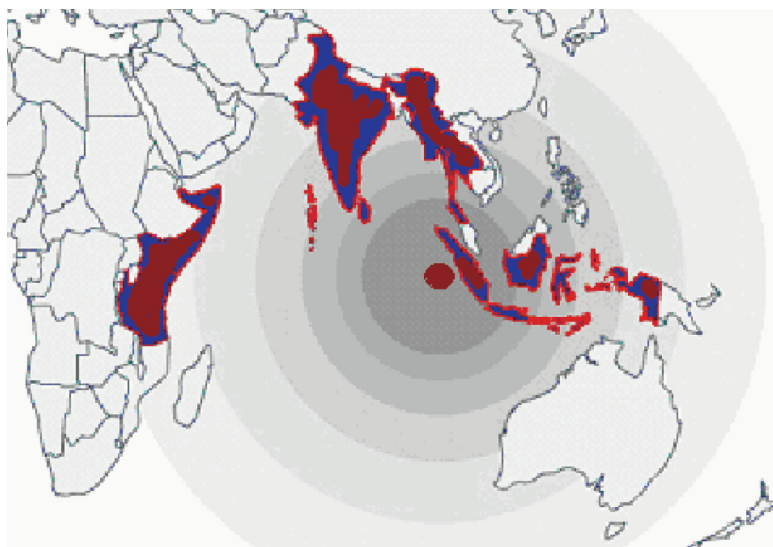


Tsunami Evaluation Coalition (TEC)

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



NGO Funding

The Netherlands

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Abbreviations and Acronyms

AZG	Artsen zonder Grenzen/ MSF
CAP	Consolidated Appeal Process
Cordaid	Mensen in Nood/Cordaid
DAC	Development Assistance Cooperation
DARA	Development Assistance Research Associates
DEC	Disasters Emergency Committee
DGIS	Directorate General for International Cooperation, MFA
DMV/HH	Humanitarian Aid Division, MFA
ICRC	International Committee of Red Cross
IFRC	International Federation of Red Cross
IDP	Internally Displaced Person
INGO	International Non Governmental Organisation
IOB	Policy and Operations Evaluation Department, MFA
MFA	Ministry of Foreign Affairs
NGO	Non Governmental organisation
NRC	Het Nederlandse Rode Kruis
OCHA	Office of Coordination of Humanitarian Assistance
ODA	Official Development Assistance
SHO	Samenwerkende Hulporganisaties
SPHERE	Humanitarian Charter and Minimum Standards in Disaster Response
TEC	Tsunami Evaluation Coalition
TNT	World Wide Mail Express and Logistics Service
TOR	Terms of Reference
UNICEF	United Nations Children's Fund
WFP	World Food Programme

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 “nødhjælp”, in the Netherlands “noodhulp” and the 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 does not have control of the funds anymore. 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 **Dutch 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 Dutch NGO Funding is to:

- 1) Understand how the Dutch 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 time and capacity allow.
- 2) Analyse the relationship between the agencies' competence in terms of presence and appeals on 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. Were 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 October and November 2005.

This 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 the Netherlands, 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 evaluation team ensured triangulation of findings by applying a variety of data collection methods comprising desk research and analysis of existing documents and literature from the NGOs; interviews with key informants in the relief organisations' headquarters and in the Dutch 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 Dutch Ministry of Foreign Affairs – such as: policy documents; previous evaluations and press releases.

One important source of information was a report² published by the Samwerkende Hulporganisaties (SHO)³ in October 2005 on 17 major Dutch NGOs' activities and their response to the tsunami. It includes financial data till the end of August 2005, and in cases where data was missing from the returned questionnaires, data from this SHO report was used in the analysis. The evaluation team is of the impression that the SHO fundraising campaign to a large extent covers the funds raised, as the organisation includes the major NGOs on the Dutch "Relief scene".

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 and obtain confirmation of financial data.

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 on 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.

² Derde tussenrapportage SHO-actie "Help slachtoffers aardbeving Azië" October 2005

³ Samwerkende Hulporganisaties, umbrella-body for fundraising in emergencies

General description of NGO context in the country

NGO Fundraising in the Netherlands is largely done through Samwerkende Hulpororganisaties (SHO). SHO is a joint fundraising body that was formed in 1987 with the aim of joining forces among the NGOs vis-à-vis the mass media with regards to fundraising.

The SHO had an overwhelming response from the Dutch public to their fundraising campaign, raising a total of €208 million (\$ 264 million) in private and public donations for the tsunami response. The amount collected is unprecedented even in the Netherlands where the Dutch have a history of private philanthropy⁴. According to a survey⁵ during the period 1995-2000 private philanthropy in the Netherlands amounted to 4.49% of GDP as compared to Sweden 4.41% and Ireland 1.67%.

