

# Towards a collective funding platform for humanitarian crises

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Large-scale disasters like the Tsunami in Indonesia and the recent earthquake in Haiti have shown that extensive media coverage can lead to a strong public reaction and the raising of substantial private funds. Whereas in several other European countries non-governmental funding platforms have been set up to manage the funds raised, there is no consensus in France about the form that this should take. The absence of reflection about how these funds should be managed prior to the crises has led to some controversy, creating a great deal of confusion among the general public and the media. The present study compares the different mechanisms which exist in Europe in order to identify good practice and risks. This is done with a view to encouraging reflection about the possibility of creating a new "French" mechanism.

Internationally, private donations (from organisations and individuals) have reached exceptionally high levels following recent disasters:

3.6 billion Euros in 2005 for the Tsunami and nearly 780 million Euros in response to the earthquake in Haiti.

France was no exception to this phenomenon. Following the earthquake in Haiti, the Fondation de France (FDF), the organisation which had the greatest media visibility, raised 31.4 million Euros from the general public. Though the amount of funds raised was unusually high, there was some conflict over the way they were redistributed between NGOs. Access to the media (and FDF's near monopoly of the public service), the criteria used for redistributing the funds, selecting the projects and sharing funds between emergency relief and reconstruction aid and monitoring and reporting mechanisms are all issues which still need to be clarified.

Collective funding mechanisms involve three key actors: the public sector media, NGOs and the general public. Each of these actors has their own needs and whatever the nature or the strategy of the funding platform, it is important that these are fully taken into account.

There is a lack of consensus within the humanitarian sector in France about the form that mechanisms of this kind should take which leads to disputes when crises of this size take place. As major disasters are becoming more and more common, and due to the quantity of private funds involved, it seemed important to identify good practices for non-state platforms before launching into the creation of a new one.

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## Comparative study of different types of platform which exist in Europe

### ***Comparative analysis in terms of the nature of the platform***

It is possible to classify non-governmental funding platforms into two main categories which are different in nature.

The first category is that of NGO groups. These bodies bring together a number of NGOs and are led by a committee of humanitarian organisations. \_ This is the case of the Disasters Emergency Committee (DEC) in the United Kingdom, the Collectif Asie Enfants Isolés (CAEI) in France and the Belgian Consortium for Emergency Situations. The professional skills of their members guarantee a high level of expertise. However, this way of functioning can lead to some confusion about roles as the people who manage the funds are from the organisations which receive the funds. Furthermore, this type of body can exclude small and medium-sized NGOs.

The second category is made up of independent bodies which are specialised in fund-raising. This concerns structures which are managed by an independent committee, like the Fondation de France (FDF) or Swiss Solidarity (SS). The impartiality of those who make up the committee favours transparency and establishes neutrality and independence. On the other hand, some feel that because their committees do not come from the humanitarian sector, these bodies do not have any legitimacy making choices about which NGOs and projects to finance.

### ***Different procedures for distributing the funds raised***

Though all the platforms have the same objective of raising funds from the general public, they do not all have the same procedures for redistributing them. Some base their redistribution system on a pre-established "allocation ratio". This is the case, for example, of the DEC, which uses an indicator which is accepted by all its members, the Indicator Of Capacity (IOC). Calculated on the basis of two distinct pieces of data, the IOC determines the percentage of the total funds collected which is to be attributed to each member NGO. This percentage is calculated prior to the crisis with reference to each organisation's response to a previous emergency situation and their overseas spending (with humanitarian spending given twice the weight of development spending). This is also the case for the Belgian Consortium for Emergency Situations which establishes this ratio on the basis of the NGO's popularity with the general public. This pre-determined distribution method allows rapid funding, a great deal of freedom for NGOs to choose projects as well as more independence due to the increased funds at their disposal. However, this system means that it is not possible to adapt the way funds are distributed to the characteristics of each crisis. Other platforms opt for the redistribution of funds on the basis of project proposals by NGOs. The selection of projects to be funded is either done by an external committee, which is the case for FDF and SS, or it is done by peers, as was done by the CAEI. This method helps small and medium-sized NGOs to gain access to funds from the general public while favouring the funding of high quality projects. However, there is some debate over the criteria used for selecting projects and how funds are shared, particularly how they are shared between emergency and reconstruction phases. For example, following the earthquake in Haiti, the FDF chose to give 25% of the funds for emergency relief and 75% for reconstruction based on the 'test case' of the Tsunami. This provoked a very strong reaction from the humanitarian sector who argued that the two crisis contexts were not comparable.

