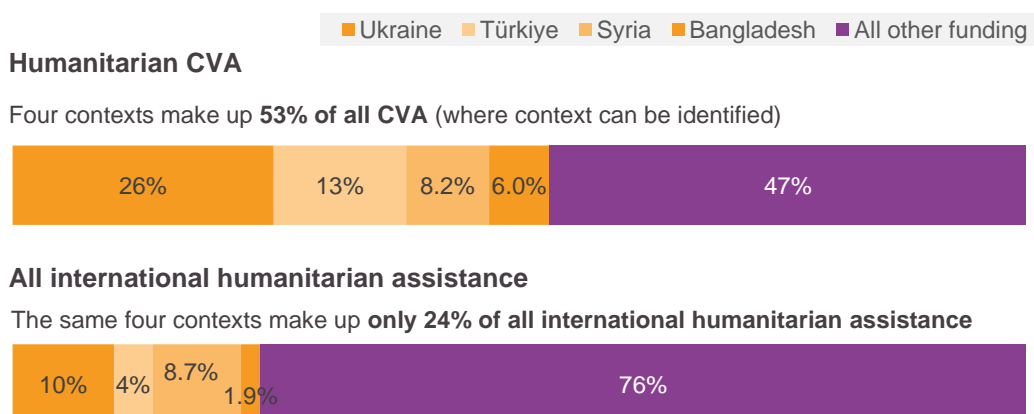
## How does cash and voucher assistance fit in the wider picture?

CVA is not delivered uniformly across all humanitarian contexts. Some contexts may be more suited to the use of CVA as a delivery modality particularly where markets function well, recipients can be easily identified and registered, and well-established payment systems are in place. In other contexts, a lack of these conditions can make CVA more challenging, together with national government policies, protection risks and donor risk appetites.

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### Figure 3.3: Cash and voucher assistance is concentrated disproportionately in a small number of contexts according to available data

Proportion of a) CVA and b) all international humanitarian assistance to Ukraine, Türkiye, Syria and Bangladesh, 2023



Source: UN OCHA's FTS and HPC Project Module.

Note: The CVA data used here is different to that used to analyse overall CVA volumes above, as OCHA's FTS enables analysis by location due to the disaggregation of CVA funding flows. The CVA data represents US\$4 billion in volume and is therefore a subset of total CVA volumes and may only provide a partial view.

Using UN OCHA's FTS, CVA financing could be identified for around US\$4 billion in financial flows in 2023. This represents 41% of global volumes of humanitarian CVA. In this dataset, four contexts represented 53% of CVA in 2023: Ukraine, Türkiye, Syria and Bangladesh. The same four contexts only constitute 24% of all humanitarian assistance. This suggests that, when compared to the broader humanitarian sector, the use of cash is even more concentrated in a smaller number of humanitarian responses than international humanitarian assistance overall. It also supports the argument that the growth of humanitarian CVA depends on how big a role this delivery modality plays in the crisis responses that attract a large share of funding.

## **Moving from emerging trend to maturity: Conclusion and recommendations**

The use of CVA in humanitarian assistance has greatly expanded over the past decade. However, 2023 data suggests that this growth could be stalling. Whether it is a temporary dip in a long-term upward trajectory, or the start of a plateau in CVA financing, this raises a number of questions.

Firstly, with CVA rising to 23% of all assistance in 2023, will it continue to become even more important? Our updated data shows that in 2017, an estimated 16% of total humanitarian assistance was delivered through CVA. This rise, not just in absolute volumes, but as part of the wider sector, is impressive. But this begs the question, what next when the sector is undergoing a financial crunch? And is it realistic for cash to continue to become an even bigger part of the sector?

Secondly, could there still be room for CVA to grow and meet the needs of different affected populations? CVA's concentration in a small number of contexts suggests that while it has grown substantially in recent years, this growth is geographically uneven. There may be good reasons for this, such as a better enabling environment for the use of CVA in some contexts over others. However, this may also mean that cash is being underused in some contexts – more research and reporting on CVA may be needed to examine if this is the case. The CALP Network has argued that cash could be an answer to the humanitarian financing crunch as it “offers an opportunity of making substantial cost savings and the possibility of reaching more people with more assistance”.<sup>56</sup>

Thirdly, does the existing use of CVA support or hinder localisation efforts? Despite the upward trend in overall CVA funding, the percentage going to local and national actors mirrors the humanitarian system as a whole, at least so the available data shows. UN agencies continue to dominate the CVA landscape and our analysis can identify 2.1% going to local and national actors. Greater focus needs to be on making sure local and national actors are not bypassed, and that their role in delivering CVA is more visible. At the same time, as Christian Aid has argued, locally led CVA responses also need to be recognised as a distinct approach and funding stream.<sup>57</sup>

### **Grand Bargain signatories must:**

- Increase the transparency of humanitarian CVA financing data to public platforms, such as the FTS, to enable greater visibility of disaggregated data. This is crucial to

enable breakdown by geography, cluster and organisation type and thus improve planning and coordination of cash and voucher responses.

- Explore whether all opportunities have been optimised for the use of CVA across contexts, not just the small number of geographies where it is currently concentrated.
- Agree on and implement concrete actions to make the delivery of CVA more locally led. These actions should include: ensuring full visibility of local and national actors facilitating the delivery of CVA as sub-grantees; increasing direct funding to local and national actors for CVA programmes; strengthening links between humanitarian CVA and national social protection systems where possible; and increasing the use of group cash transfers.

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### Insight: CVA's stalling growth, challenges and opportunities

**Ruth McCormack** is a Global Technical Advisor with the CALP Network (and the network's focal point for CVA volume data tracking and analysis). She has worked in the humanitarian sector for nearly 20 years. Before joining CALP, she worked with several organisations across multiple responses, including in Malawi, South Sudan, Kenya, Palestine, Jordan and the Philippines.

**Crys Chamaa** is a Global Technical Advisor with the CALP Network. She co-leads the Cash and Locally Led Response Working Group and is secretariat to the Group Cash Transfers Working Group. She has more than a decade of experience in the humanitarian sector, and has worked in emergency, protracted crises and conflict settings.