The nine member organisations of SHO are all major relief and development NGOs in the Netherlands and also key players with regards to implementation of Dutch official development assistance (ODA). In total Dutch NGOs (Members and Guest Members of SHO) accounted for implementing 30% of official Dutch humanitarian assistance to the tsunami disaster. DGIS (Directorate General for International Cooperation and Political Affairs) in the Dutch Ministry of Foreign Affairs pledged €5 million to the SHO on the 30 December 2004. The amount was not based on actual proposals from the organisations⁶ but was a way for the Dutch Government to kick-start the private fundraising.

The SHO member organisations are Cordaid (affiliated internationally with Caritas); N(o)vib (affiliated internationally to Oxfam International); Dutch Red Cross; Kerkinactie (affiliated internationally with ACT); UNICEF (UN); Stichting Vluchteling; TEAR Fund; Terres des Hommes; and AZG (MSF-NL). MSF-NL decided not to take part in the fundraising as they had sufficient funds for their response in the affected areas. For the tsunami campaign a further nine organisations joined the SHO fundraising as guest members. These were Save the Children NL; Hivos; Habitat for Humanity; Plan NL; ZOA Vluchteling; CARE NL; SOS Kinderdorpen; TPG Post/WFP; Family Help Programme; and World Vision NL.

SHO was approached by more than 50 different organisations who wanted to join the SHO fundraising campaign. They were rejected on the basis of not fulfilling the criteria for joining the SHO. The criteria for being a member and hence be able to apply for funding through SHO are that the organisation should be 1) relief agencies, 2) certified as a charity according to Dutch legislation, 3) working through local partners and 4) performing needs assessment.

The tsunami campaign was unusual in the SHO history as this was the second time the SHO allowed guest members to join a campaign⁷. The scale of the disaster and the expected response from the public were the major reasons for accepting guest members.

⁴ Defined as volunteering and giving.

⁵ The John Hopkins Comparative Nonprofit Sector Project, Private philanthropy as a percent of GDP, by country, ca. 1995-2000

⁶ The organizations did not send in proposals that matched the sum before the end of January 2005.

⁷ The first time was when SHO was fundraising for the response to Hurricane Mitch.

Dutch NGOs involved in fundraising

NGO	Mandate	Total raised \$	Spent \$	Foreseen timeframe
CARE	Relief	1.567.931	613.323	31-12-2006
Cordaid	Relief, Rehabilitation, Development	49.538.337	25.946.071	30-06-2007
Family Help Programme	Housing	688.190	116.233	31-12-2006
Habitat for Humanity	Rehabilitation, Development	3.805.658	278.515	31-12-2006
Hivos	Development	3.805.658	1.461.871	31-12-2006
Kerkinactie	Relief, Rehabilitation, Development	37.371.463	2.229.561	na
Dutch Red Cross	Relief, Rehabilitation	42.327.483	1.149.225	31-12-2006
N(o)vib*	Relief, Rehabilitation, Development	27.176.468	3.768.670	31-03-2007
Plan	Development	2.854.243	1.444.914	31-12-2006
Save the Children	Rehabilitation, Development	4.805.013	2.921.242	31-12-2006
SOS Kinderdorpen	Rehabilitation, Development	1.268.553	-	31-12-2006
Tearfund	Rehabilitation, Development	13.759.820	866.203	31-12-2006
Terre des Hommes	Development	16.895.273	4.814.496	31-12-2006
UNICEF	Fundraising, Children, Awareness	30.460.350	5.565.878	31-12-2005
Stichting Vluchteling	Refugees	21.711.924	3.865.841	31-12-2006
World Vision Netherlands	Rehabilitation, Development	602.562	218.200	31-12-2006
ZOA Vluchtelingzorg	Refugees, Relief, Rehabilitation	3.951.757	-	31-12-2006
TNT	Relief, Food aid	634.276	634.276	31-12-2005
Total		263.224.960	55.894.520	

* Spent by end of July 2005.

Emergency Action

Dutch NGOs responded very swiftly to the tsunami disaster. Actions were taken both through local partners, international affiliations present in the affected countries and through deployment within few days of emergency response teams. Initial appraisal of needs and response capacity was made in order to determine the appropriate response.

The initial intervention focused on providing emergency supplies to the displaced people and building temporary shelters. Partner organisations conducted their own needs assessments and submitted proposals in order to receive funding. Staff members were seconded from headquarters and local offices to assist with needs assessments and preparation of emergency proposals in coordination with international partners.

Needs assessments were initially conducted by local partner organisations and based on previous knowledge of needs in disasters. Assessments were also conducted in collaboration and co-ordination with national and local government; local communities; UN bodies; National and international NGO's. The initial first phase response was based on highly aggravated figures of need while the second phase included beneficiary participation.

For all the organisations the international affiliation played an important role in relation to the allocation of funds and response strategy. N(o)vib is one out of five members of the "Oxfam International Humanitarian Consortium" the Oxfam international body that joins up for emergencies to act as focal point for coordinating individual and joint efforts by Oxfam members. They draw on emergency capacities from within the Oxfam network and from partners on the ground that have been selected in contingency planning processes.

