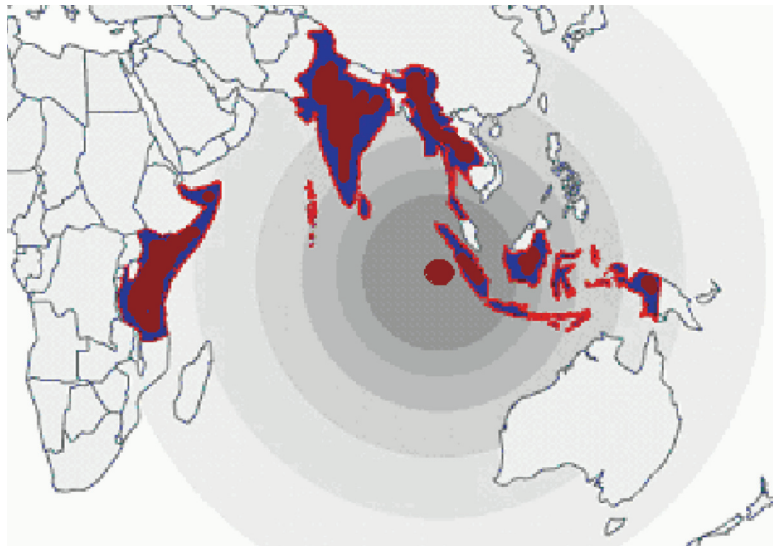


## Tsunami Evaluation Coalition (TEC)

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



# United Nations Appeals and Funding

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June 2006

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## **UN Appeals and Funding**

**Background Paper prepared for the Tsunami Evaluation Coalition**

### **Acknowledgements:**

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*This background paper is based on the humanitarian response data from 1 January to mid October 2005, drawn from the FTS/ETS and from agencies' and donors' own reports as well as other studies conducted under the umbrella of the Tsunami Evaluation Coalition. The development of new monitoring systems through 2005, including the Development Assistance Databases (DADs) will mean that the baseline data documented here can be updated and extended with more disaggregated and field level information.*

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*DI is grateful for comments received on earlier drafts but if readers would like to send additional comments or corrections we would be pleased to hear from you. Please contact [di@devinit.org](mailto:di@devinit.org) or by phone to + 44 1749 831141 or by post to Development Initiatives, Old Westbrook Farm, Evercreech, Somerset BA4 6DS, UK.*

### **The Format for the Paper**

#### **Summary**

**Part One** provides notes on the methodology and data sources

**Part Two** analyses the UN Flash Appeal response, looking at contributions inside and outside the Appeal, spending on relief and recovery, cash and gifts-in-kind, major donors and appealing agencies. It draws comparisons with other UN consolidated appeals.

**Part Three** looks at trends in income and expenditure to individual UN agencies.

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## ABBREVIATIONS

<b>DAC:</b>	Development Assistance Committee
<b>EC:</b>	European Commission
<b>ECHO:</b>	European Commission Humanitarian Aid Office
<b>ETS:</b>	Expenditure Tracking System
<b>ETS:</b>	Expenditure Tracking System
<b>FAO:</b>	Food and Agricultural Organisation
<b>FTS:</b>	Financial Tracking System
<b>ICRC:</b>	International Committee of the Red Cross
<b>IFRC:</b>	International Federation of Red Cross
<b>IOM:</b>	International Organisation for Migration
<b>OCHA:</b>	Office for the Coordination of Humanitarian Affairs
<b>UAE:</b>	United Arab Emirates
<b>UN:</b>	United Nations
<b>UNDP:</b>	United Nation's Development Program
<b>UNESCO:</b>	United Nation's Educational, Scientific and Cultural Organisation
<b>UNFPA:</b>	United Nation's Population Fund
<b>UNHCR:</b>	United Nation's High Commissioner for Refugees
<b>UNICEF:</b>	United Nation's Children's Fund
<b>UNRWA:</b>	United Nation's Relief and Works Agencies
<b>WFP:</b>	World Food Programme
<b>WHO:</b>	World Health Organisation

## Summary

### How much was asked for, how much was received and how much has been spent?

\$1.28 b was requested for the Consolidated Flash Appeal for the Tsunami – the third largest appeal in the past three years. Iraq 2003 (2.2b) was largest and Sudan 2005 (1.9b) second.

\$1.06b was received in direct response to the Appeal – more than for any other appeal for the past three years except Iraq and equivalent to a fifth of funds requested for all 25 Appeals in 2005.

Data from UN agencies and from the FTS suggest that around \$490m had been spent by UN agencies by the end of September. Selected expenditure figures are given below.

Agency	Received/pledged by September 30 2005 in US\$m	Reported spent by 30 September 2005 in US\$m	Balance in US\$m
UNFPA	26	11	14
WHO	51	35	16
IoM	66	42	24
UNHCR	54	19	36
FAO	59	23	36
UNICEF (for 2007 plus)	585	161	424
WFP	263	157	84

### How much was earmarked?

Over half of the funds for the Appeal were given as unearmarked money – not allocated to a specific sector or agency. Over 30 donors made all or part of their contributions in this way, compared with only 2 or 3 in previous years.

Most of the money allocated to UN agencies was earmarked at or below country level. 90% of more of funds allocated to UNFPA, IoM, FAO, and UNDP were earmarked; 43% of funds to UNICEF and 31% of funds to WHO. OCHA reported lower-than-normal levels of earmarking.

### How much was received outside the Appeal?

Funds received for the Appeal are only 18% of the total humanitarian contributions to the Tsunami recorded on the FTS.

\$4.7b, or 82% of funding for the Tsunami recorded by the FTS, was given outside the Appeal (money coming in for humanitarian assistance to Tsunami victims, but for activities and organisations which were not part of the Appeal). This compares with 14% outside the Appeal for Sudan in 2005 and 41% outside the Appeal for Iraq in 2003.

In addition to these humanitarian funds, \$2.5b has been reported as committed to funding recovery and reconstruction projects over the next 1 – 5 years.

## **Have all needs been met?**

Despite the massive amounts of funds available outside the appeal, \$278m worth of projects in the Appeal (17%) remained unfunded in mid October 2005. However, the explanation for this is not necessarily a lack of available funds: less than half of the money received by UN agencies had yet to be recorded as spent, so donors may have been unwilling to allocate further funds at that time. For instance, there was a \$34m shortfall against required funding for agriculture in October and no funding had been allocated to this sector from the unspecified money given to the Appeal. However, at the time, FAO had yet to spend \$36m of the \$59m it had received.

Other sectors, such as mine clearance and security, may no longer require funds, but are still listed as unfunded projects in the Appeal. Others, such as economic recovery and infrastructure, have reported shortfalls, but may be receiving funding from non-humanitarian aid sources which is not recorded on the FTS.

## **Was funding proportionate to need?**

The UN Appeal was nearly fully funded. Funding should therefore have been available to meet identified needs, especially as the amount requested per person directly affected was around \$640.

Total contributions<sup>i</sup> to the Tsunami from public and private sources amount to over \$5000 per directly affected person – compared with \$980 for the South Asia earthquake in 2005 or \$52 per affected person in Eritrea.

