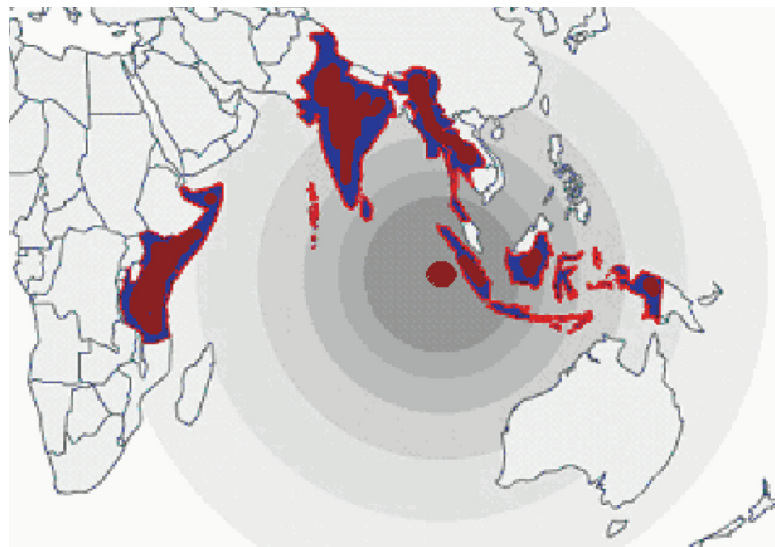


Tsunami Evaluation Coalition (TEC)

The International Community's Funding of the Tsunami Emergency and Relief



NGO Funding

Denmark

Rie Andersen
Marina Buch Kristensen

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TABLE OF CONTENTS

| | |
|--|------------|
| ABBREVIATIONS AND ACRONYMS | II |
| DEFINITIONS | III |
| INTRODUCTION | 1 |
| METHODOLOGY | 3 |
| <i>Limitations with respect to definitions and formats.....</i> | <i>3</i> |
| GENERAL DESCRIPTION OF NGO CONTEXT IN DENMARK..... | 4 |
| <i>Selection of NGOs.....</i> | <i>5</i> |
| GENERAL DESCRIPTION OF BUDGET SOURCES AND ALLOCATIONS | 6 |
| <i>Allocation Sectors</i> | <i>7</i> |
| <i>Allocation Country.....</i> | <i>8</i> |
| <i>Disbursements.....</i> | <i>9</i> |
| FUNDRAISING AND CRISIS RESPONSE POLICY | 9 |
| <i>Acquirement of public funds.....</i> | <i>10</i> |
| <i>Fundraising policy and means of donation.....</i> | <i>10</i> |
| <i>Response to appeals.....</i> | <i>11</i> |
| <i>Coordination and need assessments</i> | <i>11</i> |
| <i>Response Strategy.....</i> | <i>12</i> |
| <i>Selection of beneficiaries and beneficiary participation.....</i> | <i>13</i> |
| <i>Sphere standards.....</i> | <i>13</i> |
| <i>Communication policy and Media coverage</i> | <i>13</i> |
| MANAGEMENT OF FUNDS..... | 13 |
| <i>Human resources.....</i> | <i>14</i> |
| <i>Accountability and Reporting</i> | <i>14</i> |
| EFFECTS ON THE NGO SUPPORT BASE | 15 |
| LESSONS LEARNED | 15 |
| KEY MESSAGES | 16 |
| ANNEX | 17 |
| <i>Terms of Reference</i> | <i>17</i> |
| <i>References.....</i> | <i>19</i> |
| <i>Tables</i> | <i>20</i> |

Abbreviations and Acronyms

| | |
|---------------|---|
| ACT | Action by Churches Together |
| ADRA | Adventist Development Relief Agency |
| CAP | Consolidated Appeal Process |
| DAC | Development Assistance Cooperation |
| DARA | Development Assistance Research Associates |
| DACECO | Danish Development Cooperation Office |
| DCA | DanChurchAid (Folkekirkens Nødhjælp) |
| DANIDA | Danish Development Agency |
| DBL | Dansk Bilharziose Laboratorium |
| DEMA | Danish Emergency Management Agency |
| DRC | Danish Refugee Council |
| IAS | International Aid Service |
| ICRC | International Committee of Red Cross |
| IDP | Internally Displaced People |
| IFRC | International Federation of Red Cross |
| IHB | Internationalt Humanitært Beredskab |
| IHP | International Humanitarian Partnership |
| INGO | International Non Governmental Organisation |
| MFA | Ministry of Foreign Affairs |
| MSF | Medecins Sans Frontieres |
| NGO | Non Governmental organisation |
| OCHA | Office of Coordination of Humanitarian Assistance |
| SAINT | Samaritanian International |
| SPHERE | Humanitarian Charter and Minimum Standards in Disaster Response |
| TEC | Tsunami Evaluation Coalition |
| TOR | Terms of Reference |
| T.R.O. | Tamil Rehabilitation Organisation |
| UNHCR | United Nation High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| WFP | World Food Programme |
| WHO | World Health Organisation |

Definitions¹

Humanitarian assistance:

There is no common definition of what constitutes humanitarian assistance - the growing area of action which aims to respond to and prevent emergencies. For the purpose of this evaluation the term covers what is defined as humanitarian assistance by donors and NGOs in the respective countries. In Denmark, it's referred to as "nødhjælp", in the Netherlands "noodhulp," and in Ireland "emergency aid". The terms humanitarian assistance, relief and emergency are used interchangeably.

Commitment:

The key feature of a commitment is that it is (to some extent) binding. Donors use different terms and the status of a commitment may range from money which has been set aside with the intention that it should be spent on X to a legally binding contract to transfer a fixed amount to the recipient on a specified date. It is always a defined amount of money.

Disbursement:

The key feature of a disbursement is that the donor no longer has control of the funds. A disbursement can either be a transfer of money/goods from the donor to the recipient, or it can be money which is set aside for the recipient to draw down.

Goods in kind:

Goods which have been purchased in the donor country and that are ready for consumption or use on arrival in the recipient country. Thus defined, aid in kind is classified as tied by definition. Most (but not all) aid in kind consists of either food aid or emergency and distress relief. However, not all food or emergency aid is necessarily in kind. Amounts to be spent in another country for purchases of goods to be shipped from that country are not classified as aid in kind.

¹ These terms are based on the definitions given by the institute "Development Initiatives" with regard to "Pledges, Commitments, Disbursements, Gifts-in-Kind and Tied Aid" as agreed by the participants in the TEC Funding Study Coordination meeting in Geneva, 8th September 2005.