Cordaid is affiliated to the international Caritas network that set up Emergency Response Support Teams (ERST) in Sri Lanka and India respectively while Save the Children NL is affiliated to the international network under Save the Children International Alliance and were relying on initial assessment in cooperation with SCUK and SCUS field offices in Sri Lanka, India and Indonesia.

Selection of NGOs under study

For the purpose of this evaluation four NGOs were selected. The criterion for selecting NGOs for in depth analysis was mainly the amount of funds that the organisation had collected for the tsunami response.

Cordaid, N(o)vib and Kerkinactie were chosen as they are the three organisations that had collected the highest amount of funding in the Netherlands. They are all core Members of SHO.

Save the Children was chosen in order to obtain a representation of a broader group. The organisation is only a guest member of SHO and received funding directly from the Dutch Ministry of Foreign Affairs.

Unfortunately, Kerkinactie did not find the time to meet with the team and has not responded to the questionnaire either. Due to time constraints it was not possible to select a substitute "focal" NGO, and therefore the study only covers two large and one minor NGO.

General description of budget sources and allocations

		Raised \$
Non-private sources	National	12.808.975
	Other	500.000
Private sources	General Public*	249.861.914
	Corporations*	554.071
Total		263.859.236
* It has only been possible to specify few corporate from private sources Exchange rate 2005 provided by TEC: € 0,7883 to \$1,		

As a general rule the NGOs did not accept in kind donations, as they had not identified any need for it.

The SHO reported that most private funding came from individuals rather than corporations. It is estimated that approximately €40 million (20%) came from corporations. It is also estimated that 50% of individuals that donated money to the tsunami were new donors⁸.

When receiving public funding from DGIS, the NGO can charge 3% in administration costs (based on real costs) whereas up to 6% can be charged for the private funds collected through SHO⁹.

Distribution of income 2003 and 2004

	Share Government funds 2004	Share private funds 2004	Share corporate funds 2004	Share Government funds 2003	Share private funds 2003	Share corporate funds 2003
Cordaid	2,4%	97,6%	Na	3,1%	96,1%	Na
N(o)vib	70%	30%	Na	70%	30%	na

Cordaid reports that in addition to funds raised in SHO they received earmarked funds directly from Dutch corporations. However this only amounted to 1% of the privately raised funds.

N(o)vib is expected to have a total of \$ 60 million (US\$ 43million are secured, \$17millio will come in 2006) available for the tsunami response. Of this 40% is derived from SHO and 60% from other Oxfam affiliates. In this regards, funding from Dutch MFA (\$ 0.7 million) is relatively small. Oxfam internationally raised more than \$ 256 million.

Save the Children NL received a major part of their funding for the tsunami response directly from DGIS and DFID-UK. Of the total € 4,287,792 raised 44% was received through SHO. In addition, they received private funding from some Dutch schools.

Previous experience with individual fundraising shows that new appeals to old “supporters” do not pay off. Save the Children raised more funding by joining SHO than they would have managed outside the SHO. This is mainly due to the fact that individual fundraising is expensive and competing with SHO joint fundraising is doomed to fail.

Means of donations

The public was able to donate to the campaign by using a variety of means. A Giro number was used “Giro555””, which is the account number generally used by SHO in fundraising campaigns and which has become over the years an “institute” in the Netherlands. The giro number became very successfully associated with the campaign and could be considered brand name of the year in the Netherlands¹⁰. The major TV show was backed up by call-centres where private and corporations could call in and donate money. In addition the public was able to donate through online payments and SMS or bank transfers.

⁸ Interview Jan Bouke Wijbrandi, Novib

⁹ Costs have to be specified.