Funding reported by the FTS was four times the amount requested in the Appeal. However, much of this will have been for longer term spending. By October 2005, DAC donors alone had reported humanitarian commitments to the Tsunami of \$1,744 million (of which \$1,588 had been disbursed). This exceeds the funds requested for the UN Appeal by \$460 million.

Within the overall CAPs, funding for the Tsunami amounted to a third of all funds received for all Appeals in 2005.

A key issue is the question of funding received over and above stated needs. UNICEF for instance requested \$318m as part of the Appeal. It received \$585m – much of it from UNICEF National Committees. It had spent \$161m and allocated a further \$321m to sectors or countries by the last quarter of 2005. The remaining \$92m are to be allocated in 2006 to Tsunami programmes based on countries' recovery plans for 2006 and 2007. At the same time UNICEF, lacks funds to meet \$361m worth of needs identified in other CAPs.

## **What were the distinctive characteristics of the Appeal response?**

The volume and share of private contributions was extremely large – \$4.1b and 67% of total humanitarian contributions to the Tsunami recorded by the FTS. Of the Appeal itself, one fifth was funded from private sources.

The volume and share of money that was not allocated in advance to particular sector was exceptionally large. Of the funds received for the Appeal by April, over half were 'sector unspecified' and 30 donors made all or part of their contributions in this way – previously only two or three donors had allocated any of their money to 'sector unspecified'.

The sector unspecified money allowed reallocation by OCHA to meet unfunded needs.<sup>ii</sup> By October, all but \$56 of this 'sector unspecified' funds had been re-allocated.

The number of official donors was unprecedented – 99 countries are recorded as having made a contribution to the Tsunami and the FTS recorded 77 non DAC donor countries.

The number of participating agencies was also exceptionally large: 20 UN/International Organisations and 27 NGOs.

Funding was less concentrated than in UN consolidated appeals as a whole. Three quarters of the funding was requested by, and went to, the top five agencies. The top five agencies received 82% of funding for all CAPs combined in 2005, 88% in 2004 and 91% in 2003. NGOs were responsible for only 6% of the requests in the Appeal.

## **Was funding timely?**

86% of Appeal funds had been committed by the end of January 2005. The sector unspecified money was reallocated in two batches, one in May and one in August.

## **How much was in-kind?**

A fifth of all funds for Appeal were gifts in kind while 79%- \$911m, was given in cash. Five donors gave all or the majority of their contributions recorded on the FTS in kind: EC (not ECHO), USA, UAE, Russia and the Czech Republic.

## **Who were the main donors?**

Japan was by far the largest governmental funder – both inside and outside the appeal. FTS records its contributions as \$229m inside the Appeal - 21% of the total - and \$274 for humanitarian activities outside the Appeal. The next biggest donors to the Appeal and to longer term commitments were Norway, Germany, ECHO, UK, USA, Canada, The Netherlands, Australia and Sweden.

Non DAC donors gave, almost exclusively, outside the Appeal – although much of their funding was for multisectoral activity. Saudi Arabia, Kuwait, China and Korea have pledged more than \$50m. Qatar, UAE and India all pledged in excess of \$20m.



## Part One: Methodology and Data

### 1.1. Introduction and overview of methodology and data sources

This case study examines the funding for the UN Consolidated Flash Appeal and the funding flowing through UN agencies. This has two purposes. The first is to report on and analyse funding flowing through the UN system and the second is to use the Consolidated Flash Appeal as a proxy for funding according to need, which will in turn feed into the overall assessment of whether the tsunami response was appropriate. (See *The International Community's Funding of the Tsunami Emergency and Relief Analysis of Overall Funding Flows*, Background Paper prepared for the Tsunami Evaluation Coalition, 6 March 2006)

In this paper reference is made to funding 'inside' and 'outside' the Appeal. Funding inside the appeal is funds received for projects which are part of the Appeal which should cover all the strategic humanitarian priorities. Funds outside the appeal are funds reported to OCHA and recorded on the FTS, but for projects and agencies which are not part of the Appeal.

The single major source is the Financial Tracking System (FTS) of OCHA. The FTS monitors all humanitarian contributions to all UN appeals and in the case of the Tsunami it has taken on additional roles in monitoring recovery and rehabilitation commitments up to the end of April 2005 and has a specific Expenditure Tracking System (ETS).

The FTS relies on data being voluntarily reported by governments, NGOs and agencies. Coverage is therefore not complete.

The data on contributions/commitments includes disbursements and commitments which are sufficiently strong for UN agencies to borrow or advance funds on the back of them.

A contribution should only appear on the FTS when it has been confirmed by the recipient agency. This leads to some undercounting and distortions because not all agencies report consistently. It may appear that an agency's requirements have not been met or that funds have not been received, when in fact they have simply failed to report to OCHA.

Because the FTS is updated daily the data is always changing. The analysis here started with one set of data downloaded on specific day; however the need for revisions and double checking as new information and issues came up has meant that data has had to be used over a period of month from mid September to mid October. This has not resulted in any major changes in trends, but there are small discrepancies between some of the numbers as result.

## 2. Part Two: Trends and Analysis

### 2.1. The UN Flash Appeal for the Indian Ocean Tsunami

Consolidated Appeals are designed to include all priority humanitarian needs identified for that emergency by all relevant UN agencies and major NGOs. It follows that the extent to which an Appeal is funded is one measure of the international community's response to needs.

In all emergencies (both consolidated Flash Appeals for natural disasters and Consolidated Appeals for complex humanitarian emergencies) funding flows both to the Appeal and outside it. Donors may fund activities outside the Appeal for a number of reasons:

- they may reflect donor preferences which are not part of the Appeal;
- funding to NGOs is often outside the Appeal, because, despite efforts to ensure that NGOs are fully involved in the needs assessment and the formation of the CAP, it is often still primarily a UN agency Appeal;
- Red Cross/Crescent agencies do not take part in Consolidated Appeals, therefore all funding via IFRC, ICRC and Local Red Cross/Crescent agencies is outside the appeal;
- Funding outside the appeal may be less 'humanitarian' and geared more to transitional or recovery activities.

Similarly, an Appeal may not be a comprehensive statement of needs. In particular needs may not be included if they cannot be met because the capacity is not there to deliver what is needed or because security or the external environment prevents effective action.

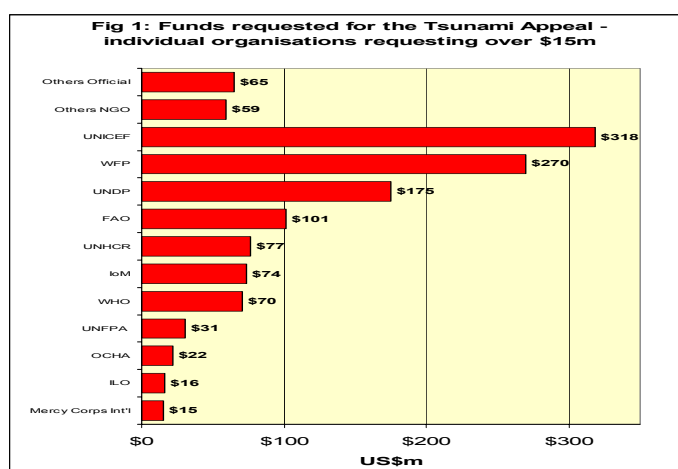
Despite these limitations, **the extent to which Appeal projects are financed is a measure of commitment to a coordinated UN response and to the goal of meeting priority humanitarian needs before other objectives are financed.**

## 2.2. The response to the Tsunami Flash Appeal – are needs fully funded?

A UN Flash Appeal for the Tsunami was launched on 6 January 2005. The funds requested were \$978m, a figure that was later revised upwards to \$1.28b.