Introduction

Channel Research is pleased to present this Final Report on **Danish NGOs funding flows**, which is to feed into an overall evaluation of the funding response of the various governments, UN agencies, NGOs and INGOs to the tsunami emergency and relief. The Funding Study, commissioned by Danida, is one of six thematic evaluations under the auspice of the Tsunami Evaluation Coalition (TEC). Findings from the thematic evaluations will be presented in an overall TEC Synthesis Study to be published at the end of 2005.

According to the TOR (annex 1) the purpose of the sub-study on Danish NGO Funding is to:

1) Understand how the Danish NGOs acquired and managed their funding for the tsunami relief effort. The tsunami attracted an unusual number of actors from the broader NGO world. Representation of this broader group shall be ensured to the extent with which time and capacity allow.

2) Analyse the relationship between the agencies' competence in terms of presence and appeals on the one hand and funding flows, spending and impact on the other. The link between funds raised, funds spent and impact needs to be defined to the short term timeframe of the evaluation process itself. Focus should also be put on implementing agency plans and how funds raised/accessed are/will be allocated in terms of the overall response timeframe.

3) Describe the overall nature of the agencies' funding base for this operation. What is the ratio of government to private funds and how does this compare with their normal profile? How important have corporate donations been?

4) Describe what evidence there is that the tsunami response has tapped into a hitherto un-accessed supporter base? Is there any evidence of a ratcheting up of the supporter base of the agencies?

5) Analyse how well the agencies financial systems have coped with the significant increase in funding flows? Is there evidence of system overload? On the programming side, is there evidence of funding to other operations being affected? Is there evidence of tsunami funds being used to offset previously under funded areas of work?

6) Analyse if programming was needs-driven or more influenced by the need to send quickly. Analyse the flow of goods in kind including pharmaceuticals. Have unsolicited goods been donated?

The data being subject to evaluation consists of descriptive and financial data on how funds have been obtained, allocated and to some extent disbursed as well as information on actions, projects and policies, as gathered by the evaluation team in September, October and November 2005.

The draft report is presented in a structure common to all the sub-studies commissioned as part of the funding evaluation. This format was agreed to at the TEC Funding Study Coordination meeting, on 8 September 2005 in Geneva. It has been prepared by Development Assistance Research Associates (DARA), the agency responsible for synthesising the findings of the

multiple NGO studies in preparation for the overall funding study synthesis. Consequently the report at hand does not constitute a traditional stand-alone evaluation report, but is written in a fixed format which facilitates the purpose of synthesising and cross-country comparison.

The DARA format includes a general description of the NGO context in Denmark, general description of budget sources and allocations, fundraising and crisis response policy, management of funds, effects on the NGOs and lessons learnt. While adhering as strictly as possible to the reporting format, the evaluation team has strived to avoid unnecessary repetitions in the report caused by the overlapping nature of these themes.

Methodology

The methodology is based on a combination of a desk review of relevant documents and literature from the NGOs and key informant interviews at HQ level. The evaluation team ensured triangulation of findings by applying a variety of data collection methods comprising desk research and analysis of existing material; interviews with key informants in the relief organisations and in the Danish Ministry of Foreign Affairs as well as quantitative data collection in the form of questionnaires sent to the organisations.

In the desk phase the team carried out initial research, and developed a list of background documents and a questionnaire was drawn up based on the TOR and DARA reporting format. A spreadsheet for the data collection was elaborated.

Data supplied by the organisations was supplemented with data found on a number of web sites including the websites of the organisations and the Danish Ministry of Foreign Affairs– such as: policy documents; previous evaluations and press releases.

The desk research was followed up by interviews in person, by phone or e-mail, with key informants in the organisations and in the donor administration, so as to be able to answer questions about policy.

A small questionnaire was sent out to 37 Danish relief and development organisations. 20 organisations responded that they had been involved in fundraising for the tsunami response. They all answered questions on acquirement, allocation and disbursement of funds. By answering the questionnaires, the organisations provided the financial data that has been used in this study. Five key organisations were subsequently selected for in-depth analysis and have apart from the description of the funding flows answered questions on fundraising and crisis response strategy, management of funds, the possible effects on the organisation itself and lessons learnt.

This report presents the collected data and the subsequent analysis in the DARA report format as agreed by the participants in the TEC Funding Study Coordination meeting in Geneva, 8th September 2005.

Limitations with respect to definitions and formats

The DARA format applies the same sector definitions as the Flash Appeals. However, the team found these sector definitions insufficient compared to definitions used by the NGOs and Reliefweb. The final decision about which sector definitions to apply is left at the discretion of the synthesis team.

Furthermore information with regards to funds “spent” and “disbursed” was not provided by all organisations in a systematic manner. Consequently the evaluation team has not distinguished between disbursed and spent.

General description of NGO context in Denmark

Danish relief organisations have raised at least DKK 422 million (\$ 71.8 million) in public and private donations. They have collected an unprecedented amount of DKK 329 million (\$ 56 million) in private donations and DKK 92 million (\$ 15.7 million) in public donations. The lion's share of the private donations has been collected by large relief organisations such as Red Cross-DK, DanChurchAid (DCA) and UNICEF-DK. A range of medium size and smaller organisations contributed as well and all together at least 20 different organisations have raised funds for the tsunami response in Denmark.

According to the organisations, the Danish population responded generously to the tsunami earthquake for several reasons. It was a massive catastrophe in terms of victims. It took place in tourist areas many Danes have visited, and it involved Danish and western tourists. It was a natural disaster as opposed to for example a civil war, and therefore not something that could have been avoided by the victims themselves. It was Christmas so people were more generous, and finally the catastrophe received massive media attention.

Over the years a few Danish relief organisations have achieved special status as important partners for Danida in implementing Danish humanitarian assistance. The Danish "relief scene" is dominated by key players such as Red-Cross, DCA and Danish Refugee Council (DRC). They received 65% of the public humanitarian funding allocated to NGOs in 2004²

A range of the organisations have framework agreements with Danida. DCA, Red Cross-DK and Save the Children all have framework agreements which entail that they all receive core annual financial contributions from Danida. The two parties have a close dialogue in relation to strategic planning and capacity building of the organisations. In addition some of the larger organisations have annual negotiations with the Ministry in which they are allocated funds for on-going emergencies. All relief organisations including the smaller ones can furthermore throughout the year apply for public funding from the emergency budget for both "new" and on-going disaster operations.