### ***Relations between platforms and the media***

Relations with the media are often central to the way platforms function, but can take different forms. Certain mechanisms have developed institutionalised partnerships with the media, such as the DEC via the Rapid Response Network (a network of different media outlets and other partners like banks, etc. which favours a rapid and wide-reaching call for donations) or SS with SRC SSR (the Swiss Broadcasting Corporation).

Others have more ad-hoc relations, such as the FDF, whose partnership with the French public sector media recently led to heated debates. CAEI benefitted from spontaneous media coverage due to the involvement of a variety of well-known personalities such as Sœur Emmanuelle [1].

Collective communication vis-à-vis the general public has several advantages. It is a useful vehicle for launching an appeal, and it simplifies and harmonizes the message sent.

The broadcasting of collective messages helps to increase public confidence in the organisations involved and brings a certain clarity and better visibility to the actions carried out by the NGOs. As such, this type of communication can be reassuring and can attract new donors who are generally reticent about making donations, whether these are occasional donors, regional authorities or companies.

At the same time, collective communication does have certain risks. Do NGOs collect more collectively, under the same banner, than they do individually? This question is related to that of the appropriateness of mixing the "labels" or images of NGOs, which does not always have the desired effect. Collective communication also raises the issue of taking responsibility away from the general public.

## ***The importance of evaluations and accountability to the general public:***

Far from being anodyne, the issue of accountability is increasingly important for platforms. The accountability systems they implement vary depending on the strategy they adopt. The DEC, for example, has established a policy of systematically evaluating the projects it finances. These evaluations then have to be published on the website of the NGO concerned. Others have established ad-hoc processes, carrying out evaluations in a more limited way (FDF, SS and CAEI).

These evaluations increase the transparency of the structure, which is fundamental to re-establish public confidence and also to raise awareness, which is an essential step towards developing "activist donors" [2].

Though the platforms generally contribute to improving accountability, this is limited by three factors. The first and most obvious of these is the relatively high cost of evaluation in terms of expertise and logistics, and the fact that donors are not always in favour. The second is the risk of adding too many controls to these platforms and over-burdening NGOs. And the third is that, because it involves revealing the strengths and weaknesses of the humanitarian sector, great care needs to be taken in communicating evaluation results.

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## **The requirements of a 'French' platform**

There are therefore a number of different types of platforms for raising and re-distributing humanitarian funds at the European level. These differ in terms of the members that they have, the way funds are re-distributed and their relations with the media and the general public.

In France, there has recently been debate about the raising and redistribution of humanitarian donations, particularly since the two major natural disasters of the last decade. A model is beginning to emerge from discussions between humanitarian actors [3]. Following a natural disaster, this would involve the creation of a single virtual portal with an internet address which would be relayed by the media and which would bring together a variety of operational NGOs and fund-raising mechanisms.

### *\* A single portal for the media*

Following the most recent natural disaster there was a tendency for the French public service media to seek out a single interlocutor from the humanitarian sector. In the future, this approach could be made easier by the creation of this collective portal which would allow the media to communicate a single address to the general public for sending donations. It would also mean that the media would only have one interlocutor and would not have to choose between all the NGOs that exist. In addition, this strategy would encourage NGOs to prepare and broadcast a coherent and informative message to the general public.

### *\* Bringing together NGOs of various sizes*

At present, there is a clear distinction between large NGOs, whose image allows them to gain access to the media relatively easily, and small NGOs, who have less visibility and therefore accessibility. This distinction has direct repercussions on the amount of money collected from the general public who are heavily influenced by media coverage. The correlation between media coverage and fund-raising shows how important it is for all NGOs to gain access to the media, and particularly public service media. The establishment of a publicity banner in the media which gives the address of the virtual portal where all the NGOs who are likely to receive donations are grouped, could make access to the media, and consequently to general public funds, more harmonious for all NGOs.

A question remains about whether small NGOs who are not known by the general public, but who are nevertheless present in the disaster context, would be able to benefit fully from this strategy. The same question applies to local NGOs, who are often overlooked by institutional donors.

### *\* Keeping a direct relationship between NGOs and donors*

Though NGOs need funds from the general public, they also need to conserve their image and their direct links with their donors. The need and desire to maintain a direct relationship does not

only come from NGOs but also from donors who are faithful to particular organisations. A collective portal would guarantee the existence of such a link. When there was an appeal, the donor would choose from among the different NGOs and would have to visit the chosen NGO's site to make the donation.