47 agencies took part in the appeal – 20 UN or official agencies and 27 NGOs. The four largest agencies, each requesting over \$100m were UNICEF, WFP, UNDP and FAO. Total requests from all NGOs combined were \$74m. Figure 1 shows the requested funds by agency for the 11 organisations which requested more than \$15m and the combined requests of the remainder of NGOs and official organisations.

**Figure 1: Funds requested for the Tsunami Appeal - Individual organisations requesting over \$15m**  
Source: FTS



By 11 October 2005:

- \$1.06b had been received for the Appeal,<sup>iii</sup> with a further \$90m of uncommitted pledges.
- 83% of needs had been funded
- \$278m worth of projects in the Appeal had not been funded.
  - \$56m was available to fund these activities from the unearmarked money received for the Appeal, leaving a shortfall of the funds needed for the Appeal of \$222m.
  - \$14m of the uncommitted pledges was for food – a sector that was already overfunded.
- Potentially therefore, funds were in the pipeline to meet slightly less than half (48%) of the unmet needs in the Appeal.

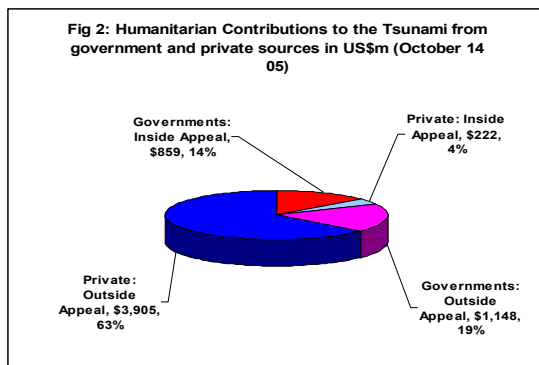
### 2.2.1. How much was given inside and outside the CAP?

Besides the funds contributed to the Appeal itself, donors have been financing other humanitarian activities which were not part of the Appeal itself.

Outside the appeal, \$5b was reported in contributions to humanitarian work from all donors - with a further \$540m in uncommitted pledges. \$4b worth of these contributions was from private sources.

**Figure 2: Humanitarian Contributions to the Tsunami from government and private sources in US \$m (October 14 05)**

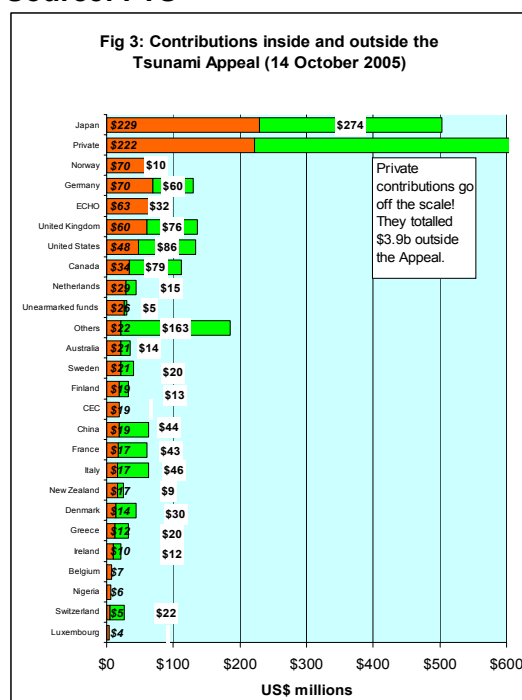
Source: FTS



Thus overall, contributions through the Appeal are dwarfed by the contributions outside the appeal. Only 5% of private contributions went through the Appeal and less than half of total governmental humanitarian contributions (43%) went through the appeal with over \$1b being spent by governments on humanitarian activities outside the Appeal.

Only nine donors gave 50% or more of their funding through the Appeal – see Figure 3.

**Figure 3: Contributions Inside and outside the Tsunami Appeal (14 October 2005)**  
**Source: FTS**



While \$278m worth of priority projects in the Appeal are unfunded, over \$5b has been allocated to other activities. As governments are putting more money outside the appeal than inside, it begs the question ‘Why?’. Was need not the primary criterion for their funding decisions? Or do they consider that the Flash Appeal failed to document all priority needs? Or, with the Appeal fully funded, were donors able to finance additional activities proposed to them by agencies and NGOs? Or are some needs in the Appeal not seen as priorities by the donors? These are serious questions. If the Consolidated Appeal is not a benchmark of priority strategic needs then each donor has to make their own individual funding decisions, leading to a potentially incoherent response. If the Appeal is a benchmark of the need, then the failure to fully fund – when funds are clearly available as they are being spent on something else – flies in the face of commitments to a coordinated, equitable response to emergency needs.<sup>iv</sup>

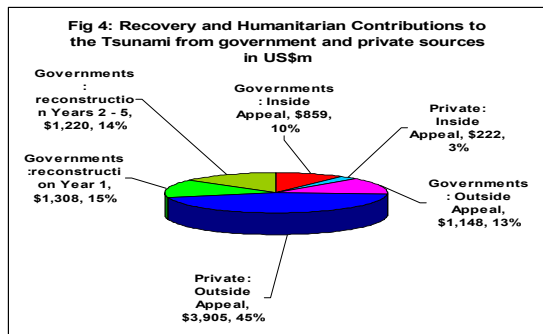
## 2.2.2. Spending on recovery and rehabilitation

In addition to the humanitarian contributions, donors have also been making commitments to reconstruction and recovery. The FTS collected data on these pledges up until 24 April. At that date a total of \$2.5 billion had been pledged for periods of up to 5 years. This shows that of the total recorded by the FTS as committed by governments, only 10% has gone to humanitarian contributions inside the appeal.

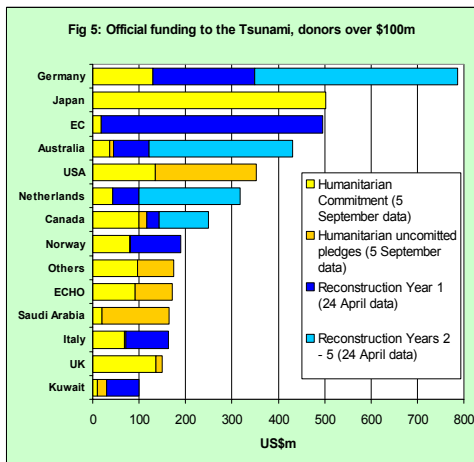
The Tsunami appeal was exceptional in that it ended up covering a period of 18 months. This is because of the magnitude of the disaster and the subsequent time taken to prepare and implement numerous recovery projects in shelter, livelihoods and capacity building. As a result, it records much more than the emergency response usually documented in Flash Appeals. A number of agencies, such as UNDP are engaged in longer term reconstruction and development activities. Although contributions to reconstruction and recovery were

removed from the FTS in April 2005, it is inevitable that some activities cannot be easily separated into compartments and will continue to be included in FTS data.<sup>v</sup>