Danish NGOs such as Red-Cross DK, MSF-DK and Danish Refugee Council also receive financial support from the Ministry for seconding personnel in emergency situations. A programme for storage of goods by Danish NGOs is also funded by the Ministry.

Both public and private organisations participate in the "Humanitarian Contact Group" (HCG), a body that is chaired Danida and central in terms of planning and coordinating Danish humanitarian assistance. The Danish relief organisations participate in the meetings of the HCG in general as well as during the tsunami response.

First phase relief response is usually the domain of Red Cross-DK and DCA. However, a number of Danish organisations not normally engaged in natural disasters and first phase emergency became involved in the tsunami response. That includes DRC, an organisation

² Red Cross-DK and Danish Refugee Council each received 25% of the humanitarian funding allocated to Danish NGOs in 2004. DanChurch Aid received 15%, Danish Demining Group 9%, MSF-DK and Save the Children-DK each about 5% and the rest was shared by smaller organisations such as ADRA, Caritas and Mission East (DANIDA's NGO-samarbejde 2004).

whose core mandate is man-made disasters; ADRA and Danish People's Aid (ASF). Smaller organisations such as Child Fund (BørneFonden), Plan Denmark and SOS-børnebyerne can be categorised primarily as development organisations, and did not participate in the first phase.

| NGO | Mandate | Raised \$ | Spent \$ end of August 2005 | Foreseen timeframe |
|---------------------------------|---|-------------------|-----------------------------------|--------------------------|
| Red Cross DK | Relief-Devel | 35,981,269 | 14,218,817 | |
| DanChurchAid | Relief-Rehab -Devel | 15,014,791 | 8,908,983 | 2009 in Sri Lanka, India |
| Danish Refugee Council (DRC) | Rehab, Refugees, IDPs, Man-made disasters | 1,702,852 | 335,487 | On-going |
| Save the Children-DK | Relief-Devel, Children | 5,449,127 | 2,213,708 | |
| MSF-DK ³ | Relief, Health | 2,945,934 | HQ* | 31-12-07 |
| Danish Peoples Aid ASF | Relief- Rehab, Re-housing, Health | 1,001,618 | 760,834 | 31-12-05 |
| ADRA | Relief-Devel, Health, Education-Religious | 993,003 | 876,969 | On-going |
| International Aid Service (IAS) | Relief, Devel-Religious | 284,009 | 284,009 | |
| Caritas-DK | Relief/Devel-Religious | 159,515 | 131,210 | |
| T.R.O. | Relief/Devel, Tamil Rehab | 819,206 | Na | |
| Europa Mission | Relief/Devel, -Religious | 155,670 | 133,582 | |
| Dan Mission | Relief/Devel, -Religious | 190,038 | Na | |
| Danish Demining Group | Relief, Mines, Health | 42,571 | 42,571 | |
| UNICEF-DK | Relief/Rehab/Devel, Children | 6,555,981 | HQ* | |
| SOS-Børnebyerne | Devel, Children, Sponsorships | 1,164,345 | 510,673 | |
| DBL | Health laboratory | 85,143 | 42,571 | |
| Børnefonden | Devel, Children, Sponsorships | 24,471 | 24,471 | |
| Plan Denmark | Devel, Sponsorships | 44,109 | Na | |
| Mission East | Relief/Devel-Religious | 129,118 | 127,993 | |
| Rotary | Business Club | 713,495 | 144,742 | |
| Total | | 73,456,266 | 26,542,913 | |

*Collected funds were transferred to the organizations' respective HQs.

Exchange rate \$ to DKK 5, 8725 (2005 rate given by DARA)

Selection of NGOs

All Danish relief organisations that were involved in the tsunami response have been invited to participate in this evaluation and have chosen to participate. They have all provided information on funds raised and allocated⁴.

Five Danish NGOs were selected for in-depth analysis: DCA, DRC, Danish Peoples Aid; ADRA and MSF-DK. They have been chosen partly due the size of their fundraising and partly because they implemented their own projects and therefore had to engage in strategic planning and management of funds⁵.

³ MSF de-earmarked \$ 1.187.276 of total raised in DK

⁴ Only Lions Club has not responded to the questionnaire

⁵ Except MSF-DK that forwarded funds raised to its operational centre in Belgium.

DCA was chosen as the largest relief organisation in Denmark⁶. Danish Refugee Council chose not to raise any private funds and Danish People's Aid and ADRA are both medium size organisations with different types of networks; as a religious Adventist network and a Labour Movement Network respectively. All together the organisations selected have managed most of the Danish NGO funding for the tsunami both in terms of private and public funding⁷ and they represent the diversity of the Danish "relief scene".

General description of budget sources and allocations

In total the 20 different organisations raised at least DKK 418 million for the tsunami response of this private donations amount to DKK 326 million. The DKK 92 million in public donations is made up of DKK 27 million from ECHO and DKK 65 million from Danida. Some of the larger organisations were able to show private and corporate funds separately. However, most were not. Only 42 million DKK was accounted for as corporate contribution which is a gross underestimation⁸.

| | | Raised \$ | Spent | % |
|---------------------|----------------|------------|-------|----|
| Non-private Sources | DANIDA | 11,162,197 | Na | Na |
| | ECHO | 6.228.074 | Na | Na |
| Private Sources | General Public | 48,942,753 | Na | Na |
| | Corporations | 7,123,242 | Na | Na |

The donations from Danida only constituted 20% of the organisations' total funding for the tsunami response. The organisations were thus to a higher extent than normal, able to take decisions on allocation of funds independently of Danida. DCA has for some years worked towards becoming less dependent on public funding. In 2003 they succeeded in their goal to have the share of private funding exceeding 50% of total funds for the first time.

| Actor | \$ Public | \$ Private | Share Public/Private |
|--------------|-----------|------------|----------------------|
| MSF-DK | - | 2.945.934 | 0% |
| DanChurchAid | 3.265.111 | 11.749.681 | 22% |
| ASF | 510.856 | 490.762 | 51% |
| ADRA | 851.426 | 141.577 | 86% |
| DRC | 1.702.852 | 0 | 100% |

In the case of the tsunami, the ratio of public/private funds was different from the usual pattern, especially for DCA. Normally public funding is much larger than private funding; the ratio for 2004 was 65% public and 35% private funding but in the case of the tsunami funding the share of public donation was only 22%. The smaller organisation-Save the Children had about the same ratio as DCA, while other organisations such as Danish Peoples Aid, ADRA and IAS had relatively larger shares of public funding. This can be explained by the organisations not having engaged in fundraising outside their normal networks.