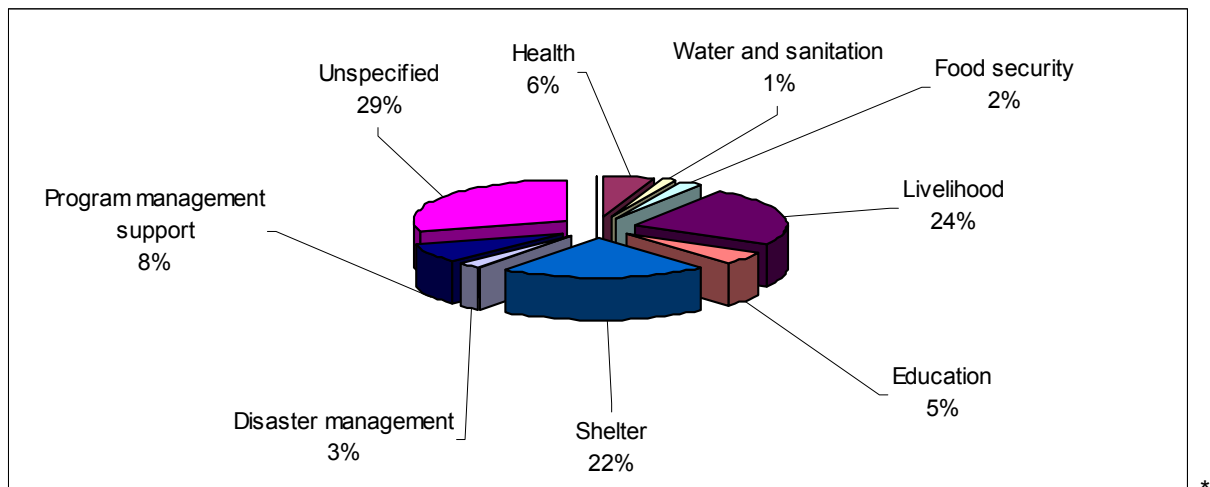
¹⁰ Jan Bouke Wijbrandi, SHO

Sector distribution

The table below demonstrates the distribution of funds to different sectors. Of the funding already allocated, Livelihood and Shelter are so far the largest sectors with more than 20% each.

Shelter makes up 22% of allocated funds so far (about 12% of the total funds raised). None of the organisation has reported allocating any funds to the food sector which could be explained by the fact that only a few of the NGOs act as first phase emergency agencies.

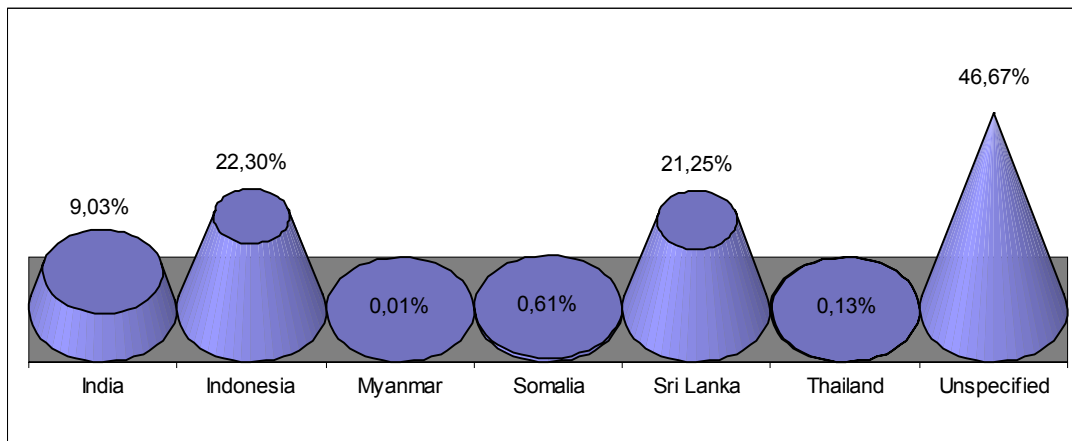
Of the total country allocation to date, 29% has still not been allocated to specific sectors.



Please see table in annex for more information on description by destination

Country distribution

The worst affected countries are also the countries that received the most funding. Sri Lanka and Indonesia has received 44% of funds allocated so far. However, almost half of the total funding has not yet been allocated to a country which could reflect that some NGOs at this stage do not have sufficient capacity to implement the unprecedented fundraising amounts.



*Please

see table in annex for more information on description by destination

Cordaid reports difficulties of implementation in Sri Lanka due to the limited capacity of local partners and hence still remains to allocate 48% of their funding raised through SHO. Nevertheless, Cordaid has committed itself to spending all funds by mid-2007.

N(o)vib's desire is to spend all funds by the end of 2006/early 2007 in order to enable tsunami victims to re-establish livelihoods as early as possible. By September 2005 N(o)vib has committed 93% of its SHO-income to tsunami programs¹¹.

Save the Children has committed itself to spending all funds by the end of 2006 and remains to commit 12% of funds raised through SHO.

Fundraising and crisis response policy

All the mayor Dutch relief organisations collected private and public funds for the tsunami response through SHO.

SHO started as a loose co-operation in 1987 following the first large media generated fundraising events to address hunger in Africa in the mid 1980. It was the TV stations and newspapers refusal to work with so many different organisations that forced the organisations to co-operate when dealing with the media.

The main mandate of SHO is joint collection of money via the mass media to large scale disasters. In addition, SHO provides information to the public on disaster situations and coordinates the relief response at headquarter level. Decisions regarding the SHO are taken by the directors of the member organisations. The organisations affiliated to SHO are individual organisations and the chair is rotating every 18 months among the 9 member organisations.

Usually the chairmanship is in charge of the fundraising events during its presidency and provides the relevant staff resources, supplemented by staff of the participating organisations. A back office is in charge of joint reporting to the public, media and back donors (Ministry of Foreign Affairs). Following the tsunami campaign, a permanent SHO front office has been established within Kerkinactie and it is in charge of the campaigning activities. SHO is similar to

¹¹ Hans van den Hoogen, Novib

the NGO platform DEC in the UK except that it is a looser co-operation and DEC applies more tightly quality and monitoring/evaluation procedures.