The need to use internet to consult the list of NGOs conducting operations for a given crisis does raise certain questions about the relevance of this tool for older donors. This strategy would appear to be aimed mainly at the new generations of donors who give less and less, but who are also the donors of the future. With regard to occasional donors, the portal would allow them to make informed choices by providing a list of NGOs who could receive their donation. The portal would not take away the donor's ability to make the final choice about what NGO to give to.

*\* A light structure without additional costs*

The collective portal would have a light structure as it would not need to have any legal status and would not collect or redistribute the general public's donations, but would simply direct them towards NGOs. One of the advantages of this mechanism is that it does not incur any extra costs as it would use a pre-existing structure, France Générosités (professional union of fundraising organisations).

*\* Using existing guarantees for good management*

For optimal public confidence in the collective portal, the Comité de la Charte would play a central role certifying the good management of the member NGOs.

*\* What of the quality of operations and relations with the general public beyond fundraising?*

This platform would use a strategy based on the expertise of operators, which theoretically allows funds to be oriented directly on the basis of people's needs. However, issues of evaluation, accountability and transparency to increase media and public confidence in the NGOs have yet to be defined.

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## **Conclusion**

The comparison of various mechanisms shows that there is no single ideal solution, but rather a variety of solutions from the past with specific relations between NGOs, the media and the general public in each context. For the time being, nothing like this proposed French mechanism exists and obviously the idea needs to be refined and validated in practice. The hope is that it will help to present a collective image of an organised and pacified sector and that it will include transparent and constructive communication mechanisms which, in time, will help to increase public confidence and commitment when disasters take place.

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*This article is a summary of the [study](#) carried out by Groupe URD called, "Tsunami and Haiti: good practice in non-governmental funding".*

**Collectif « Asie Enfants Isolés »** : The "Collectif Asie Enfants Isolés" was a non-profit organisation (under the French law of 1901) created in January 2005 by the Minister of Solidarity, Health and Family, Philippe Douste-Blazy. It brought together 20 aid NGOs specialised in working with children. The goal of the collective was to set up projects as quickly as possible to help children return to their families or to a foster family in their own country. To do this, the collective launched an appeal to raise funds which were then re-distributed in a fair and equitable way between the 13 French organisations present in the field that were specialised in working with children. The collective was dissolved in the summer of 2009.

**Fondation de France:** ([www.fondationdefrance.org](http://www.fondationdefrance.org)) The Fondation de France is a private independent organisation which was created in 1969 to provide support to projects for people in need by acting as a link between funding agencies and actors in the field. To do this, it collects and manages funds raised with cross-border donations making sure that they are re-distributed to the most pressing causes. To increase the transparency of its activities and to increase public confidence, the FDF is a signatory of the Charte de déontologie des organisations faisant appel à la générosité du public (a charter of good practice for fundraising organisations), which is based on the principle of transparency. As such, the redistribution of the funds raised is monitored by the Comité de la Charte.

**Swiss Solidarity:** ([www.swiss-solidarity.org](http://www.swiss-solidarity.org)) Swiss Solidarity is a public interest, non-profit social and humanitarian organisation which was created in 1946 with the objective of "bringing aid to those in difficulty, faced with misfortune and adversity regardless of the cause". To reach its objective, Swiss Solidarity launches fundraising campaigns in the media. The funds raised are redistributed to aid projects run by around thirty selected NGOs strictly adhering to the following distribution strategy: 15% for emergency aid, 70% for reconstruction and rehabilitation and 15% for sustainable development. To ensure that there is a good level of donor confidence, the organisation monitors the projects that it supports both financially and operationally as well as regularly informing the general public about how the funds collected are used.

**D.E.C. (Disasters Emergency Committee):** (United Kingdom) ([www.dec.org.uk](http://www.dec.org.uk)) The D.E.C. is an independent organisation created in 1963 which brings together a variety of bodies from different sectors in the event of disasters (floods, earthquakes, famine, etc.) to maximise the funds collected and ensure that they are used in as optimal and responsible a manner possible. To do this, it launches fundraising campaigns with the support of the Rapid Response Network, a large support network which includes various media services, the post office and certain banks which helps to raise funds quickly and effectively. The funds are then redistributed between 13 registered UK charities which have to meet certain precise criteria.

[1] Franco-Belgian catholic nun and humanitarian

[2] "Activist donors" is used here to describe donors who are committed beyond simply giving money. It signifies that they are committed to and believe in the cause defended by the NGO.

[3] Notably within 'France Générosités' and during the workshop of 3 June 2010 organised by Groupe URD.

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