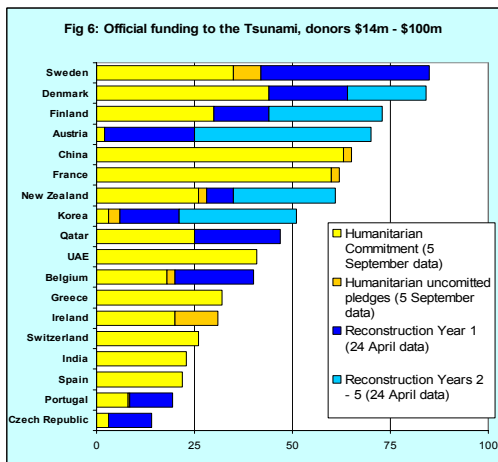
**Figure 4: Recovery and Humanitarian Contributions to the Tsunami from government and private sources in US \$m**  
Source: FTS



**Figure 5: Official funding to the Tsunami, donors over \$100m**  
Source: FTS



**Figure 6: Official funding to the Tsunami, donors \$14m - \$100m**  
Source FTS



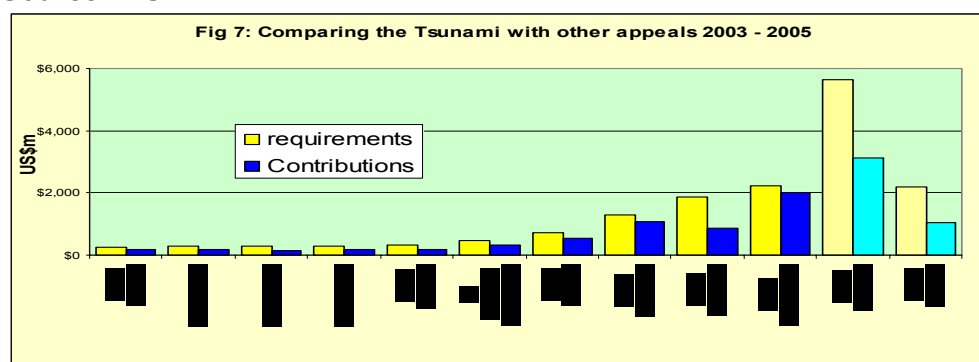
## 2.3. Comparisons to other appeals

Over the last three years, two Appeals have requested more funding than the Tsunami Appeal: Iraq (\$2.2 billion) and Sudan (\$1.9b). Only one appeal in the last three years has received more funding than the Tsunami: Iraq received \$2b, nearly twice as much as the Tsunami.

The response to the Tsunami accounted for a fifth of all funds requested for the 25 CAP and Flash Appeals issued in 2005 and 34% of all funds received for all appeals in 2005.<sup>vi</sup>

The funds per affected person inside the appeal were \$640 per directly affected person (based on the TEC working figure of 2m directly affected people and \$346 for the 3.7m indirectly affected people). This compares with \$86 - \$135 per person in Somalia, \$78 per person in Uganda, \$78 - 313 in the South Asia Earthquake and \$45 in Eritrea.

**Figure 7: Comparing the Tsunami with other Appeals 2003 -2005**  
Source FTS



A key difference with other appeals is the volume of funding received outside the appeal. The FTS records \$136m received outside the appeal for Sudan in 2005 – (14% of the total received), and \$1.4 billion received outside the appeal for Iraq (41% of the total received). In the case of the Tsunami 82% of the total funds received came outside the Appeal.

A second difference is the number of donors who contributed to the Tsunami. 99 donors altogether made a contribution either inside or outside the appeal – a record number and one which included 13 donors who had never appeared before on the FTS. This is significant because of the pattern of funding for new donors. Most donors give for the first time either to a very high profile emergency or in response to a disaster in their 'neighbourhood'. However, having given once, most countries give again and to a gradually broadening group of recipient countries and organisations. The Tsunami may therefore have accelerated the engagement of more countries in international disaster response.

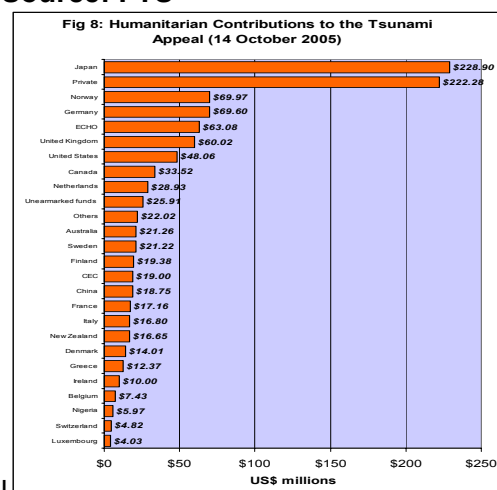
## 2.4. Which donors were the major contributors to the CAP?

One fifth of the Appeal funds came from Private Donors - \$222m – the remaining four fifths - \$859m - came from governments and the European Commission.

Japan was the largest donor, providing 21% of the Appeal. The next biggest donors were Norway, Germany, ECHO, UK, USA, Canada, the Netherlands, Australia and Sweden, which all gave over \$20m.

DAC donors are more predominant in the Appeal than outside it. Many of the non-DAC donors such as Korea, Qatar, UAE, India have made multi-million dollar contributions, but outside the appeal.

**Figure 8: Humanitarian Contributions to the Tsunami Appeal**  
Source: FTS



## 2.5. Which sectors requested and received most funding?<sup>vii</sup>

The three sectors requesting most funding were also the among the best funded – receiving more than 75% of requirements from earmarked contributions. These were Food, Non-food & Shelter and Coordination & Support Services.

- \$228m (18% of the total) was requested for the Food sector – and \$234 was received in earmarked funds with a further \$14m available in an uncommitted pledge. Food was overfunded by \$6.5m.
- \$194m (15% of the total) was requested for Non-Food items and Shelter. \$134m was received in earmarked funds, topped up with \$11m from unearmarked sources. 25% remains unfunded.
- \$177m (14% of the total) was requested for Coordination and Support Services. \$93 was received from earmarked sources, topped up with \$41 of unearmarked money. 24% remains unfunded.

Two other sectors also had most of their requirements met as a result of the reallocation of unearmarked money.

- Education – requesting \$149m and receiving \$148m - almost all of it (97%) in reallocations from unearmarked money.
- Water and Sanitation, requesting and receiving \$57m – mostly (72%) in reallocations of unearmarked money.

Health was still underfunded by \$24m in October 2005 - 17% of requested funds; Coordination and support by 24% (\$43m), Protection/human rights by 16% (\$6m).

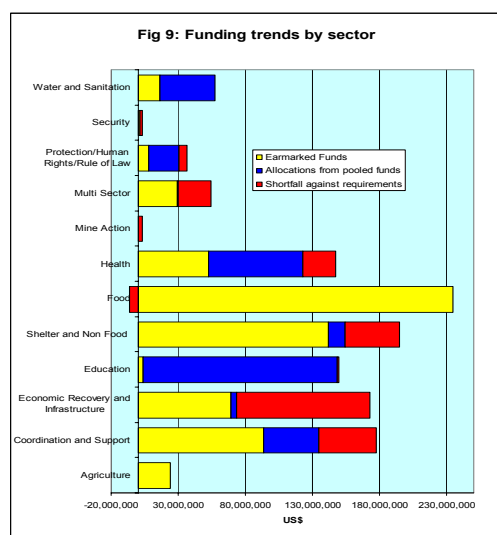
### The sectors with the biggest shortfalls, as a percentage of what was needed are:

- Agriculture, which requested \$59m of which only \$24m has been received, leaving a 59% (\$34m) shortfall.
- Economic Recovery and Infrastructure, which requested \$173m and received \$73m, leaving a 58% (\$100m) shortfall.
- Multisector, requesting \$54m and receiving \$30m, a 44% (24m) shortfall.