⁶ Red-Cross DK was not included in the TOR.

⁷ Excluding Red Cross-DK which is outside the scope of this evaluation and UNICEF-DK, MSF-DK which all forwarded the funding to their international organisations for implementation purposes.

⁸ Figures from the web-page TV2, shows more than DKK 72 million (\$ 12 million) raised from corporations.

MSF-DK has not applied for public funding for their tsunami response, and they were not direct implementers in relation to the tsunami. They forwarded their private donations to the MSF operational centre in Belgium. MSF-DK did not apply for public funding in Denmark, as Danida requires direct implementation by NGOs themselves.

All organisations interviewed reported larger corporate shares in the tsunami fundraising than normal.⁹

MSF-DK received 14% of their private tsunami funding from corporations. The usual rate is about 6%¹⁰. Save the Children received 71% of their private funding from corporations; in a normal year the share of corporate funding is about 25-30%¹¹. DCA received 23% of their private tsunami funding from corporations¹², an amount that was far larger than expected¹³.

According to DCA, the share of corporate funds was larger than normal because the companies wanted to match the general generosity in the population. Charity donations are usually primarily an individual activity. In this case it became an integral part of the workplace, the schools and the associations. Even a shelter for homeless people in Denmark collected money among the homeless. The companies wanted to match this trend by showing corporate social responsibility¹⁴.

None of the Danish NGOs have sent in-kind donations. Some, for example DCA made a deliberate choice with reference to the “do no harm” principles, and in consequence declined offers of rice and clothes that could distort the local markets.

The NGOs keep 5% of public donations, and 7-10% of private donations as administrative costs.

Allocation Sectors

The evaluation team is not able to ascertain to the full extent how all of the funds raised in Denmark will be allocated.¹⁵ However, the figures obtained give a relatively good picture of allocation of the tsunami funds. The organisations have engaged especially in multi-sector response and in the sectors of health and shelter. Both health and shelter lie within the core competence of several Danish relief organisations. The largest share of the Danish funding flows to these sectors came from Red-Cross DK and DCA. In addition some of the smaller organisations such as ADRA, Danish Peoples Aid and Dansk Bilharziose Laboratorium (DBL) all have health as an area of expertise. Danish Peoples Aid is furthermore specialised in re-housing.

9 Unfortunately only some organisations were able to track corporate tsunami funds separately.

10 Interview with MSF-DK, Director Philip Clark, Director of Communication Michael G. Nielsen

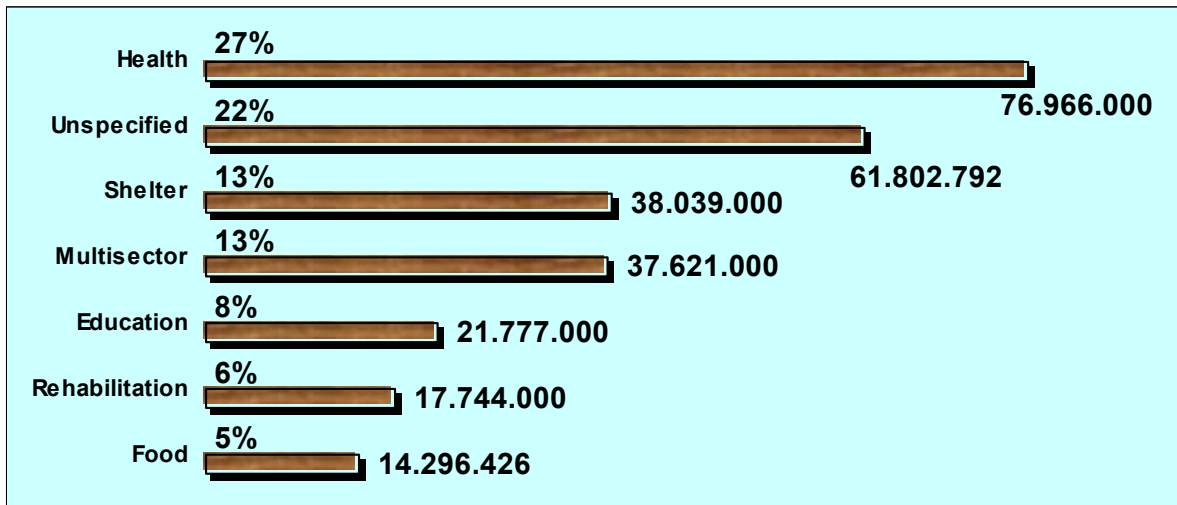
11 Fluctuations can however be high because of some large one-off contributions (e.g. inheritance-cases).

12 Unfortunately they have not been able to provide any figures for other years/other catastrophes

13 DanChurchAid, Styrelsesnotat, 8 March 2005.

14 Interview with Director of Communication (DCA); Thomas Ravn-Pedersen

15 UNICEF-DK, MSF-DK have forwarded their donations to their international organizations and were not able to inform the team of how the Danish donations had been allocated in terms of country and sector. Other organizations such as Red-Cross DK and DCA have not allocated all of their funding yet.



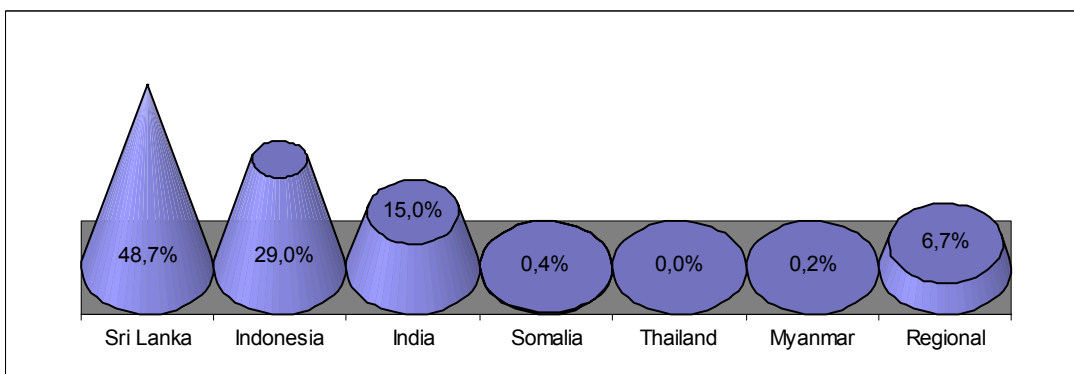
For details on Sector allocations please see Annex

One organisation voiced the need for the relief organisations to specialise even more in specific sectors instead of having all organisations doing “a little bit of everything”. Danish organisations could then specialise in water & sanitation, re-housing, health or other areas where they can pool their comparative advantage¹⁶.