The directors of the member organisations of SHO decide whether or not to initiate a joint national appeal in each disaster situation. The criterion for deciding is based on the scale of the disaster, whether support is needed, whether the media is interested and whether the public is expected to donate. The SHO expects a successful campaign if the media contacts SHO first¹². In the case of the tsunami there was an overwhelming interest from the media and fundraising campaign turned out to be the most successful ever in the history of SHO.

The key fundraising event in relation to the tsunami was a large-scale TV-show with entertainment as well as call centres for donations that involved three major TV channels (both private and public). The campaign show had 6 million viewers. Besides the giro555, people could donate via the website or by SMS. Fundraising events such as concerts and sports tournaments were arranged by the public. SHO did not have a special campaign directed at corporations. It is the experience of SHO that corporations in general donate more if the campaign involves large scale TV shows such as the tsunami TV-show¹³.

Normally a fundraising campaign runs for six weeks. To finalise SHO usually issues a press statement and the campaign has officially stopped. However, the tsunami campaign has still not been officially closed as money is still being paid into giro555.

The expenditure to fundraising is much lower when fundraising is done jointly. The administration of the campaign is lower and in addition all the TV stations and newspapers provide airtime and advertisements for free.

The distribution between the organisations is determined by their capacity and size. The distribution is based on previous humanitarian aid spending & collecting (including public fundraising) and previous income from SHO. The inclusion of guest members for the tsunami campaign posed new challenges to the distribution model. The guest members were granted 10% of the first €150 million collected to be distributed among them. They did not get a share of the funds collected above €150 million.

The organisations committed themselves not to engage in any fundraising outside the SHO framework once a SHO campaign has been initiated. An organisation is, however, allowed to collect funds outside SHO with very low profile initiatives. They are, for example, allowed to appeal to their regular members or support base and are also allowed to keep earmarked funds directed at specific Dutch NGOs, such as the funds Cordaid and Save the Children received. Even the guest members such as Save the Children Netherlands did not launch individual appeals for the tsunami. Save the Children mentioned on their website, that they were willing to receive donations for the tsunami response but they did not actively solicit donations from private sources.

¹² Interview senior staff SHO back Office

¹³ Interview Jan Bouke Wijbrandi, Novib

Response to appeals/need assessments

All of the NGOs interviewed used their own appeal systems. Cordaid used Caritas International, N(o)vib used Oxfam International and Save the Children-NL used International Save the Children Alliance.

Cordaid sent out one staff member from headquarters to conduct a needs assessment in Sri Lanka for the emergency phase. In Indonesia, Cordaid staff members conducted needs assessments for the reconstruction phase only as they had no prior long term cooperation with local partners. As second phase assessments included both beneficiary participation and gender considerations these reports were longer underway. In India the need assessment was conducted by local partners.

For the first emergency phase, N(o)vib sent out staff to India, Sri Lanka, Aceh, Burma and Somalia in the first weeks after the disaster, in order to work with partners Oxfam's on assessment based programming. N(o)vib also relied on centrally collected figures from other agencies (UN) and governments, that were used by the Oxfam International Tsunami Fund Management Team to give a central steer to overall programming and allocation of resources to the different Tsunami affected countries. In the second phase, needs assessments were to a higher extent conducted by local partners in the affected areas.

None of the NGOs responded directly to UN flash Appeals.

Coordination

The NGOs coordinated within their own networks. They participated in coordination efforts by local governments and the UN in the field. The Dutch embassy in Sri Lanka is facilitating to coordinate the Dutch relief organisations. This is proving difficult as many smaller organisations were very inexperienced and sometimes operated without legal national permission.

Cordaid engaged in efforts to help local organisations partake in coordination networks as local organisations complained about being overrun by larger actors.

Overview of emergency response mechanisms/ agency competence

Cordaid is part of the Caritas network which pools funds for distribution to member organisations. Cordaid is mostly involved in rehabilitation and development work in the sectors of health, peace building, food security and access to markets.

Cordaid did not have strong partners specialised in emergency work in Sri Lanka or Indonesia. In Sri Lanka they had to rely on five partners, some of whom are engaged in peace building work and in Indonesia Cordaid had to send out a high number of expatriate staff members. The organisation therefore decided to leave the immediate emergency work to other organisations and instead concentrate of the rehabilitation phase which is their core expertise.

N(o)vib is part of the Oxfam consortium which pooled together all the funds received by the member organisations for the Tsunami. N(o)vib is also part of the Oxfam Tsunami Fund management team which takes the decisions on allocation of funding within the network. N(o)vib as an organisation is not operational. It manages funds but the actual implementation is done by local partners. The organisation is normally in its development program, involved in education, human rights, micro finance and building of livelihood, and gender. Most of the

N(o)vib partners are less experienced first phase relief organisation. N(o)vib is increasing its humanitarian mandate and is engaging in humanitarian contingency planning in a number of countries. This includes training of local NGOs in relief work with focus on quality standards (SPHERE standards and Codes of Conduct).