CVA volumes increased annually from 2015 to 2022. As such, 2023 is notable in seeing the first drop in CVA volumes – an 8% reduction from US\$10.6 billion in 2022 to US\$9.7 billion in 2023. As this report finds, this is unsurprising in that it reflects 2023's decrease in overall humanitarian funding; it also follows a dramatic 47% increase in CVA volume in 2022, driven by factors including the Ukraine crisis and responses to rising global food insecurity. Despite the decrease it is positive news that, in a challenging global context, CVA increased in 2023 as a share of international humanitarian assistance, albeit incrementally from 22% to 23%. This aligns with the relatively slower rate of growth in CVA as a share of international humanitarian assistance since 2020.

The evolution of CVA from less than 1% of assistance 15 years ago to 23% now was both facilitated by and helped drive significant and multifaceted shifts in the humanitarian system. We remain, though, some way off CVA comprising the 30–50% of international humanitarian assistance it could if used wherever feasible and appropriate.<sup>58</sup> Optimising the use and quality of CVA remains a key opportunity for enabling choice and dignity and responding to people's preferences. It can also drive greater aid efficiency and effectiveness in a constrained funding environment.

Gradual improvements in data and reporting have been important in tracking progress, although the primary focus should be the impact of CVA for communities affected by crises, rather than growth in itself. CVA provides a lens that can highlight both systemic challenges and opportunities for improvement, for example by providing more comprehensive and contextualised support to affected populations. These range from social protection links to locally led response to anticipatory action – where cash is the most frequently used modality.<sup>59</sup> These forms of assistance, which are not generally tracked as ‘humanitarian CVA’, also point to some of the limitations of existing CVA data, and to the fragmentation of funding and aid structures.

Data on CVA funding to local and national NGOs is patchy at best, and their role in implementing CVA often goes unrecognised with limited visibility. Direct funding is marginal and progress towards better partnerships through more equitable funding, including overhead costs, also shows limited movement. It has been argued that while institutionalisation across many international actors has supported growth to date, this has also enabled the system to co-opt CVA, restricting scope and flexibility, including for better contextualisation and locally led responses.

Perspectives on the future of CVA are divergent. Some feel CVA has been effectively institutionalised and the ‘battle is won’. However, others sense fragility in the progress to date, with multiple dynamics and factors indicating a need to continue strengthening the case for CVA and be mindful of challenges. Moreover, a recent ODI study<sup>60</sup> posits that the full transformative potential of cash has not been reached and faces risks. Upcoming CALP-commissioned analysis also highlights the ‘unfinished business’ of cash in making meaningful progress in shifting power and agency to people affected by crisis. Further substantive changes are still needed in the underlying structures, mindsets and day-to-day processes of the humanitarian system if cash is to fulfil its potential. As identified through CALP’s CVA Policy Dialogue,<sup>61</sup> this requires a refreshed collective effort and commitment from all stakeholders.

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# Chapter 4: Pre-arranged finance for anticipatory action

## Summary

Anticipatory action (AA) holds great promise as a more efficient and effective way to mitigate and respond to humanitarian impacts from predictable hazards. Grand Bargain signatories set out to prioritise the scale up of anticipatory responses through a caucus in 2024. Our analysis of data from the Anticipation Hub shows that this is much overdue, with less than 1% of international humanitarian assistance allocated to budgets for AA frameworks in 2023. For reference, previous research identified that around 20% of humanitarian responses between 2014 and 2017 addressed needs resulting from crises that could have been anticipated.<sup>62</sup>

According to available data, 90% of funding to active AA frameworks was coordinated by UN agencies, with NGOs and the International Red Cross and Red Crescent (RCRC) Movement making up around 5% each. This is primarily because the budgets of frameworks coordinated by the UN are over 10 times as large on average as those of NGOs and the RCRC Movement. Based on limited data, local and national actors participated in less than half the active AA frameworks, which made up around an eighth of total 'fuel' funding, and mostly as implementing partners.

Research from the Centre for Disaster Protection has further shown that AA is just one modality in the bigger toolkit to pre-arrange finance for crisis responses. Humanitarian actors must be conscious of all forms of pre-arranged crisis finance and advocate with providers, especially multilateral development banks, to leverage them for building an enabling environment for disaster risk management and ensure complimentary coverage, focusing on the most vulnerable populations at the highest risk of hazards.

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### What are pre-arranged financing and anticipatory action?

By 'pre-arranged finance' we mean funding that is committed before a humanitarian disaster or crisis occurs. This can take the form of contingent credit, risk transfer schemes (e.g. insurance), contingency budgets or other instruments. The funding is disbursed when a predetermined trigger is met (for example, a certain forecast or event) and for a predetermined purpose relating to the crisis response or management (for example, a contingency plan consisting of specific, pre-defined activities or general budget support).



Funding for 'Anticipatory action' is one form of pre-arranged finance. By it, we mean activities that are implemented immediately before a predicted hazard occurs, or before its most severe consequences unfold, to diminish its possible humanitarian impacts. 'Fuel' funding for the implementation of these activities once AA frameworks become activated is committed before the disaster event. 'Build' funding refers to investments that directly set up or strengthen the operation of anticipatory action frameworks. The decision to act is then taken based on a pre-agreed trigger, usually in the form of a forecast of when, where and how the hazard will occur. AA frameworks are set up by one or multiple organisations as the formal response mechanism to enable them to act in advance of predictable shocks by clarifying who will receive funding for what and based on which triggers. See our ['Methodology and definitions', Chapter 5](#) for more on how we calculate funding for AA.

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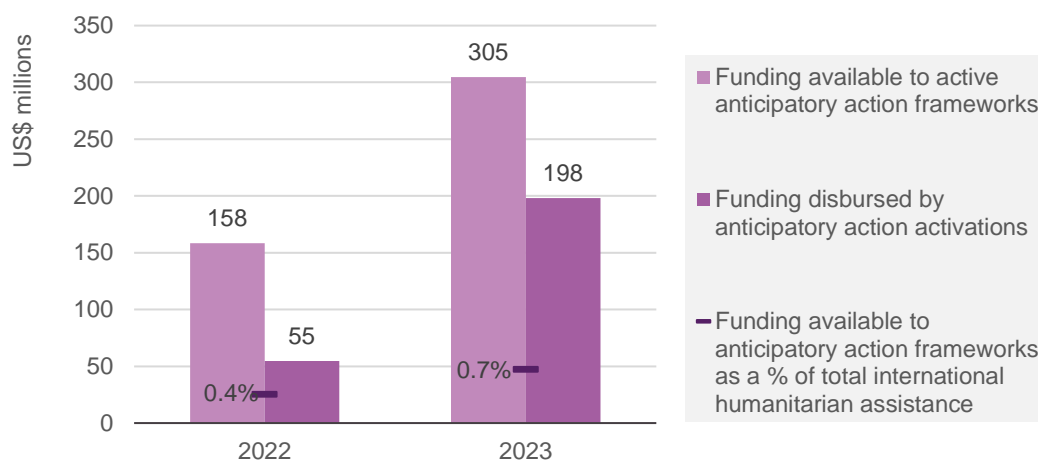
## How much funding was available to and disbursed by anticipatory action frameworks?