Allocation Country

The Danish relief organisations have allocated their funding to six different countries. However, the vast majority of funds (93%) have been allocated to Sri Lanka, Indonesia and India.

To the regret of some organisations, the Danish Government decided not to fund any projects in India. The reasons given for not supporting India were that the Indian Government did not apply for outside assistance and partly because India ceased to be a Programme Country¹⁷ in 2001. India has received bilateral aid from Denmark since the beginning of the 1960s and several Danish NGOs have a long tradition of involvement in development projects in India. Therefore, five Danish organisations with a local presence decided to use private donated funds in the country. Of the allocated amounts 15% of the Danish NGO funding went to India.



16 Interview with Director General of ASF (Danish Peoples Aid); Klaus Nørlem

17 Danida's bilateral development aid is concentrated on 12-20 countries- the so called Programme Countries

* For details on Country allocations please see Annex

Private funding allocated on the basis of the organisations' own appeals systems and need assessment have an added value in the way that NGOs can access neglected or forgotten tsunami victims or indirect victims such as IDPs (Internally Displaced People) away from the coastal areas that do not received any government funding. According to DCA the general response, understood as the general response from governments and the UN system, did not reach the poorest people, in particular the Dalits in India. Fortunately, DCA was able to respond to their needs on their own initiative with privately funded projects¹⁸.

Disbursements

The disbursement pattern differs from organisation to organisation¹⁹. Some of the smaller to medium size organisations like ADRA and Danish Peoples Aid have disbursed 85% of their funding, and smaller organisations like ChildFund and IAS have disbursed all their funding.

DCA has disbursed 67% and is the only organisation that is still applying for more funding. The organisation explained that the first commitments were very quickly disbursed but that the disbursement pace has slowed down since. The foreseen timeframe in the affected areas is up till 2010.

Danish Refugee Council has only disbursed 20% of its funding. The first 10% went to acute emergency aid and was disbursed in the first few weeks. The disbursements have since slowed down considerably especially in relation to return aid to IDPs. Delay in the actual return process²⁰ is apparently due to the conflict situation and land right issues.

In general, the commitments to emergency aid were disbursed very quickly during the first weeks, after which the pace has since gone down. It is not a problem that privately collected funds still await disbursement, as the organisations can decide to prolong their engagements. However, emergency projects funded by Danida normally have to be concluded within one year²¹.

Fundraising and crisis response policy

The organisations have implemented very different fundraising strategies depending on their mandates and size. DCA undertook large scale private and corporate fundraising, ADRA and Danish Peoples Aid only appealed to their usual networks. MSF-DK received far too much funding for implementation with their mandate and has started an international process of de-restricting 75% of all the Tsunami funds collected²². Danish Refugee Council (DRC) decided not to fundraise at all.

All organisations that have raised funds through Danida report of very flexible and non bureaucratic procedures.

18 Interview with DCA, Head of Emergency, Klaus Lykkegaard

19 Not all organisations have provided figures for amounts spent (see table 1 in appendix).

20 Interview, Head of DRC International; Arne Vågen

21 Some of the organisations have asked Danida for extension with up to half a year.

22 "Development Today No.10-11/2005"

In terms of crisis response strategy, the organisations all used more or less the same strategy. They all relied on their own networks, appeal systems and need assessments and worked closely with local partners. They all had to modify their response strategies considerably to reflect conditions in the field.

Acquirement of public funds

All key organisations were in contact with Danida within a few days after the catastrophe and were promised funding over the telephone.

Over the years, a strong relationship of confidence between Danida and the organisations has developed which meant that the Ministry was able to allocate money very quickly to Danish NGOs solely of the basis on telephone conversations between senior staff in the Ministry and their counterparts in the organisations.

The actual written application would in some instances follow up, sometimes a whole month later. All NGOs interviewed have stressed that the Ministry was very flexible and swift. The organisations explained that they were able to scale up their response as needs assessment were conducted, as they could rely on the public funding to increase gradually as the need assessments became more precise.

Fundraising policy and means of donation

The fundraising methods differ in the different organisations; from large scale private and corporate fundraising to more low profile campaigns. Danish Refugee Council did not fundraise and referred donors to other organisations.

A large scale joint collection involving two national TV channels (DR, TV2) and five major relief organisations was arranged²³. Five smaller NGOs wanted to participate as well but were rejected for different reasons²⁴. The joint TV campaign ran from 2nd to 9th of January 2005 and the total amount collected in the joint collection was DKK 85.1 million (\$14,5 million).

Danish Peoples' Aid describes their own fundraising process as typical in the sense that the funds came from their normal support base²⁵. The campaign ran for 3-4 weeks before it stagnated. The amount was also typical and as expected. ADRA likewise received donations from their normal support base²⁶ by appealing to Church Members at meetings and by letters.

MSF-DK had a very low profile fundraising campaign. A small top-banner was placed on their web-site and the donations started to flow in already on the 27th of December. The organisation did however participate in the joint TV-collection.

DRC actively decided not to engage in any private fundraising. The argument was that an organisation should not raise money before it knows what it is raising money for; in stead it

23 UNICEF-DK, DCA, MSF-DK, Save the Children-DK and Red Cross-DK.

24 The explanation given by the large relief organizations was that the smaller organizations asked too late in the process and that too many organizations in a joint campaign could confuse the public; .

25 ASF is part of the labor movement in Denmark. It is a Members organization with 50 local division around the country. It received donations from Members and Trade Unions (LO and LO- Members organizations).

26 Adventist Church Members and Support Members of ADRA-DK

should use its standing reserves and disaster preparedness for acute emergencies until it is able to conduct a proper need assessment²⁷.

DCA used its standard fundraising methods. The difference was that it used “more of all”. A special telephone number was opened for donations; a SMS-service was opened; and it used advertisements; the television show; collection boxes in shops; special collections in own second hand shops; web-site ads and information; direct contact with organisations, companies and foundations; donation agreements with newspapers and supermarket chains; and finally church collections were donated to the tsunami. The main new feature was that the corporations were more involved and donated more than usual. The organisation and private companies both initiated contact.

Response to appeals

None of the organisations interviewed responded to the UN Flash Appeals with one notable exception. Danish Peoples Aid refers explicitly to the sectors of need identified by the UN Flash Appeal in their needs assessment. According to this organisation, the Flash Appeals are setting standards and help the organisation focus its responses. Both DCA and ADRA prefer their own appeal system through either ACT²⁸ or the Adventist network.