The smallest sectors were Security, requesting \$3.2m (0.3%) and receiving half of it, and Mine Action requesting \$3m (0.2% of total) and receiving nothing.

**Figure 9: Funding trends by sector**

Source: FTS



#### 2.5.1. Which donors preferred which sectors?

Japan was the largest donor to four sectors within the appeal – Non-food items and Shelter \$47.7m, Health \$11.4m, Economic Recovery and Infrastructure \$16.9m and Coordination and Support Services \$22.2m.

The UK was the largest donor to the Security sector with \$766 thousand and Water and Sanitation \$7.6m.

Private contributions made the largest contributions to the Food sector - \$55m compared with \$26m from the USA – and to Multisectoral activities, \$7.6m. In the Food sector, the majority of private contributions are made up of a \$50m in kind payment to WFP from the American Red Cross.

For Agriculture, ECHO was the largest donor by volume \$7.1m and for Protection and Human Rights, the USA was the largest donor with \$2.5m.

Education was clearly the least popular sector for earmarked funding - only three donors made contributions– Norway, the Netherlands and Private – totalling just \$4m.



### ***Donors who spread their spending across all sectors***

None of the donors who contributed to the Tsunami Appeal spread their spending across all 12 sectors. The UK and the Netherlands contributed to 10 sectors each. Australia, ECHO, Germany, Japan, Norway and the USA – all made payments into 9 sectors.

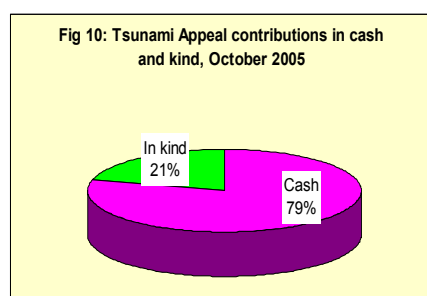
12 donors (all non DAC donors except Spain and ECHO) paid into one sector only and a further 15 – all of them non DAC donors – gave unearmarked funding to 'sector not specified'.

### **2.6. Shares of funding in cash and gifts in kind**

A fifth of all funds received for the Appeal were gifts in kind. The majority of donors made their contributions to the Tsunami in cash, resulting in a total of \$911m (79%) received as cash contributions and \$240m in kind. Only two appealing agencies requested gifts in kind – WFP and CARE.

**Figure 10: Tsunami Appeal contributions in cash and kind, October 2005**

**Source: FTS**

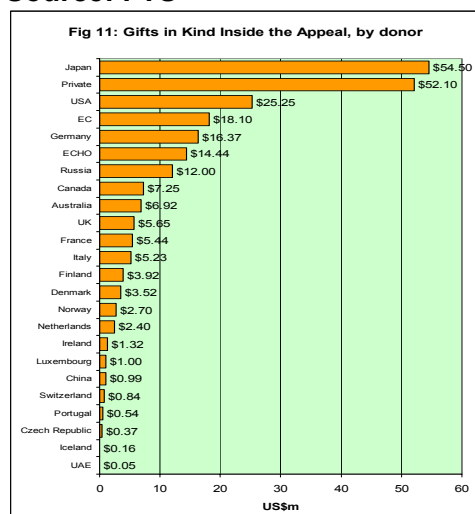


All gifts in kind were for either food aid or logistics support to WFP. The only donor to make 100% of payments as gifts in kind was the European Commission (all through WFP as food aid). The USA, UAE, the Russian Federation and the Czech Republic made the majority of their payments in kind (over 50%).

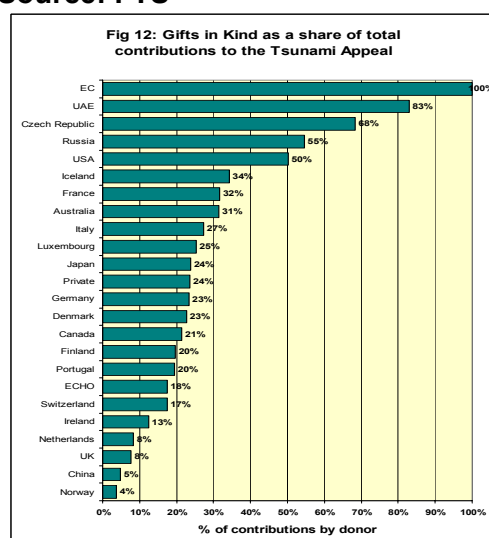
Two thirds of donors made 100% of their payments in cash.

For the 'private' donors, all of the gifts in kind were in the form of food aid.

**Figure 11: Gifts in kind inside the appeal, by donor**  
Source: FTS



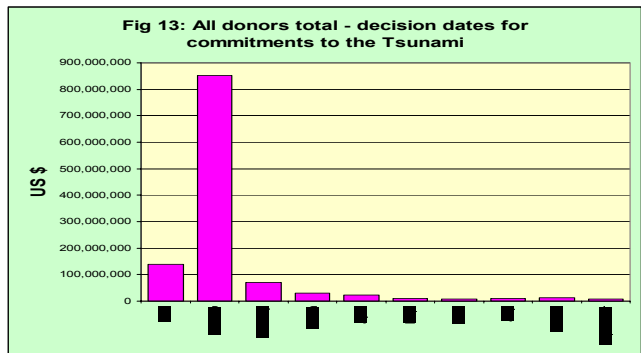
**Figure 12: Gifts in kind as a share of total contributions to the Tsunami Appeal**  
Source: FTS



## 2.7. When were decisions made to provide funding and to allocate it to projects?

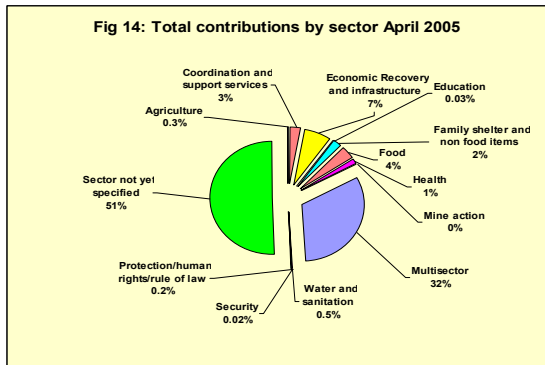
According to FTS data on decision dates, 86% of Appeal funds had been contributed or committed by the end of January 2005. This should mean that the funds have either been confirmed as received by the agency/NGO concerned, or that the commitment is sufficiently firm for the agency/NGO to borrow on the strength of it.