AA offers a more effective way of addressing the possible humanitarian impacts from predictable hazards by mitigating their consequences and pre-emptively addressing expected needs. It thereby protects lives, as well as people's livelihoods and assets, and sustains development gains. Grand Bargain signatories clearly recognise the potential for AA and are working to scale it up through the first and so far only caucus, under its latest iteration. A group of signatories set out in February 2024 to reach agreement around: funding commitments to scale up AA, improved coordination mechanisms for AA frameworks, and a joint and transparent approach to tracking progress of this scale up.<sup>63</sup>

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**Figure 4.1: Funding available to anticipatory action frameworks increased in 2023 but still makes up less than 1% of total international humanitarian assistance**

Total budget available for anticipatory action frameworks and disbursed through activations, 2022 and 2023



Source: Development Initiatives (DI) based on Anticipation Hub data.

Notes: The Anticipation Hub's data collection method differed in 2022 and 2023, meaning that part of the increase shown in this figure is due to a more expansive data collection. DI adapted the Anticipation Hub dataset by including missing activations in the active frameworks data for any given year (see our ['Methodology and definitions', Chapter 5](#)).

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According to our analysis of data compiled by the Anticipation Hub ([see our 'Methodology and definitions', Chapter 5](#)), the volume of 'fuel' funding – meaning funding that is available for activation of AA frameworks – available to those frameworks and disbursed by them based on pre-agreed triggers have both increased from 2022 to 2023. Still, the total volumes available to AA frameworks continue to make up less than 1% of total international humanitarian assistance. This is despite past research identifying that around a fifth of humanitarian response needs result from highly predictable shocks.<sup>64</sup>

- 'Fuel' funding available to active AA frameworks almost doubled from US\$158 million in 2022 to US\$305 million in 2023. Funding disbursed by activations of some of those frameworks increased almost four-fold over the same period, from US\$55 million to US\$198 million. While these increases are partly due to a more expansive data collection method by the Anticipation Hub in 2023 compared to the previous year,<sup>65</sup> they likely also reflect a real increase in funding available to AA frameworks.
- Despite this large increase, funding available to existing AA frameworks still made up less than 1% of total international humanitarian assistance in 2023 (0.7%), though this is almost twice the share of the previous year (0.4%). This low share continues to be far below the 20% of humanitarian response requirements that 2019 research identified to be highly predictable.<sup>66</sup>
- In 2023, the 166 existing AA frameworks primarily protected against droughts (58), followed by different types of floods (54) and different types of storms (28).

- The data compiled by the Anticipation Hub does not track which donors contributed to active frameworks. A small group of large humanitarian donors already affirmed their commitment to scale up AA in a G7 statement in 2022.<sup>67</sup> The German Federal Foreign Office (GFFO) was the only donor with a quantitative target for scaling up funding to AA at 5.0% of total humanitarian funding provided and managed to reach this in 2023. It is important that the AA Grand Bargain caucus outcome statement lays the foundation for comprehensive, comparable and transparent reporting by donors on their future investments in scaling up AA (see Box 4.1 on the challenges of transparency).

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### **Box 4.1: The challenges of public transparency for anticipatory action funding**

Publicly available, comprehensive and granular data on AA funding and frameworks is a prerequisite for improved coordination and to enable accountability for scaling up AA funding efforts.

The most comprehensive public dataset on AA frameworks is maintained by the Anticipation Hub.<sup>68</sup> This contains information for active frameworks regarding the year, country, the hazards covered, coordinating organisation, implementing partners, available budget per activation (or ‘fuel’ funding) and other data. The corresponding dataset on AA framework activations is even more granular. However, this data needs to be manually collected by the Anticipation Hub and is only published annually. It also does not include funding data by donors to AA frameworks, which makes it difficult to hold donors to account for scaling up their investments into AA.

The Grand Bargain Caucus on Scaling up Anticipatory Action was established to agree a clear methodology and process for tracking this scale up. In 2024, the Centre for Disaster Protection convened a community of practice on pre-arranged financing data quality and transparency, involving experts from aid reporting platforms, donor governments, the UN, NGOs and research institutions. Building on discussions in this group, DI was tasked by the Centre for Disaster Protection to research improving the transparency of pre-arranged finance, which includes a broader set of financing instruments with pre-agreed triggers to respond to crises alongside AA (e.g. contingent credit, insurance schemes and contingency budgets). Some of the early lessons from this research, which build on each other, may be helpful in informing the approach to public transparency of funding for AA frameworks:

1. A shared definition of what constitutes ‘fuel’ and ‘build’ funding for AA is essential to form a shared basis for comparable public reporting. The forthcoming AA caucus offers an opportunity to provide shared definitions for the wider sector to endorse.

2. There needs to be sufficient political will for each signatory to incorporate those definitions in internal tracking systems so that data on funding for AA can be extracted for public reporting.
3. Public targets for scale up, whether specific to individual signatories or shared across a group of signatories, have been shown to provide important levers for generating internal buy-in or facilitating external accountability efforts in the context of AA and other Grand Bargain commitment areas.
4. Public reporting on AA funding should, as far as possible, be incorporated in other standard processes used by donors to report their funding, e.g. to the FTS and/or the International Aid Transparency Initiative (IATI). Once a shared definition is agreed and there is sufficient demand to track progress against it, it should be possible for both systems to incorporate standardised reporting fields to reflect funding for AA and thereby make the data more comparable and user-friendly to access. This would also minimise the burden of reporting through additional, parallel reporting processes.