The three above mentioned NGOs sent out their own assessment teams in co-operation with local partners. They decided to focus on places where no other organisations were present or could be expected to settle; where they had local partners; or where needs could be identified in an area or sector where they had a comparative advantage.

The organisations explained that they decided against intervening in Myanmar, as it was too difficult to perform needs assessments in the country.

Coordination and need assessments

Starting on the 29th of December 2004 all Danish relief organisations participated in several meetings in the “Humanitarian Contact Group” devoted to discussing the tsunami response. They all consider it a fruitful forum for exchange of information even if it is not a coordination body as such.

All organisations coordinated first and foremost within their own networks. DCA with ACT, ADRA with the Adventist network and Danish Peoples Aid coordinated all activities on the ground with their European Network: SAINT.

None of the NGOs interviewed were too impressed with the coordination efforts by the UN agencies. The UN system was considered too heavy and slow as the UN arrived very late on the scene (West Coast Indonesia) or they had a weak presence (North Sri Lanka).

Some places in Sri Lanka the NGOs consequently took over the coordination themselves. In general the coordination and cooperation with other NGOs present was explained to have worked well, even if smaller and more inexperienced NGOs did not engage in coordination

²⁷ Interview with DRC, Head of International, Arne Vaagen.

²⁸ Action by Churches Together, a global alliance of protestant and orthodox churches and related agencies

efforts. In North Sri Lanka, INGOs present like Oxfam, Save the Children and DRC engaged in active coordination efforts.

In other places for example on the West Coast of Indonesia there was some coordination with local authorities e.g. the education department²⁹. In India there was a good co-operation between the local authorities and OCHA and the government took the initiative to distribute the tasks among the NGOs.³⁰

Response Strategy

Several of the NGOs had to modify their strategy during the initial response. ADRA had identified a need for temporary shelter and household kits in Aceh, Indonesia. However it turned out that many agencies were distributing tents and household kits. Consequently, they changed their focus on the less “crowded” health and education sector which was still within their core competence.

DRC had initially identified the need for replacing lost fishing boats. However as other organisations already contributed with fishing boats, the focus was changed to cover micro financing of fishing related activities.

Danish Peoples Aid coordinated and implemented the initial emergency response within its core competence of re-housing. The organisation modified their standard response strategy of repairs to construction of temporary shelter as the level of destruction in the tsunami entailed that most buildings had disappeared. They also refrained from constructing more permanent houses, when they realised that larger actors like the Government and the UN were involved in this activity.

DRC decided to implement humanitarian assistance even if this is outside their core competence. The organisation was present in the North of Sri Lanka prior to the Tsunami, implementing a resettlement project for conflict IDPs and decided to engage in acute emergency aid activities as they were already registered, had a local partner and knew the area. After a few weeks they integrated the tsunami response in their normal activities in relation to rehabilitation of IDPs. In that sense the tsunami response enhanced some of their on-going activities.

DCA had a local partner in India and was able to obtain precise reports on need very swiftly, and consequently the organisation initiated its response only few hours after the disaster. They decided to intervene in India because they already had staff present who knew the situation well. DCA had representation in Sri Lanka prior to the Tsunami to assist returning Tamil refugees. To handle the tsunami emergency situation required a change in the setup and they had to build up structures gradually. The efforts and resources needed for this, led to an internal discussion in the organisation whether it was wise to scale up the response as drastically as they did in a country where structures in place were limited.

All organisations interviewed aim to link immediate relief with reconstruction efforts. They have used the public funding for the relief efforts and most of these projects have already been

29 Interview with ADRA, Director of Finance, Doris Jørgensen and Programme Assistant Margit Wærn.

30 Interview with DCA, Head of Emergency, Klaus Lykkegaard

concluded or will be finalised by the end of year 2005. All the organisations interviewed have reconstruction projects still on-going; these are financed from private funds. However, DCA is the only organisation still appealing for more tsunami funding.

Some organisations have supported reconstruction projects directly linked to the tsunami such as reconstruction of private clinics in Nias, Indonesia or labour market training for female headed households in Sri Lanka. Other organisation are using their privately collected funds to support people indirectly affected by the tsunami -such as people already living as IDPs in non-coastal areas in Sri Lanka due to the conflict situation or neglected groups like the Dalits in India.

As a general rule Danida only funds acute emergency projects from the emergency budget³¹. One NGO noted that the division between emergency and development should be more flexible and that Danida should focus on the output instead of the character of an activity³².

Selection of beneficiaries and beneficiary participation

In the early phase of the response targeting of beneficiaries was done without involvement of participatory methods. The distribution of food and non-food items was mainly conducted by partners. All NGOs interviewed explained that beneficiary participation in the needs assessments was not possible in the initial stage.

Beyond the first phase emergency, the NGOs focused on their specific target groups like establishing the livelihood of IDPs in Sri Lanka, providing new income possibilities for Dalits in India or rebuilding health and education facilities in Indonesia.

Sphere standards

All organisations stress that their activities are carried out in accordance with national developed standards as well as the SPHERE standards. However, SPHERE standards always have to be adapted to local conditions. This is done in co-operation with local authorities and the UN.

Communication policy and Media coverage

The smaller organisations that are not normally visible in the media did not have a communication strategy. They had limited contact with both the Danish press and the general Danish public and they were not fundraising outside their normal support base.

DCA, which is normally in regular contact with the Danish media engaged in large scale fundraising and worked closely with national newspapers and national TV channels. The organisation dedicated a lot of time to press relations in the beginning of the response, and in Sri Lanka, one person was working full time for a short period on media relations. After a while it was decided to use less time on the media.

Management of funds

All the smaller NGOs have managed the tsunami funds more or less with existing resources and it has not had any longer term effect on their staff situations. Existing staff had to work harder for

31 The budget remarks do allow for multi annual funding.

32 Interview with Danish Peoples Aid, Director General Klaus Nørlem.

a short period. They learned new skills as they had to take over new functions. A large organisation as DCA that had a sudden inflow of a considerable amount of new funding has taken on new staff members and the tsunami response could have a longer term effect on the number of staffs employed.

Human resources

The tsunami response did not have a long term effect in terms of employment of new staff in the organisations. Three of the five NGOs did not employ more staff to manage the tsunami funds in the Danish head quarters. In stead they managed with existing staff who worked harder and longer hours.