N(o)vib had many partners in Sri Lanka, India and Somalia but only two minor partners in Aceh, Indonesia and one in Burma. Oxfam GB as an organisation has a large capacity to mount an operational response in areas where local capacity is weak. As part of the Oxfam International division of roles it was agreed that Oxfam GB would start a large operational program in Aceh and on the Andaman islands (India)

Previous presence in the affected countries

Cordaid was present in Sri Lanka and India but had no prior partner in Indonesia. Cordaid has a long tradition of involvement in India; there was a local Caritas present and additionally 10-15 local partners to draw on. In Sri Lanka Cordaid was working with five local partner involved in peace building projects. It was organisations not normally involved in implementing emergency projects.

In Indonesia, Cordaid has been developing relations with seven NGOs including Perdhaki, Dioseces, ICMC, and JRS since the beginning of the response. The local partners in Indonesia needed organisational capacity building and the international Caritas appeal for Indonesia is presently being revised. As such Cordaid is not able to say how much funding will be spent in Indonesia. However, with international Caritas funding the implementation period can exceed beyond 2007, which is the limit for SHO funds.

N(o)vib had prior presence with strong partner base in India, Sri Lanka, Somalia and a weaker partner base in Aceh, Indonesia and Burma. Due to the conflict in Aceh, space for civil society organisations to operate in Aceh before Tsunami was limited. Also space for civil society organisations in Burma is limited.

Save the Children was in the affected area through SCUK and local branches of SCUS. Save the Children has a long history of working in the area, including in emergency relief, with a large number of offices.

Media coverage and relationship/influence

SHO acts as interlocutors between the NGOs and the media. SHO appointed a spokesperson for the organisations and their joint fundraising campaign. The spokesperson is in charge of all communication including informing the public and the media of the catastrophe and the response of the organisations and coordinates individual media contact by participating organisations.

Decision making criteria and mechanisms for funds expenditure

Cordaid's overall plan was to ensure that Sri Lanka and Indonesia get the lion part of the funding as they were the most affected countries. The allocation of funds was done in headquarters in den Haag. There was competition between the country teams for funds. Cordaid wanted to contribute to the Caritas appeal with earmarked funds for specific programmes. Cordaid eventually pledged € 3 million (\$ 3,8 million) to Sri Lanka, € 5 million (\$ 6,3 million) for India and € 2,5 million (\$ 3,2 million) for Indonesia.

N(o)vib and the Oxfam International Tsunami Fund management team gave a central steer to planning done by the Oxfam staff working together in the different affected countries. The Oxfam International Tsunami Fund Management Team developed a strategy at the beginning of January 2005. The strategy, finalised in March 2005, was to allocate 40% of the global Oxfam funding to Indonesia, 30% to Sri Lanka, 20% to India, 4% to Somalia, 1% to Burma, 0.5% to other countries (Maldives, Thailand) and the rest for monitoring & evaluation, research and communications. The needs assessments were centrally steered in order to secure funds for the areas and sectors in most need. Allocation of the funding was decided initially on the basis of limited actual information. The organisation instead used its extensive experience with disaster situation for qualified estimations.

Programming systems (need to spend or need to be effective)

There is a great pressure from the media and the public on the NGOs to spend the funds swiftly and effectively. In relation to reconstruction, there is however a great deal of consensus among the SHO member organisations to insist on well planned reconstruction as opposed to swift¹⁴. Usually funds raised through SHO have to be implemented within 2 years. In the case of the tsunami, this criterion can be extended by one year.

This time restraint could prove problematic as the organisations by the end of October 2005 have committed 56% of total raised and spent only 21%. Funds unspent by the end of the 3 year period have to be returned to the SHO. This gives the organisations an incentive to spend quickly.

Management of funds

Both N(o)vib and Cordaid have employed more people in the field as well as in headquarters to manage the tsunami funds. In the initial phase of the response, existing staff managed with existing resources. There was no time to employ and train additional staff. After a few months more staff was employed both in the field and in headquarters.

Cordaid has employed at least eight new staff members in headquarters and 18 new staff members in the field as a result of the tsunami funds. Cordaid does not have offices in the affected areas with a competence to decide on allocation of funding. A task force was established that included people from the regional department, the humanitarian department and the communication and fundraising departments.

N(o)vib managed the tsunami response initially with a small core team in the first phase. There was at that time hardly any time to recruit extra staff. However, since March 2005, 10 new staff members have been employed both in headquarters and in the field. The new staffs are building capacity of local partners through monitoring and liaison. In the beginning of the response N(o)vib received weekly reports from partners. The organisation however realised that that was not the best way to monitor as they did not have staff available in headquarters to conduct a proper analysis of all the data. Now partners report on a monthly (short) and three monthly basis and N(o)vib is monitoring execution of programs through regular on-the-spot visits. External evaluations have been planned for all major programs.