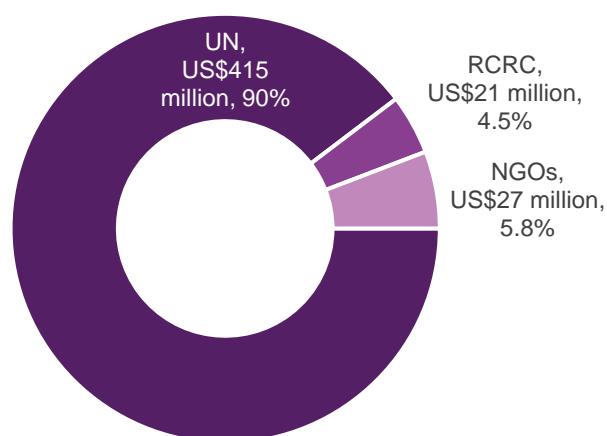
These points refer to the 'money-in' for AA frameworks, i.e. the funding provided by donors. Other important dimensions of public data transparency are the 'money-out' of AA framework activations and greater detail on what hazards and geographies are covered by each framework. This level of data granularity is likely required to facilitate better coordination and collaboration across different AA initiatives. This detail goes beyond what can feasibly be incorporated into existing, interagency reporting platforms and therefore may need to be collected by the Anticipation Hub or others. However, incorporating unique project identifiers or other unique identifiers (e.g. IATI activity identifiers) into datasets of AA frameworks would open up possibilities to join this AA framework data with funding data from already existing aid reporting platforms.

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## Who coordinated or was involved in active anticipatory action frameworks?

**Figure 4.2 Most funding available to active anticipatory action frameworks was coordinated by UN agencies, according to available data**

Percentage and financial volumes of total activation budgets for active anticipatory action frameworks by coordinating organisation type, 2022 and 2023 combined



Source: DI based on Anticipation Hub data.

Notes: Given the data collected by the Anticipation Hub is biased towards the Anticipatory Action Task Force, existing AA frameworks and activations from other actors, in particular locally led AA initiatives, might not be included in the underlying dataset. DI adapted the Anticipation Hub dataset by including missing activations in the active frameworks data for any given year (see our [‘Methodology and definitions’, Chapter 5](#)).

According to data that we adapted from the Anticipation Hub,<sup>69</sup> most funding available to active AA frameworks was coordinated by UN agencies, with NGOs and the RCRC Movement making up around a twentieth each. This balance shifts when considering the number of AA frameworks coordinated by each of these three organisation types, which was more evenly distributed. Based on limited data, local and national actors participated in less than half of the active AA frameworks that made up around an eighth of total ‘fuel’ funding, and mostly as implementing partners.

- The share of ‘fuel’ funding within active AA frameworks coordinated by UN agencies was around 90% for 2022 and 2023 combined, with a similar share in both years (88% in 2022 and 91% in 2023). The RCRC Movement coordinated 4.5% of funding and NGOs 5.8%, according to available data.
- UN agencies coordinate such a large share of the financial volumes primarily because the AA frameworks they coordinate are on average more than 10 times the size in terms of funding (averaging US\$4.0 million) of the AA frameworks coordinated by NGOs or the RCRC Movement, according to the dataset DI compiled based on Anticipation Hub data (see our [‘Methodology and definitions’, Chapter 5](#)). The number of frameworks coordinated by each organisation type across 2022 and 2023

is more evenly split, with 113 for the UN, 76 for NGOs and 58 for the RCRC Movement.

- Data on local and national actors' involvement in active AA frameworks is limited, partly because the Anticipation Hub's data collection largely draws on initiatives involving members of the Anticipatory Action Task Force (the International Federation of Red Cross and Red Crescent Societies, the Start Network, the World Food Programme, the Food and Agriculture Organization and UN Office for the Coordination of Humanitarian Affairs (OCHA)).<sup>70</sup> Locally led initiatives that do not involve task force members may therefore not be captured.
- Based on limited data, about an eighth (12%) of the total funding available to active anticipatory action frameworks in 2022 and 2023 involved local and national actors, though usually as one of multiple implementing partners. This share is stable across both years. It is therefore not possible to determine what share of funding disbursed by AA framework activations was implemented by local and national actors. Given that local and national actors usually participated in smaller-scale AA frameworks, their involvement by number is higher, at close to half (47% in 2022, 43% in 2023).

## Increasing anticipatory action: Conclusion and recommendations

According to available data, the potential of AA to more effectively address humanitarian impacts compared to reactive responses remains underused despite the growing frequency and intensity of predictable hazards. Realising potential cost-efficiencies by anticipating humanitarian impacts before they fully unfold is especially important given the shrinking pot of international humanitarian funding ([see Chapter 1](#)). The political commitment to scale up funding for AA through the Grand Bargain caucus, ideally enshrined in a quantitative target, is much overdue. This is essential for the sector to save more lives and protect people's livelihoods from predictable disasters.

As research from the Centre for Disaster Protection shows,<sup>71</sup> AA is just one modality in the toolkit for a more forward-looking and risk-based approach to disaster response. Other pre-arranged financing mechanisms such as contingent credit, risk transfer schemes (e.g. insurance) and contingency budgets make up a much greater financial volume than AA. Those other mechanisms tend to target middle- or high-income countries and almost three-quarters are provided by multilateral development banks. AA frameworks must be conscious of leveraging those investments to build an enabling environment for disaster risk management and target the populations most at risk of disasters in low-income countries that are not covered by other pre-arranged financing.

There should be greater efforts to support and make visible locally led AA initiatives, whether by governments or civil society. The AA policy agenda risks following the cash and voucher assistance commitment, which managed to increase funding through a supporting evidence base and sufficient political will, but concentrated this funding among international actors. To firmly embed anticipatory approaches as part of national disaster management strategies, domestic governments need to be involved with or ultimately have ownership of AA frameworks wherever possible. Data and models that facilitate AA

frameworks should also be made publicly available to facilitate learning and ensure accountability to the populations affected by the identified disaster risks. Without greater local leadership of AA frameworks, populations most at risk from disasters may remain furthest away from the critical decision making that affects them.

### **Policy recommendations:**

- Grand Bargain donors should commit to increasing their funding for AA to at least 5.0% of their total humanitarian funding by 2026.
- AA donors and coordinating agencies should advocate with other providers of pre-arranged financing, including multilateral development banks, to build the enabling environment for disaster risk financing in countries that are most vulnerable to disasters and focus their own efforts and resources on immediate emergency responses.
- Coordinating agencies of AA frameworks should share their underlying models and disaster risk data with local populations and governments, and involve national disaster management authorities wherever possible. There should also be more visibility and donor support for locally led AA frameworks.