Some organisations say that the tsunami response did not affect other projects as staff worked harder than usual; while some organisations say that other projects may have been neglected during the first three months.

DCA initially managed with the human resources already available in the organisation, and most staff members were reallocated to tsunami related work. The estimated result was a one month delay of work on other projects for the organisation as a whole. However, new staff members have since been employed within the accounting and information units and in the field. New tasks meant that some staff members required new skills; e.g. learning how to negotiate prices of food and water in inflated markets.

DCA which engaged in large scale response set up a task force in order to work integrated within and across the sections. This is a standard process, but this time more people were involved for a longer time. The task force was composed of people from the Emergency unit; the Asia section; the information and fundraising department; and later on the administrative department.

All NGOs set up small offices in the affected areas in co-operation with partners and networks. Both in India and in Sri Lanka local staff was successfully employed, but in Aceh, Indonesia this was more difficult.

Accountability and Reporting

None of the organisations reports to the UN Financial Tracking System (FTS). With regard to public funding they report to Danida and ECHO. The organisations that received ECHO funding stress that ECHO requirements are considerably more bureaucratic than the requirements of Danida.

All accounting systems are able to track public and private donations separately, however only DCA track individual and corporate funds exceeding DKK 1.000 (\$ 170) separately.

All organisations have their own internal monitoring and evaluation systems. Internal evaluations are not made public. One organisation has initiated an internal evaluation within its network of the tsunami response with field visits and an overall assessment of the response in all of South East Asia.

Effects on the NGO support base

Except for DCA none of the organisations were of the impression that the tsunami response would have a long term effect on their support base. ADRA and ASF that primarily rely on their network for collection of funds have not acquired any new members. These two organisations are not very known or visible to the public, and they draw on their usual support base for fundraising. In both organisations, they have had a very positive support from the local divisions in the organisations that participated actively in the collection of funds. Both organisations hope to maintain this renewed interest from local divisions in the work of the organisation.

In order to maintain the close contact with the corporate sector, DCA has among others, sent out newsletters and leaflets to all companies explaining how their money has been spent. To further benefit from the increased involvement of the corporate sector DCA has employed a corporate fundraiser and developed a new strategy which aims at linking the corporations directly with reconstruction efforts, for example by offering a private company to sponsor the reconstruction of a specific school in Sri Lanka.

MSF-DK decided to request for their excess tsunami funding to be de-restricted. So far only 2% of the donors have turned down the appeal. A credibility study from August 2005 gave the organisation a very high score. The organisation believes that the clear signals in terms of need and funding will have a positive effect on the creditability of the organisation and its support base in the longer run³³.

In general the Danish population seem to have developed an enhanced interest in relief work which could expand the support base of all the organisations and benefit the sector of charity work. All parts of society from large corporations and private associations to shelters for homeless men donated to the tsunami response. Four months after the tsunami, a large TV-collection for orphans in Africa raised a large amount of DKK 38 million (\$ 6,5 million).

Lessons learned

The organisations interviewed emphasised the following lessons learned:

- The co-operation with local partners was considered vital by all organisations interviewed in terms of gaining access to beneficiaries and developing better targeted needs assessments. Some organisations stressed that without a local partner who was already registered, spoke the language and had local knowledge, intervention would have been virtually impossible. It was emphasised that having a local partner was vital for longer term impact and sustainability of a response.
- Flexibility is of highest importance in disaster response. All organisations interviewed had to modify their strategies to better address needs. They all stressed that it is crucial for an organisation to be able to change strategy in order to reflect changes in the field.

³³ Interview with MSF-DK, Director Philip Clark, Director of Communication Michael G. Nielsen

- Local staff has to be recruited to the maximum possible extent. Expatriate staff could occasionally have very unrealistic expectations of their own role and local staff could be expected to react negatively to large numbers of expatriate staff being flown in.
- Despite successful projects, all organisations interviewed (except for DCA that has a clear relief mandate) will probably not participate in first phase emergency response in the future. They will instead concentrate on their core mandates.

Key messages

This evaluation team would like to draw attention to the following key messages:

- All organizations interviewed praise the co-operation with Danida both in general and with regard to the tsunami response. The dialogue between the parties is considered open and direct. With regard to the tsunami response Danida was perceived by the organisations as exceptionally swift and flexible. The co-operation is institutionalised in the so called “Humanitarian Contact Group” in which both private and public organisations participate. The group served as a very useful tool for information on the Danish Tsunami response.
- The public and private funding for the Tsunami complemented each other in as far as the Danish Government decided not to fund projects in India and the NGOs decided to use their privately collected funds in India. By using their own funds and their own appeal systems the NGOs are able to reach forgotten or neglected victims. Likewise, the organisations can allocate their own funds to longer term reconstruction efforts to beneficiaries and countries where Danida decides not to engage.
- Some organisations have disbursed very little of their reconstruction funds beyond the initial relief phase, especially in relation to rehabilitations of IDPs in Sri Lanka. This seems mainly to be due to unresolved issues of land etc.
- The large scale response that the tsunami response was placed a heavy strain on some organisations especially if first phase emergency aid was outside the NGOs core mandate. Even for a large relief organisation such as DCA, a response of this scale was a strain on the organisational capacity. The problem is exacerbated in case the organisation decides to intervene in a country where it does not have a strong network or partner. The organisations interviewed which do not normally engage in implementing first phase emergency aid are hesitant about engaging in this type of response again in the future. They prefer to concentrate on their core mandates.
- At this stage the organisations have not had time to thoroughly reflect on the implications of their organisation engaging in such a large scale response. It could be worthwhile to return to this question in a year when the organisational effects are more obvious.

Annex

Terms of Reference

The International Community's Funding of the Tsunami Emergency and Relief. Theme 5 NGO funding

Background

Please read this document after reading the two attached background documents, "The Tsunami Evaluation Coalition: An Introduction" and "Concept Paper for Evaluating The International Community's Funding of the Tsunami Emergency and Relief"

The tsunami catastrophe that struck Asia on 26 December 2004 is one of the worst natural disasters in modern history. Although the major impact was felt in India, Indonesia, the Maldives, Sri Lanka and Thailand, several other countries were affected including Myanmar and Somalia, or touched by the tsunami including Bangladesh, Kenya, Malaysia, Seychelles and Tanzania. More than 170,000 people are thought to have died and thousands more injured. Overall, an estimated 2 million people have been directly or indirectly affected; of whom 1.7 million are internally displaced³⁴. Damage and destruction of infrastructure has destroyed people's livelihoods, left many homeless, and without adequate water and healthcare facilities.