¹⁴ SHO communiqué

To a certain extent, the public holds the SHO jointly accountable for their individual tsunami responses. Although SHO is primarily a fundraising body and the organisations have separate programmes and projects the organisations are vulnerable in terms of any negative media attention of individual organisations. If one member organisation is the object of negative attention it affects the image of all the organisations involved in SHO.

There are many ideas for the future development of SHO. Some organisations wish to institutionalise SHO into becoming more like the DEC of the UK, whereas other organisations prefer to keep the present more informal structure.

Smaller organisations could possibly benefit if they were to become core members of SHO, as they do not have the resources for large scale campaigning themselves. At present the smaller organisations that are not members of SHO have very few options for fundraising because SHO is seen as “*The Fundraising Body*” in the Netherlands.

On the other hand the success of Tsunami appeal attracted many new potential SHO members, but not all appeals are that successful and sometimes the appeals don't raise enough to cover costs of fundraising (SHO agreement says that max 20% of appeal money can be used for fundraising), meaning that the organisations have to pay out of their own funds the costs¹⁵. This was the case with the Iraq appeal (2003) and the Orissa floods appeal (2001).

SHO is committed to publishing quarterly reports on the tsunami response. A common reporting format has been developed for reporting to SHO. It is the SHO back-office based within N(o)vib HQ that is in charge of drawing up the reports on the basis of information from the individual organisations.

A demand for increased transparency and accountability have followed the tsunami fundraising. In order to maintain credibility in the eyes of the public, a new set of principles have been applied to accommodate the demand. Furthermore an external committee chaired by a former president of the Dutch Government Court of Auditors has been established to preside over the spending of the tsunami funds.

N(o)vib is reporting its funding for Sri Lanka to the UN Financial Tracking System (DAD). Otherwise none of the organisations reported their funding to this system.

Effects on the NGOs

The Dutch relief organisations raised a huge amount of money and organisations such as N(o)vib and Cordaid had € 21.4 million and € 39 million respectively to allocate, commit and spend. Despite both organisations being among the largest relief organisations in the Netherlands they were still overrun by the tsunami response. As organisations, they were not prepared for a catastrophe of this magnitude. Both organisations plan to strengthen their emergency capacity for future disaster situations both in headquarters and in the field.

¹⁵ Hans van den Hoogen, Novib

Following the huge influx of especially privately collected tsunami funds, the major Dutch relief organisations have imposed stricter financial rules and reporting standards on themselves. The organisations implemented new financial rules as early as January 2005. Previously, the organisations were allowed to keep 6% of the collected funds as overhead (for general administrative purposes). Now 6% is the maximum and the organisations have to specify how the money is spent. If funds are transferred to a partner organisation for implementation, the organisation is allowed to keep less than 6%. The organisations have moreover introduced a new and stricter format for reporting and have installed a back office that is responsible for joint reporting to the public, media and back donors. As such the tsunami funding has had a substantial effect in terms of an improvement in accountability standards.

Lessons learned, reflections of the organisations

The organisations interviewed expressed recognition of the following lessons learned:

- It is important to take the time to conduct proper evaluations of lessons learnt internally in the organisation;
- It is very difficult to engage in large scale operations without local partners with prior knowledge on emergency work;
- Staff posted under difficult circumstances face severe emotional stress. It is important to give staff member's proper support. A person in headquarters should be in charge of mental support. It should not be the same person that is in charge of operations;
- Complete, systematic need assessments have to be conducted and it is important to allocate time in the first phase of a response to draw up a proper response strategy;
- The need for a swift response should not compromise quality. There is a need for a "slow hurry";
- More people are needed in the field on a permanent basis. The organisations were not prepared for a disaster of this magnitude. It is important to have a permanent emergency team available. It has to be a team that knows the organisation well.

Key messages

- Dutch NGOs in the SHO raised an unprecedented amount of €208 million (\$ 264 million) in private and public donations. Of these € 116 million (\$ 147 million) have been allocated and € 41 million (\$ 52 million) had been spent by August 2005.
- The relief organisations have committed themselves to try to spend all funds within 2 years of the disaster - a deadline that can be extended for one year. However, it seems unlikely that this goal can be reached as the amount raised was very substantial; half of the funds have not yet been allocated to specific countries or sectors; and only 21% had been spent by the end of August 2005.
- The organisations were to some extent overrun by a catastrophe of unprecedented magnitude. They did not have an emergency preparedness capacity at neither headquarter nor field level that allowed them to respond as systematically and as structured as they desired. The larger organisations interviewed plan to enhance their disaster preparedness capacity.
- The key Dutch relief organisations have formed a joint fundraising body; SHO and the nine permanent and nine guest member organisations participated in the joint campaign for the purpose of the tsunami fundraising. The large amount donated by the public has led to the SHO organisations setting stricter rules for themselves in terms of joint reporting both in relation to financial data and actual operations. The organisations have separate projects and programmes but are to a certain extent viewed by the public as one organisation and are held accountable as such. The members of the SHO are in the process of deciding if they want to introduce these joint reporting structures more permanently or if they prefer to remain a strictly fundraising body;

Appendix

Terms of Reference

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 displaced¹⁶. Damage and destruction of infrastructure destroyed people’s livelihoods, and 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 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 more on is

¹⁶ 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

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 7th 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 Friday 4th November.