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### **Insight: Why quality and quantity both matter in funding anticipatory action**

*Lydia Poole is a research and policy specialist whose work focuses on the transformation of the international crisis response system. She is Associate Director for Policy and Evidence at the Centre for Disaster Protection, leading a programme of research on the transformative potential of disaster risk financing. Lydia's previous research and policy work has focused on supporting the localisation movement and reform of the international crisis financing architecture, building on her experience in the humanitarian crisis contexts of coordinating responses with UN OCHA and managing NGO primary healthcare programmes.*

Anticipatory action has the potential to deliver improved welfare outcomes for people at risk of crisis,<sup>72</sup> and to drive a shift towards a more risk-informed and timely crisis response model.

In 2021, G7 members committed to “significantly increase our financial support in anticipatory action programming” and “develop ways to better track and report on our humanitarian funding of anticipatory action”.<sup>73</sup> The Centre for Disaster Protection provided advice on tracking funding for anticipatory action, which was piloted by the UK and Germany, with an adapted version adopted by the GFFO.

At the collective level, funding for anticipatory action remains hard to track, in part because it is often funded through internal funding mechanisms and multi-activity programmes.



Based on the best available data, financing for anticipatory action grew in 2023, but remains a very small proportion of humanitarian financing overall. As shown by the Centre for Disaster Protection's analysis<sup>74</sup> and affirmed by Figure 4.1 above, data collected by the Anticipation Hub indicates that funding available within anticipatory action frameworks and funds, and disbursed by them, increased between 2022 and 2023. This funding represents just below 1% of total humanitarian funding in 2023.

Research conducted by the Risk-informed Early Action Partnership (REAP) highlights a preference among donors for funding the setting up of new anticipatory action frameworks, the 'build' money, over the predictable financing needed to maintain financial readiness to respond, the 'fuel' money.<sup>75</sup> Research conducted by the Centre for Disaster Protection adds to this a shortage of financing for a wider set of investments needed to ensure preparedness, including funding to develop and maintain up-to-date vulnerability mapping and beneficiary registries, reliable early warning systems, pre-positioned supplies, and readiness plans and training.<sup>76</sup>

Therefore, in addition to tracking progress in funding for anticipatory action overall, it is also important to consider the quality of that funding including the balance of 'build' and 'fuel' funding and funding for the 'enabling conditions' that are necessary for rapid responses.

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# Chapter 5: Methodology and definitions

## What is humanitarian assistance?

Humanitarian assistance is intended to save lives, alleviate suffering and maintain human dignity during and after human-made crises and disasters associated with natural hazards, as well as to prevent and strengthen preparedness for when such situations occur. Humanitarian assistance should be governed by the key humanitarian principles of humanity, impartiality, neutrality and independence. These are the fundamental principles of the international Red Cross and Red Crescent Movement, which are reaffirmed in UN General Assembly resolutions and enshrined in numerous humanitarian standards and guidelines.

In this report, when used in the context of financing data, international humanitarian assistance refers to the financial resources for humanitarian action spent outside the donor country. Our calculations of international humanitarian assistance are based on what donors and organisations report as such and do not include other types of financing to address the causes and impacts of crises, which we refer to as crisis-related financing.

There is no universal obligation or system for reporting expenditure on international, or indeed domestic, humanitarian assistance. The main reporting platforms for international humanitarian assistance are the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) and the Financial Tracking Service (FTS) of the UN Office for the Coordination of Humanitarian Affairs (OCHA). OECD DAC members are obligated to report their humanitarian assistance to the DAC systems as part of their official development assistance (ODA), in accordance with definitions set out by the DAC.<sup>77</sup> Some other governments and most major multilateral organisations, including several of the largest private philanthropic foundations, also voluntarily report to the DAC.

The FTS is open to all humanitarian donors and implementing agencies to voluntarily report contributions of internationally provided humanitarian assistance according to a set of inclusion criteria determined by the Inter-Agency Standing Committee.<sup>78</sup>

The analysis of international humanitarian assistance in this report draws largely on data reported to the FTS and the OECD DAC. Between these two sources, there is variation in inclusion criteria for humanitarian assistance, as well as volumes reported, so we aim to consistently explain and cite the data sources used. In this report, we have compared the preliminary DAC and FTS data on humanitarian funding by donor in 2023 to capture the most comprehensive data possible, as explained in more detail below. We include

humanitarian funding reported to FTS that has been provided by OECD DAC members to countries not eligible for ODA. We also use other sources to calculate international humanitarian assistance, including reports from UN agencies and non-governmental organisations (NGOs) on private humanitarian funding and data from the Central Emergency Response Fund on contributions from public donors; data sources and methodologies for these are also clearly marked and explained.

## Anticipatory action

Humanitarian financing to anticipatory action initiatives is not systematically collected in the usual data sources, such as OECD DAC or FTS. Our estimates of funding for anticipatory action are based on data collected by the Anticipation Hub, which compiles two datasets. One dataset details how much funding is available to active Anticipatory Action frameworks, while the other dataset details how much is disbursed when the framework is activated. The data collected in 2023 is more comprehensive than that for 2022 due to a different data collection method. We adapted the dataset on active frameworks by the Anticipation Hub by adding to it frameworks that according to their separate dataset on activations were active for that country, year, hazard and coordinating agency.

## Cash

Our global estimate of humanitarian assistance provided in the form of cash and vouchers in 2023 is based on data collected from 32 organisations by the CALP Network and supplemented with FTS data. For 2023, 90% of the total global value of humanitarian cash and voucher assistance (CVA) is based on survey data, whilst the other 10% is FTS data that supplements the survey data for organisations who did not provide data to CALP in 2023. The methodology used is based on our methods devised for previous reports, which can be found [here](#).<sup>79</sup> This methodology has since been enhanced with the adoption of machine learning to identify CVA related funding in funding flow or project descriptions in FTS or the HPC Project Module.

## Channels of delivery

We use 'channels of delivery' to describe the first and subsequent levels of organisations receiving funding for the delivery of humanitarian assistance – multilateral agencies, NGOs (both international and local/national), the public sector and the international Red Cross and Red Crescent Movement – whether they deliver the assistance themselves or pass it on to partner organisations.

## Country and region naming conventions

Country and region naming conventions used throughout this report are based on those used by the OECD DAC or the UN. Region naming conventions are based on those used by the OECD. The conventions used do not reflect a political position of Development Initiatives.