The world - governments and people – responded with unprecedented generosity in solidarity with the rescue and relief efforts of the affected communities and local and national authorities. More than \$ 6 billion has been pledged for humanitarian emergency relief and reconstruction assistance to tsunami affected areas. This has been instrumental in reducing or mitigating the consequences of the disaster, and in boosting the current recovery and reconstruction efforts.

This evaluation is part of the overall evaluation by the Tsunami Evaluation Coalition. It is a thematic evaluation of the funding response by the various governments, UN agencies, NGOs and INGOs. The overall shape of the funding response evaluation is laid out in the Concept Paper annexed to these TORs.

The purpose of this specific evaluation is to:

- 1) Understand how the Danish NGOs acquired and managed their funding for the tsunami relief effort. The tsunami attracted an unusual number of actors from the broader NGO world so it would be important to have a representation of that broader group, even if time and capacity will limit what can be done
- 2) Analyse the relationship between the agencies competence – competence in terms of what?, presence and appeals on the one hand and funding flows, spending and impact on the other. Note: it will be difficult to have much in terms of impact beyond the initial emergency response and recovery/early rehabilitation phase as in most cases we are considering a response framework of 3-5 years+ - the link between funds raised, funds spent and impact needs to be defined to the short term timeframe of the evaluation process itself. What we also need to focus

34 Figures for numbers dead and missing taken from Guha-Sapir, Van Panhuis, "Health Impact of the Tsunami: Indonesia 2005". Brussels Centre for Research on the Epidemiology of Disasters, July 2005

more on is implementing agency plans and how funds raised/accessed are/will be allocated in terms of the overall response timeframe

3) Describe the overall nature of the agencies' funding base for this operation. What is the ratio of government to private funds and how does this compare with their normal profile? How important have corporate donations been?

4) Describe what evidence there is that the tsunami response has tapped into a hitherto un-accessed supporter base? Is there any evidence of a ratcheting up of the supporter base of the agencies?

5) Analyse how well the agencies financial systems have coped with the significant increase in funding flows? Is there evidence of system overload? On the programming side, is there evidence of funding to other operations being affected? Is there evidence of tsunami funds being used to offset previously under funded areas of work?

6) Analyse if programming was needs-driven or more influenced by the need to send quickly. Analyse the flow of goods in kind including pharmaceuticals. Have unsolicited goods been donated?

Final report

The author's final report should be presented in a structure common to all the pieces of work being commissioned for this evaluation.

An introduction which describes the nature of the data and subject specifically being evaluated.

An overview of the methodology adopted with particular reference to data sources.

A presentation, in narrative, table and graphical form, of the data gathered.

An analysis of the data in the light of the six key issues presented above.

An annex containing cited references

The main report should be presented as a MS Word file in English using British English spelling. Tables and graphs may in addition be presented as MS Excel files.

Authors should note that their report will be compiled and edited into the overall report on the evaluation of flows which in turn is one of a number of key evaluations being conducted.

Timetable

The penultimate draft of the evaluation must be submitted to the evaluation organizers, by email, no later than 14th October.

The organizers will feed comments back to the evaluator in weeks two and three of October. Final draft material must be presented by email to the organizers by Tuesday 15th November.

References

Interviews:

NGOs

| | |
|-----------------------|--|
| Clarke, Phil | Director, MSF-DK |
| Jørgensen, Doris | Director Finance, ADRA |
| Lykkegaard, Klaus | Chief of Emergency, DanChurchAid |
| Lænkholm, Christer N. | Emergency Budget Coordinator, DanChurchAid |
| Nielsen, Michael G. | Head of Communications, MSF-DK |
| Nørlem, Klaus | Director General, Danish Peoples Aid |
| Ravn-Pedersen, Thomas | Director of Communications, DanChurchAid |
| Vaagen, Arne | Chief of International section, Danish Refugee Council |
| Wærn, Margit | Programme Assistant, ADRA |

Danida

| | |
|----------------------|--------------------------------------|
| Christensen, Jan Top | Head of Humanitarian Department, MFA |
| Kaas-Claesson, Peter | Chief of Section, DEMA |
| Kjellberg Lars | Senior Staff, MFA |
| Ulbæk, Sus | Head of Asia Department, MFA |
| Pernille Brunse | Ministry of Defence |
| Keld Christensen | Head of Office, Ministry of Defence |

Background documents:

“Strategic Priorities in Danish Humanitarian Assistance” (MFA, February 2002)

“General Principles for Aid to Danish NGOs Humanitarian Response” (MFA)

“Guide to the Preparation of Project Documents-Humanitarian Assistance” (MFA)

“Evaluation of the Danish management of the Tsunami” (MFA, May 2005)

Project proposals, reports

Press releases and website documents

Tables

Description by Destination

| Country | Allocated \$ |
|-----------------------------|---------------------|
| Sri Lanka | 23.681.109 |
| Shelter | 2.953.597 |
| Food | 1.083.093 |
| Health | 8.932.482 |
| Water and Sanitation | 196.169 |
| Agriculture | 3.637 |
| Rehabilitation | 957.854 |
| Education | 658.152 |
| Mine action | 25.543 |
| Protection and Human Rights | 204.342 |
| Security | 52.107 |
| Multisector | 3.918.433 |
| Unspecified | 4.695.698 |
| Indonesia | 14.080.519 |
| Shelter | 118.178 |
| Food | 151.292 |
| Health | 3.151.980 |
| Rehabilitation | 2.043.423 |
| Education | 2.709.579 |
| Protection and Human Rights | 1.106.854 |
| Multisector | 989.357 |
| Unspecified | 3.809.856 |
| India | 7.295.196 |
| Shelter | 3.405.705 |
| Food | 1.191.997 |
| Health | 1.021.711 |
| Agriculture | 340.570 |
| Education | 340.570 |
| Protection and Human Rights | 510.856 |
| Unspecified | 483.787 |
| Somalia | 204.342 |
| Food | 8.089 |
| Water and Sanitation | 596 |
| Rehabilitation | 20.264 |
| Coordination | 1.703 |
| Security | 3.406 |
| Unspecified | 170.285 |
| Thailand | 2.193 |
| Unspecified | 2.193 |
| Myanmar | 85.143 |
| Unspecified | 85.143 |
| Regional | 3.243.934 |

| | |
|--------------|-----------|
| Coordination | 468.284 |
| Multisector | 1.498.510 |
| Unspecified | 1.277.139 |

* Disbursement and timeframes are not available on sector level