**Figure 13: All donors total – decision dates to the Tsunami**  
**Source: FTS**

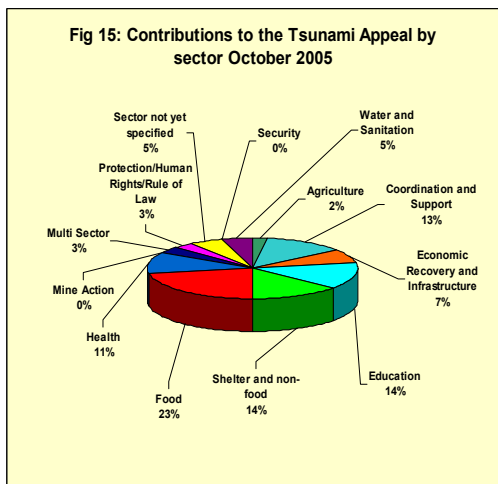


Around half of the funding received by the end of January was not earmarked to a sector or agency but went into a pool which was subsequently allocated to underfunded activities in the Appeal.

**Figure 14: Total contributions by sector, April 2005**  
**Source FTS<sup>viii</sup>**



**Figure 15: Contributions to the Tsunami Appeal by Sector October 2005**  
**Source: FTS**



The reallocations were made in two main batches, one in May and one in August. By October 2005 there was only \$56m left unallocated by sector, 5% of the total.

## 2.8. Which agencies received most funding for the Appeal?

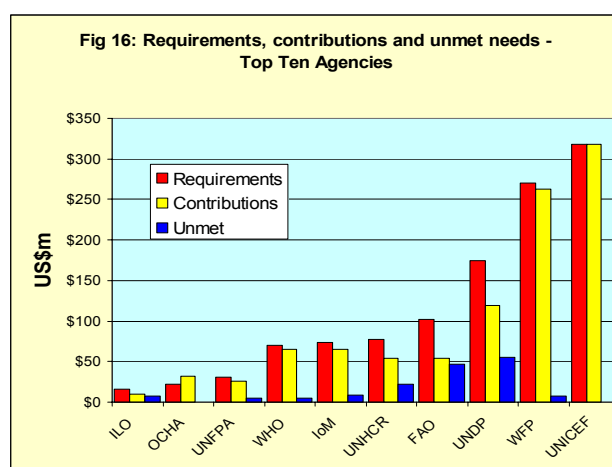
Forty seven agencies took part in the Appeal – 20 UN or official international organisations and 27 NGOs. The funding was concentrated with the top five agencies requesting 73% of the total requirements. However the large number of agencies and NGOs involved meant that the concentration on the top five agencies was less intense than usual. In 2003 91% of all CAP funding went to five agencies and in 2004 it was 88%. For all three years WFP, UNHCR and UNICEF have been in the top five. In 2003 UNRWA and FAO were the other two agencies, in 2004 UNRWA and UNDP and in 2005 IOM and UNDP.

Within the top ten, the proportion of requirements that have been funded varies from 100% for UNICEF and OCHA, more than 90% for WFP and WHO, more than 70% for UNFPA, IOM, UNHCR. The agencies with the largest shortfalls are ILO (57% covered), FAO (54%), UNDP (68%).

The agencies and NGOs that are least well funded in the Appeal include some which requested small amounts of funding such as Church World Service, Catholic Relief Services, International Catholic Migration Commission, Cordaid, International Relief and Development – requesting between 0.5m and 4.8m and receiving nothing – but also Mercy Corps, which requested \$15m and is reported to have received nothing. UN-Habitat requested 11m and received just over half of it and UNESCO covered only 16% of its \$14.5m requirement.

Some of the larger NGOs, Norwegian Refugee Council, SCF, Christian Children's Fund only received about 40% of their required funding. Others like Oxfam UK, World Vision, Islamic Relief, CARE, International Rescue Committee and Helen Keller International had 100% of their needs met.

**Figure 16: Requirements, contributions and unmet needs – Top Ten Agencies**  
Source: FTS



## 2.9. Distinguishing characteristics: Unearmarked funds

The Tsunami response is distinctive because of the volume of unearmarked money which was given to the Appeal.

By April, \$428m had been received unearmarked to any sector or agency, a third of the total requested funds and a half of funds received to date. 30 donors made either all or the majority of their payments into 'sector not specified'. Even allowing for the much larger number of donors to the Tsunami Appeal, this represents a major difference to other Appeals. For example, the Bangladesh 2004 Flash Appeal, only 2 governmental donors – Norway and Sweden - made a contribution to 'sector not specified'. In the Iraq 2003 CAP and the Afghanistan 2002 ITAP CAP, not one donor made a contribution to 'sector not specified'.<sup>ix x</sup>

The money that is received as sector unspecified has to be allocated to Appeal agencies. This was done by OCHA and was used to top up those sectors which were underfunded by earmarked funds for all agencies, except in the case of UNICEF which had its own pool of sector-unspecified funding from direct contributions.

- The education sector received the largest share of funds from the sector unspecified pools: 97% of the total requested for the sector was from UNICEF's pool of sector-unspecified funding.
- The \$41m requested for Water and sanitation was entirely financed by UNICEF and WHO using sector unspecified pooled funds.

Nonetheless, most sectors still have shortfalls, despite the availability of unspecified funds. These are

- Agriculture: \$34m shortfall, and no allocations from unearmarked funds
- Coordination and Support: \$43m shortfall, but \$41m allocated from unearmarked funds
- Economic Recovery and infrastructure: \$99m shortfall, \$4 from unearmarked funds
- Shelter and non-food: \$48m shortfall, \$12m from unearmarked funds
- Mine Action - \$3m requested, nothing received.
- Multisector \$24m shortfall, only half a million from unearmarked funds
- Protection, \$6m shortfall, \$22m from unearmarked
- Security: \$1.7 shortfall, nothing from unearmarked funds
- Health: \$24m shortfall, \$70m from unearmarked funds including an allocation of \$15,000 by WHO from its own reserves. Even with these additional funds, the health sector was still underfunded by 17.4%.

## 2.10. Distinguishing characteristics: Private contributions

A major distinguishing feature of the response to the Tsunami as a whole is the importance of private donors. Nearly 40% of total contributions came from private funders, \$3.2m through NGOs, \$1.8b through the Red Cross and Red Crescent Movement and half a billion dollars from private contributions to UN agencies, particularly UNICEF. This has significance for financing of humanitarian response as the money arrived extremely quickly, had very few strings attached and did not include any unfulfilled pledges. Such public support also bolsters the political momentum and governmental funding.

Out of the total humanitarian assistance in response to the Tsunami recorded by the FTS, over \$4b came from private individuals and organisations. This is exactly two thirds of the total contributions recorded by the FTS.

Private donors gave 9.2% of the total response to total Consolidated Appeals in 2005 – compared with 2.4% in 2004. This is very largely due to the Tsunami where 23% of the Appeal contributions for the Tsunami came from private sources.

It is interesting that this emphasis on private contributions was repeated in the South Asia Earthquake. 24% of humanitarian assistance recorded on the FTS came from private donors and 17% of contributions inside the Appeal.

### 3. Part Three: Trends in Funding from UN Agencies

#### 3.1. Summary and data issues

This report provides a summary of the tsunami-related income and expenditure of the UN agencies. The organisations are listed alphabetically.

The nine UN agencies listed below received a total income for the Tsunami response of \$1.23 billion by mid October 2005. Of this, they had spent a total of \$467 m according to the Expenditure Tracking System. This represents 38% of collective income but a range from 15% to 67% spent.