## Deflators

Where appropriate in performing analyses of financial trends, we adjust for inflation by applying deflators in constant 2022 prices by source location of the funding. We use US\$ gross domestic product deflators from the OECD DAC for DAC members and EU institutions and calculate deflators from the International Monetary Fund World Economic Outlook April 2024 data for other countries. In the limited cases where data was missing from both of these sources, we estimate deflators based on the historical average real and nominal growth of gross domestic product based in US\$. For financial flows that have a multilateral source, we deflate using the ODA-weighted average DAC deflator from the OECD.

## Exchange rates

To convert original currency values into US\$ values, we use exchange rates from the OECD DAC for currencies of DAC members. UN operational exchange rates are used by UN OCHA FTS.

## Funding for local and national actors

Our analysis of funding to local and national actors in Figures 2.1 and 2.2 (Chapter 2) is based on FTS data alongside data from UN OCHA country-based pooled funds (CBPFs) data hub, the Central Emergency Response Fund (CERF) data hub, and UNHCR partner budget information. Figure 2.1 and the associated analysis focuses on funding from all donors, whereas Figure 2.2 and the associated analysis focuses on funding from just Grand Bargain donors.

Classification of organisation type (e.g. national NGOs, UN agencies etc.) is taken from FTS. This differs to *Global Humanitarian Assistance* reports where DI manually coded FTS data by organisation type. This change is due to improvements in organisation type data in FTS that mean that our own manual coding is no longer needed. Data from the CBPF data hub uses the funds' own classifications of recipients

This change in methodology also means that we now have updated data for previous years in FTS. Therefore, the numbers shown in Chapter 2 may differ from previous DI reports.

## International humanitarian assistance

Our estimate of total international humanitarian assistance is the sum of that from private donors and from public donors (i.e. government donors and EU institutions) – [see Figure 1.1, \(Chapter 1\)](#). Our calculation of international humanitarian assistance from government donors is the sum of:

- 'Official' humanitarian assistance (OECD DAC donors)

- International humanitarian assistance from OECD DAC donors to countries not eligible for ODA from the FTS
- International humanitarian assistance from donors outside the OECD DAC using data from the FTS.

Our 'official' humanitarian assistance calculation comprises:

- The bilateral humanitarian expenditure of OECD DAC members, as reported to the OECD DAC database under Table 1
- The multilateral humanitarian assistance of OECD DAC members.

The multilateral humanitarian assistance of OECD DAC members consists of three elements.

- The unearmarked ODA contributions of DAC members to 10 key multilateral agencies engaged in humanitarian response: the Food and Agriculture Organization, IOM, the UN Development Programme, UNFPA, UNHCR, UN OCHA, UNICEF, UNRWA, WFP and WHO, as reported to the OECD DAC under Table 2a and the CRS. We do not include all ODA to the Food and Agriculture Organization, IOM, the UN Development Programme, UNFPA, UNICEF, WHO and WFP but apply a percentage to take into account that these agencies also have a 'development' mandate. These shares are calculated using data on humanitarian expenditure as a proportion of the total received directly from each multilateral agency.
- The ODA contributions of DAC members to some other multilateral organisations (beyond those already listed) that, although not primarily humanitarian-oriented, do report a level of humanitarian aid to OECD DAC Table 2a. We do not include all reported ODA to these multilateral organisations but just the humanitarian share of this.
- Contributions to the UN Central Emergency Response Fund that are not reported under DAC members' bilateral humanitarian assistance. We take this data directly from the UN Central Emergency Response Fund website.

When presenting the international humanitarian assistance of individual OECD DAC countries that contribute to the EU budget, we show in [Figure 1.2 \(Chapter 1\)](#) an imputed calculation of their humanitarian assistance channelled through the EU institutions, based on their ODA contributions to the EU institutions. We do not include this in our total international humanitarian assistance and response calculations or in our ranking of donor contributions to avoid double counting, given the EU institutions are also presented as a donor separately.

Our estimate for official humanitarian assistance in 2023 compares preliminary data by donor between DAC and FTS to reflect the most comprehensive data available. Where humanitarian assistance reported to FTS was greater than official humanitarian assistance based on DAC data as defined above, we used FTS data. Where humanitarian assistance reported to FTS was greater than bilateral humanitarian assistance based on DAC data only, we used FTS data plus imputed multilateral

humanitarian assistance based on DAC data. Otherwise, we used an estimate of official humanitarian assistance based on DAC data only. In individual cases, judgment was used to determine which data source to use. For our analysis of funding by donor on FTS we used the flow year for paid contributions and the destination usage year for commitments to try and capture funding in the year it was or expected to be disbursed. FTS data was downloaded on 17 July 2024.

Türkiye is captured and shaded differently in [Figure 1.2 \(Chapter 1\)](#) because the humanitarian assistance that it voluntarily reports to the DAC largely comprises expenditure on hosting Syrian refugees within Türkiye. We do not include Türkiye's spending on Syrian refugees in Türkiye in our total international humanitarian assistance and response calculations elsewhere in the report, as these include only amounts directed internationally by donors.

## People in need of assistance

The number of 'people in need' referred to in the report is taken from UN OCHA's Global Humanitarian Overview series. In previous reports, estimates were drawn from OCHA's Humanitarian Programme Cycle, and also supplemented by INFORM/ACAPS. Thus, the numbers used in this report are not directly comparable to those used in previous reports published by Development Initiatives.

## Private funding

We request financial information directly from humanitarian delivery agencies (including NGOs, multilateral agencies and the Red Cross and Red Crescent Movement) on their income to create a standardised dataset on private humanitarian funding received by them. Where direct data collection is not possible, we use publicly available annual reports and audited accounts. The dataset in each year may differ in terms of which organisations are included. For the most recent year, our dataset includes:<sup>80</sup>

- A large sample of NGOs that form part of representative NGO alliances and umbrella organisations such as Save the Children International, and several large international NGOs operating independently
- Private contributions to IOM, UNHCR, UNICEF, and WFP
- The International Federation of Red Cross and Red Crescent Societies and the International Committee of the Red Cross.

Our private funding calculation comprises an estimate of total private humanitarian income for all NGOs, and the private humanitarian income reported by UN agencies, the International Federation of Red Cross and Red Crescent Societies and the International Committee of the Red Cross. To estimate the total private humanitarian income of NGOs globally, we calculate the annual proportion that the NGOs in our dataset represent of NGOs reporting to UN OCHA FTS. The total private humanitarian income reported to us by the NGOs in our dataset is then scaled up accordingly.