References

Interviews:

DGIS

Andriessen, Joost H.L.M.	MFA, Head Humanitarian Division
Anten, Louise M.	MFA, Head Peacebuilding and Good Governance Division
Beijnum, Mariska van	MFA, Reseacher Policy and Operations Evaluation Department
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Graauw, Inez de	Save the Children, Senior Information Officer
Hoogen, Hans van den	N(o)vib, Co-ordinator Humanitarian Programs
Kouwen, Jetty	MFA, Senior Policy Officer, South-East Asia and Oceania Division
Kraan, Pim	MFA, Deputy Head Humanitarian Aid Division
Slout, Eric	MFA, Financial Officer

NGOs

Leuverink, Inge	Cordaid, Senior Programme Officer Emergencies & Rehabilitation Department
Norman, Bonnie	Cordaid, Head Emergencies & Rehabilitation Department
Pulles, Helene	SHO
Van den Hoof Heidi	Tsunami information Officer N(o)vib
Vermeer, Riné	Save the Children, Financial Programme Manager
Wijbrandi, Jan Bouke	SHO (and N(o)vib), Director Campaign Department

Background documents:

Checklist for Organisational Capacity Assessment, (MFA)

Evaluatierapport Tsunami Crisis”, (MFA, August 2005)

From Emergency Relief to Rehabilitation, an Evaluation of Dutch Humanitarian Assistance in 2000-2004, TOR 2nd, (IOB, MFA, March 2005)

Grant Policy Framework for Humanitarian Aid 2005” (MFA, 2005);

NGO Project files

Overeenkomst van “de Samenwerkende Hulporganisaties” (SHO, January 2005)

Reporting format SHO Tsunami funds (SHO, June 2002)

Streamlining the awarding of grants to NGOs within the framework of humanitarian funding (MFA, March 2004)

Press releases and website documents

Tables

Allocation of funding on Countries and Sectors for the Tsunami

Total Emergency and Rehabilitation, timeframe on sectors are not available			
Country	Allocation \$	Spent \$	% Spent of Allocation
India			
Health	2.096.436	53.892	3%
Water and sanitation	172.596	87.961	51%
Food security	585.930	489.600	84%
Livelihood	9.235.303	2.108.302	23%
Education	2.997.620	288.899	10%
Shelter	2.576.066	209.057	8%
Disaster management	526.876	75.141	14%
Program management support	1.837.594	422.882	23%
Unspecified	3.730.232	3.730.232	100%
Total India	23.758.653	7.465.967	31%
Indonesia			
Health	3.662.198	827.555	23%
Water and sanitation	978.328	253.490	26%
Food security	2.271.833	1.010.447	44%
Livelihood	9.521.760	1.676.454	18%
Education	2.554.899	127.914	5%
Shelter	13.206.468	2.348.054	18%
Disaster management	1.833.029	344.567	19%
Program management support	5.529.819	1.424.025	26%
Unspecified	19.143.622	14.899.794	78%
Total Indonesia	58.701.956	22.912.300	39%
Myanmar			
Water and sanitation	15.632	4.770	31%
Food security	3.921	5.308	135%
Livelihood	-	7.750	
Shelter	123	-	0%
Program management support	2.743	2.196	80%
Total Myanmar	22.419	20.023	89%
Somalia			
Health	491.564	491.564	100%
Water and sanitation	172.540	172.540	100%
Food security	106.558	145.037	136%
Livelihood	505.737	117.559	23%
Shelter	104.396	104.396	100%
Disaster management	36.532	10.537	29%
Program management support	200.253	84.762	42%
Total Somalia	1.617.580	1.126.395	70%

Sri Lanka			
Health	1.654.508	976.008	59%
Water and sanitation	504.085	96.760	19%
Food security	428.743	1.414.421	330%
Livelihood	14.056.762	3.484.426	25%
Education	1.678.577	563.060	34%
Shelter	14.575.004	1.558.879	11%
Disaster management	1.168.615	116.353	10%
Program management support	3.568.326	780.934	22%
Unspecified	18.293.211	11.689.035	64%
Total Sri Lanka	55.927.831	20.679.876	37%
Thailand			
Health	9.918	-	0%
Water and sanitation	69.112	25.601	37%
Food security	37.501	30.481	81%
Livelihood	165.928	8.858	5%
Education	7.865	-	0%
Shelter	433	2.187	506%
Disaster management	-	18.710	
Program management support	64.489	41.251	64%
Total Thailand	355.246	127.087	36%
Total allocation and spending	140.383.685	52.331.648	