Agencies which have spent smaller shares of their income included those with longer term activities, such as UNDP, and agencies with very large income from private sources such as UNICEF. WHO, WFP and IOM have spent the largest shares of income – all over 60%.

Table 1: UN Agency Income and funds spent by September 2005

<b>UN Agency Tsunami income and funds spent by September 2005</b>			
<b>Agency</b>	<b>Income</b>	<b>Spent</b>	<b>income yet to be spent</b>
OCHA	33	8	25
UNFPA	28	11	17
UNDP	125	20	105
FAO	59	23	36
IOM	53	33.2	19.8
WHO	52	35	17
WFP	241	157	84
UNICEF	586	161	425
UNHCR	54	19	35
	1231	467.2	763.8

Source: FTS, ETS and agency own reports

#### 3.2. Trends in individual agencies

##### 3.2.1. Food and Agriculture Organisation (FAO)

FTS data shows that, as of mid-September, FAO had received \$59.5 million for its tsunami-related activities. This is all funds contributed except for one commitment of \$1.2 million by

the Belgian government for Indonesia and one pledge of \$188,206 by Ireland for Sri Lanka. FAO received most of its income in cash, but \$1.6m was given by China in kind.

FAO's income has been allocated mainly to two sectors – agriculture (\$24.59 million or 41%) and economic recovery and infrastructure (\$22.8 million or 38%). With the exception of \$3.8 million given for the region as a whole, FAO's income has been earmarked for six countries – Indonesia, the Maldives, the Seychelles, Somalia, Sri Lanka and Thailand.

The ETS expenditure data as of 23 September shows that FAO had received a total of \$51.4 million of the \$101.45 million that it had requested for its tsunami programmes. Of this, it has spent \$15.28 million (30%) in the six countries and regional programmes. This leaves a balance of \$36 million.

Data on earmarking of FAO's income and expenditure in tsunami-affected countries in 2004 is not available at present.

### **3.2.2. International Organisation for Migration (IOM)**

According to the FTS, as of mid-September, IOM has received cash contributions totalling \$53 million and commitments totalling \$10.4 million. IOM did not receive any contributions in-kind. Of its contributions, \$52.5 million (just over 99%) came from government sources. Private contributions totalled \$154,100 and UN contributions \$122,393. This shows very little variation from the shares of IOM's normal income from government sources – in 2004, just under 98% of IOM's income was from government sources. However, most of the rest of its general income came from two UN agencies – UNDP and UNHCR – rather than private sources.

Of the combined contributions and commitments of \$63 million, \$39.8 million (63%) was allocated to the provision of shelter and non-food items. A further \$16.8 million (26.6%) was designated to coordination and support services. IOM's remaining income has been allocated to economic recovery and infrastructure, protection/human rights/rule of law and multi-sectoral activities.

As of 31 July, according to the ETS, IOM had received a total \$52.55 million of the \$74 million it requested for its tsunami-related projects. According to the IOM, apart from 3 donor contributions totalling \$1.08 million and some private contributions, all of its income for the tsunami was earmarked to specific programmes/activities in three countries – Indonesia, Sri Lanka and Thailand. This is in line with IOM's normal income – in 2004, only 0.6% of its income was un-earmarked. Of the \$52.55 million, IOM has spent a total of \$33.24 million (63%) in the three countries. This leaves a balance of \$19.3 million. In addition to tsunami-related projects, IOM has several other projects in the three countries. Therefore, IOM will have spent considerably more in these countries in 2005 than the \$6 million that it spent in 2004.

### **3.2.3. Office for the Coordination of Humanitarian Affairs (OCHA)**

As of end September 2005, OCHA had a total cash income of just over \$33 million for the tsunami (this includes cash pledges of \$5.45 million) and gifts-in-kind valued at \$1.25 million. The FTS data shows that almost all of OCHA's income was from government sources – only 1.5% came from private sources. This is in line with OCHA's normal income – in 2004, all its income outside of the UN Regular Budget came from government sources.

The contributions for which information about allocation to a sector is available were all allocated to coordination and support services.

According to the Tsunami Expenditure Tracking System (ETS), OCHA had received \$17.1 million of the requested \$21.9 million for tsunami projects in Indonesia, the Maldives, Somalia and Sri Lanka and one regional project. Of this, OCHA had spent \$8.1 million (47%) by 15 August 2005. This left a balance of \$9 million to be spent.

In 2004, OCHA spent \$1,389,658 in Somalia and \$1,906,240 in Indonesia. It did not have field operations in the other tsunami-affected countries. By contrast, it has already spent \$2.7 million in Indonesia, with a balance of \$2.9 million remaining to be spent. Although OCHA has only spent \$371,004 in Somalia on tsunami-related projects, it has a balance of \$2.3 million to spend. This will take its tsunami-related expenditure in both countries to about twice the level of expenditure in 2004.

Of OCHA's cash income, about half (\$16.2 million) was earmarked at country level for Indonesia, Malaysia, the Maldives, Somalia, Sri Lanka and Thailand. There was also one contribution of \$60,000 for the Seychelles. The remaining \$16.8 million was un-earmarked other than to the tsunami-affected region. This represents less earmarking than for OCHA's normal income. In 2003, 76% of OCHA's income from voluntary contributions was earmarked. This fell to 72% in 2004 but is still substantially higher than earmarking for the tsunami.

#### **3.2.4. United Nations Development Programme (UNDP)**

According to the FTS, UNDP has received a total cash income of \$125 million for the tsunami (this include pledges and commitments of \$28 million). Of this, about \$117 million or 93% came from government sources. The rest comprised contributions from the UN Fund for International Partnerships and private sources. UNDP also received in-kind contributions valued at \$1.66 million from the UK.

About 44% or \$55.6 million of UNDP's income was designated for shelter and non-food items. A further \$33 million or 26% was for economic recovery and infrastructure projects. The other sectors to which income was allocated were coordination and support services, agriculture and security.

90% of UNDP's income was earmarked for specific countries. Most of this funding was earmarked for Indonesia, the Maldives, the Seychelles, Sri Lanka and Thailand. There was also one contribution of \$1.2 million for Myanmar from Japan and two contributions totalling \$1.95 million for India. The remaining income was for the region as a whole or unspecified.

#### **3.2.5. United Nations Population Fund (UNFPA)**

The FTS shows a cash income for UNFPA of just over \$27 million and one in-kind contribution for Sri Lanka, valued at \$160,000. This includes pledges of \$2.2 million and one recent additional in-kind commitment of \$500,000 from China – which had already contributed \$1m in cash. Over 95% of UNFPA's income was from government sources. This indicates a slight increase in income from private sources as compared with UNFPA's normal income – in 2003 and 2004, over 99% of its income came from government sources.

86% of UNFPA's income was allocated to health-related activities. It also received just over \$1 million (4%) for the protection/human rights/ rule of law sector. \$1.8 million of the \$2.2 million it received in pledges was designated for coordination and support services.



Just over half of UNFPA's income (\$16 million) was earmarked for Indonesia. The other countries for which it received contributions were the Maldives, Sri Lanka and Thailand. About 5% of UNFPA's income was un-earmarked.