Data is collected annually, and new data for previous years may be added retrospectively.

## Projections

The projections in [Chapter 1](#) provide an indicative picture of what might happen to humanitarian funding in 2024. Unpredictable global events, year-on-year variation in when funding is received, and other factors create a degree of uncertainty in these projections. However, the figures represent our ‘best guess’ at the time of writing.

Our projections for humanitarian financing in 2024 (both total international humanitarian assistance, and financing to UN-coordinated appeals) follow a similar approach. Both are based on how much funding has been received to the end of August 2024, and how much has usually been received by August in previous years (2017–2023) based on Global Humanitarian Overview Monthly Updates or equivalent reports.

We use a triangular distribution to generate a range of possible outcomes with lower and upper bound points drawn from historical precedent. The central estimate is a weighted average of how much was received by the end of August 2023, and the median percentage received by the same time in the years 2017 and 2022. This balance ensures that both recent trends and longer-term patterns are considered.

This method assumes that the pace of humanitarian funding for the remainder of the year will match that of previous years. The projections also do not account for potential escalations in existing crises, which could prompt higher-than-expected donor contributions.

## Protracted crisis

Our definition of protracted crisis includes contexts with five or more consecutive years of UN-coordinated appeals, as of the year of analysis. The types of appeals and response plans used to determine this classification are outlined in ‘UN-coordinated appeals’.

We have chosen this approach to give an indication of the contexts that have consistently, for a number of years, experienced humanitarian needs at a scale that requires an international humanitarian response. Those needs can be limited to specific geographical regions or populations (such as forcibly displaced people).

The analysis in [Figure 1.4](#) has two units of analysis. In the first instance, it examines ‘countries’ as the unit of analysis for response plans that target people within a country’s recognised borders. These tend to be Humanitarian Response Plans, Flash Appeals, and other types of appeals. In the second instance, ‘regional crises’ are the unit of analysis for response plans that are regional in nature and target people in countries affected by the ‘source’ crisis. For example, the Rohingya JRP and Syria 3RP are considered as protracted crises as these plans have existed for five or more years.



## Rounding

There may be minor discrepancies in some of the totals in our charts and infographics, and between those in the text, because of rounding.

## UN-coordinated appeals

We use this term to describe all humanitarian response plans and appeals wholly or jointly coordinated by UN OCHA or UNHCR, including humanitarian response plans, flash appeals, joint response plans, regional refugee response plans and other plans. We use data from UN OCHA FTS and UNHCR for our financial analysis of UN-coordinated appeals in [Figure 1.3](#) and [Figure 1.4](#) (Chapter 1). Data for UN-coordinated plans was downloaded on 19 July 2024, and 2024 funding requirements were updated on 2 October 2024 to account for the most recent developments.

# Data sources

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## Inter-Agency Standing Committee

Grand Bargain Self-Reports

<https://interagencystandingcommittee.org/grand-bargain-official-website/grand-bargain-self-reporting-cycle-2024>

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## International Monetary Fund

World Economic Outlook Database

<https://www.imf.org/en/Publications/WEO>

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## Organisation for Economic Co-operation and Development (OECD)

OECD Creditor Reporting System

<https://stats.oecd.org/>

OECD Data Explorer – (Deflators and Members' total use of the multilateral system)

<https://data-explorer.oecd.org/>

OECD DAC Preliminary 2023 Data

<https://webfs.oecd.org/oda/DataCollection/Resources/2023-preliminary-data.xlsx>

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## Syria Regional Refugee and Resilience Plan

3RP Financial Dashboards

<https://www.3rpsyriacrisis.org/dashboards/>

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## UN High Commissioner for Refugees

Refugee funding tracker

<https://refugee-funding-tracker.org>

UNHCR partner data

<http://data.unhcr.org>

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## UN Office for the Coordination of Humanitarian Affairs

Central Emergency Response Fund Data Hub

<https://cerf.data.unocha.org/>

Financial Tracking Service

<https://fts.unocha.org>

Country Based Pooled Funds Data Hub

<https://cbpf.data.unocha.org/>

Humanitarian Programme Cycle API

<https://api.hpc.tools/docs/v2/>

Global Humanitarian Overview Reports

<https://reliefweb.int/topics/global-humanitarian-overview>

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## World Bank

Gross National Income

<https://data.worldbank.org/indicator/NY.GNP.MKTP.CD>

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# Acronyms

<b>AA</b>	anticipatory action
<b>CBPF</b>	Country based pooled funds
<b>CERF</b>	Central Emergency Response Fund
<b>CVA</b>	cash and voucher assistance
<b>DAC</b>	Development Assistance Committee
<b>DI</b>	Development Initiatives
<b>FTS</b>	Financial Tracking Service
<b>GFFO</b>	German Federal Foreign Office
<b>IASC</b>	Inter-Agency Standing Committee (UN)
<b>IATI</b>	International Aid Transparency Initiative
<b>ICRC</b>	International Committee of the Red Cross
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs
<b>ODA</b>	official development assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RCRC</b>	Red Cross and Red Crescent
<b>UAE</b>	United Arab Emirates
<b>UNHCR</b>	UN High Commissioner for Refugees
<b>USAID</b>	United States Agency for International Development
<b>WFP</b>	World Food Programme

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Cover image: Matemo island. The ICRC delivers relief supplies by sea to reach the island's community. Photo S.N./ICRC.

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# Notes

- <sup>1</sup> Humanitarian Action. August update. Available at: <https://humanitarianaction.info/overview/2023>
- <sup>2</sup> Development Initiatives, 2022. Overhead cost allocation in the humanitarian sector. Available at: <https://devinit.org/resources/overhead-cost-allocation-humanitarian-sector/>
- <sup>3</sup> Analyzing gaps in the humanitarian aid and disaster risk financing landscape, 2019. Weingärtner L and A Spencer. Available at: [www.anticipation-hub.org/download/file-153](http://www.anticipation-hub.org/download/file-153)
- <sup>4</sup> UN OCHA, 2024. Global Humanitarian Overview 2024, August Update. Available at: <https://reliefweb.int/report/world/global-humanitarian-overview-2024-august-update-snapshot-31-august-2024>
- <sup>5</sup> UN OCHA, 2019. Global Humanitarian Overview 2020. Available at: <https://reliefweb.int/report/world/global-humanitarian-overview-2020-enarfrzh>
- <sup>6</sup> The 'People in Need' (PIN) numbers referred to are taken from the UN OCHA's Global Humanitarian Overviews. In previous 'Global Humanitarian Assistance' reports, the PIN has been calculated using different sources, and so is not directly comparable with the numbers used in the *Summary* of this report.
- <sup>7</sup> It should be noted that total volumes in 2022 and 2023 may appear differently in the response plans data due to how commitments were disbursed over these two years.
- <sup>8</sup> OECD DAC Preliminary data shows that overall international financial assistance to Ukraine rose in 2023. While part of this assistance came in the form of budget support or other forms of ODA to the national government, it is not possible to quantify how much of this ODA that went to the national government was spent to address humanitarian needs in the country.
- <sup>9</sup> The increase in disbursements from the US in 2023 based on preliminary DAC data is partially due some of the to funding commitments made by the US in 2022 being disbursed in 2023. Some of these funding commitments seem to be recorded against 2022 in other data sources, which therefore might show a greater decline in international humanitarian assistance in 2023.
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- <sup>11</sup> World Food Programme, 2024. WFP at a Glance. Available at [www.wfp.org/stories/wfp-glance](http://www.wfp.org/stories/wfp-glance)
- <sup>12</sup> The New Humanitarian, 2024. IRC cuts staff amid budget shortfall. Available at: [www.thenewhumanitarian.org/news/2024/08/07/irc-cuts-staff-amid-budget-shortfall](http://www.thenewhumanitarian.org/news/2024/08/07/irc-cuts-staff-amid-budget-shortfall)
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- <sup>14</sup> Devex, 2024. Germany plans billions in cuts to development, humanitarian aid. Available at: [www.devex.com/news/germany-plans-billions-in-cuts-to-development-humanitarian-aid-108259](http://www.devex.com/news/germany-plans-billions-in-cuts-to-development-humanitarian-aid-108259)
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- <sup>16</sup> BOND, 2024. Rebuilding Britain's reputation as a reliable development partner: The state of UK Aid in 2024. Available at: [www.bond.org.uk/wp-content/uploads/2024/09/Bond-Briefing-Series-UK-Aid-Part1-.pdf](http://www.bond.org.uk/wp-content/uploads/2024/09/Bond-Briefing-Series-UK-Aid-Part1-.pdf)
- <sup>17</sup> Therefore, while there first appears to be a discrepancy between the total humanitarian assistance figure and the funding to appeals, this is a function of the way the two data sources examine commitments and disbursements.
- <sup>18</sup> European Humanitarian Forum, 2024. Addressing the Global Humanitarian Funding Gap. Available at: <https://europeanhumanitarianforum.eu/files/system-files/EHF-2024-Addressing-the-Global-Humanitarian-Funding-Gap.pdf>
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- <sup>20</sup> Türkiye is a unique case as the humanitarian assistance it voluntarily reports to the DAC is largely spending spent on hosting Syrian refugees in Türkiye, and so not strictly comparable with the international humanitarian assistance from other donors.
- <sup>21</sup> UN OCHA, 2024. Global Humanitarian Overview 2024, Mid-Year Update. Available at: [www.unocha.org/publications/report/world/global-humanitarian-overview-2024-mid-year-update-snapshot-31-may-2024](https://www.unocha.org/publications/report/world/global-humanitarian-overview-2024-mid-year-update-snapshot-31-may-2024)
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- <sup>25</sup> Delegation of the European Union to the UN and other international organisations in Geneva. Intervention by Commissioner Lenarčič at the launch of the 2024 General Humanitarian Overview. Available at: [www.eeas.europa.eu/delegations/un-geneva/intervention-commissioner-lenar%C4%8Di%C4%8D-launch-2024-general-humanitarian-overview\\_en?s=62](https://www.eeas.europa.eu/delegations/un-geneva/intervention-commissioner-lenar%C4%8Di%C4%8D-launch-2024-general-humanitarian-overview_en?s=62)
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- <sup>27</sup> The Grand Bargain and Development Initiatives, 2023. Caucus on funding for localisation – Collective monitoring and accountability framework. Available at: <https://interagencystandingcommittee.org/grand-bargain-official-website/caucus-funding-localisation-collective-monitoring-and-accountability-framework>
- <sup>28</sup> This figure differs from the percentage reported in the Global Humanitarian Assistance Report 2023 due to updated methodology based on FTS carrying out a comprehensive classification/coding exercise of their entire recipient organisation database, according to Grand Bargain definitions.
- <sup>29</sup> Although the Red Crescent Society of the UAE is usually classified as an intermediary or implementer, those contributions were reported to FTS as 'new resources' to the humanitarian system that were not already accounted for through other donor contributions and thereby are captured as direct funding in Figure 2.2.
- <sup>30</sup> The Grand Bargain and Development Initiatives, 2023. Caucus on funding for localisation – Collective monitoring and accountability framework. Available at: <https://interagencystandingcommittee.org/grand-bargain-official-website/caucus-funding-localisation-collective-monitoring-and-accountability-framework>
- <sup>31</sup> Granular data on UNHCR collaboration with funded partners with information on country, partner name, project title and budget is now available on the UN Partner Portal at: <https://supportcso.unpartnerportal.org/hc/en-us/articles/13420656571671-Collaboration-with-Funded-Partners>
- <sup>32</sup> The Iraq and Jordan CBPFs have been reducing their operations since 2022.
- <sup>33</sup> Development Initiatives, 2024. Catalogue of quality funding practices to the humanitarian response. Available at: <https://devinit.org/resources/catalogue-quality-funding-practices-humanitarian-response>
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- <sup>35</sup> IASC, 2022. IASC Guidance on the Provision of Overheads to Local and National Partners. <https://interagencystandingcommittee.org/humanitarian-financing/iasc-guidance-provision-overheads-local-and-national-partners>
- <sup>36</sup> Development Initiatives, 2022. Overhead cost allocation in the humanitarian sector. Available at: <https://devinit.org/resources/overhead-cost-allocation-humanitarian-sector>
- <sup>37</sup> The information in this section primarily based on information collated by DI directly from donors, UN agencies and international NGOs. It is continuously updated and might change, for instance following a comprehensive comparison with information on overheads policies from Grand Bargain self-reports. The overheads policy mapping collated by DI is available at: <https://devinit.org/resources/indirect-costs-policy-mapping/>
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<sup>80</sup> We may not have data reported for each organisation in every year. For some NGO alliances, we may have collected data from only one member organisation, therefore treated here as independent.