According to the ETS, UNFPA has received \$24.5 million (in contrast to the FTS figure) of the \$31 million (approximately) that it requested for tsunami-related projects. Of this, it had spent a total of \$10.5 million or 43% by the end of August in Indonesia, the Maldives, Sri Lanka and Thailand. This leaves a balance of \$14 million to be spent.

In 2004, UNFPA spent \$7,657,000 in total in these four countries (\$5.299 million in Indonesia, \$493,000 in the Maldives, \$953,000 in Sri Lanka and \$912,000 in Thailand). Therefore, it has already spent well over this amount in the four countries. With the balance remaining to be spent, its expenditure on tsunami-related programmes in these countries will triple its 2004 expenditure.

### **3.2.6. United Nations High Commissioner for Refugees (UNHCR)**

Income data from UNHCR shows a total cash income of \$53.75 million as of 21<sup>st</sup> September 2005 (this comprises paid contributions and a small amount of commitments). Of this, \$45.8 million or 85% came from 15 government donors plus the European Commission, with the rest coming from private sources (a mix of companies, non-profit organisations and individuals). In addition, UNHCR received some in-kind support but, with one exception, these did not have a value attached to them.

UNHCR received a higher proportion of its income for the tsunami from private sources than it has done in the past. In 2002 and 2003, government sources accounted for 97% and 96% respectively of its total income.

As of the end of August 2005, UNHCR had spent \$18.3m in total in Indonesia, Sri Lanka and Somalia (including \$100,000 on its regional programme). This comprises approximately 35% of its income for the tsunami and leaves a balance of approximately \$34.87 million to be spent.

UNHCR spent \$415,844 through NGOs and \$59,810 through local authorities in Sri Lanka. In Indonesia and Somalia, it implemented its projects directly.

In 2004, UNHCR spent just under \$4.5 million in Indonesia, just over \$6 million in Somalia, and just over \$8 million in Sri Lanka under its annual programme activities. The total spent in the three countries in 2004, therefore, was approximately \$18.5 million, about the same as it has already spent in 2005 under the supplementary programme for the Tsunami. Expenditure under the annual programme for 2005 was budgeted at \$6m for Indonesia, \$9m for Sri Lanka and \$7.4m for Somalia. UNHCR has not provided details of expenditure by sector.

UNHCR defines all contributions to its supplementary programmes as earmarked – even if they are not specified to a particular country. Within this category, almost 77% of UNHCR's cash income for the tsunami was earmarked at country level or below, while the rest was for the tsunami crisis as a whole. This level of earmarking is consistent with previous years.

Since the majority of UNHCR's income was earmarked, in the case of projects that were over-funded, moving the additional earmarked contributions required consultation or renegotiation with the respective donors. While UNHCR had some flexibility for reallocating these funds within the tsunami programme, few contributions could be re-directed to other programmes.

### **3.2.7. United Nations Children's Fund (UNICEF)**

UNICEF received income from three main sources – government donors, its national committees and private fund-raising by UNICEF field offices. It also received some funds for the tsunami from other UN agencies. UNICEF's total income for the tsunami was almost \$585.6 million. Of this, 26.5% came from government sources while 72.3% came from UNICEF's national committees and fundraising by field offices.

UNICEF has programmes in eight tsunami-affected countries – India, Indonesia, Malaysia, Maldives, Myanmar, Somalia, Sri Lanka and Thailand - as well as two regional offices. In the UNICEF portion of the Flash Appeal, four countries (India, Malaysia, Myanmar and Somalia) were not included in country-specific appeals, but were included in the part of "coordination and Support Services for Tsunami-affected Countries and UNICEF's Global and Regional Response".

As of the end of September 2005, UNICEF had spent almost \$161.4 million or 44% of the total \$318m allocated to specific projects in the UNICEF portion of the Flash Appeal. It had programmes in Indonesia and Sri Lanka in 2004 and spent \$99,288 and \$4,463 on these respectively. In 2005 UNICEF's expenditure was \$71.4 million and \$34 million in these two countries. UNICEF still has a balance of \$424 million to spend for Tsunami-related programme in 2006 and 2007.

Although some of UNICEF's expenditure in the tsunami-affected countries has been through NGOs, it does not track expenditure through NGOs. UNICEF has its own systems for tracking all expenditure in its field offices and at headquarters level.

About half (57%) of UNICEF's income was un-earmarked, other than for the tsunami crisis in general. Most of this (85% of the unearmarked income) came from UNICEF's National Committees. The rest of UNICEF's income was earmarked mainly at country level, rather than to specific projects. UNICEF has not reallocated funds given for the tsunami to other emergencies but the funds could be flexibly allocated between the countries affected by the tsunami.

### **3.2.8. World Food Programme (WFP)**

(See tsdWFP.xls for tables). According to the FTS, as of mid-September 2005, WFP had received cash contributions of \$34.9 million, plus pledges/commitments of \$5.6 million. It had also received in-kind contributions valued at \$205.8 million and pledges/commitments valued at \$33 million. Most of both the cash and in-kind contributions came from governments – almost 73% of in-kind contributions and 98% of cash contributions. This shows that WFP received a higher proportion of in-kind contributions for the tsunami crisis from private sources than it normally does. In both 2003 and 2004, 99% of its income came from government sources.

Of the total contributions of \$240.75 million, only one contribution of \$653,897 from the Netherlands was earmarked for Indonesia. The remaining pledges, commitments and contributions have been for WFP's regional programmes.

According to the ETS, WFP had spent \$593,405 of the \$653,897 received for Indonesia by the end of July. Of the \$240.4 million it has received for its regional programmes, WFP had spent \$156.8 million or 65% by the end of August. Of this, \$31 million or approximately 20% was for logistics and air support services.

Since there are no details of WFP's expenditure in individual tsunami-affected countries, it is not possible to compare its tsunami-related expenditure with expenditure in these countries in 2004.

### **3.2.9. World Health Organisation (WHO)**

(See tsdWHO.xls for tables). Income data from WHO shows that, as of 22<sup>nd</sup> September, it had received contributions of \$51.82 million and firm pledges of \$15.7 million. Of the total contributions, those from government sources totalled \$47.9 million or 92%. The remaining contributions came from UN agencies and private sources. WHO's funds have been allocated mainly to the health sector, with a small portion to water and sanitation.

\$43.7 million was lightly earmarked by donors for the UN Flash Appeal as a whole. The remaining contributions and pledges to WHO were earmarked for five specific countries – Indonesia, the Maldives, Myanmar, Sri Lanka and Somalia. Information about the earmarking of WHO's regular budget funds is unavailable.

Expenditure data from the ETS for WHO is from April 2005. This shows that WHO had received just over \$51 million of the \$70 million that it had requested for its tsunami-related activities. Of this, WHO had spent \$35 million or 68% in three countries – Indonesia, the Maldives and Sri Lanka – and on one regional programme. This leaves a balance of \$15.75 million to be spent. Information about WHO's expenditure in tsunami-affected countries in 2004 is unavailable.

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<sup>i</sup> Excluding uncommitted pledges

<sup>ii</sup> It is worth noting that these unspecified funds subsequently appear as earmarked contributions to the recipient agency.

<sup>iii</sup> This means that either funds had been transferred to the Appeal agencies for those projects, or that a sufficiently binding commitment had been given by the donor to allow the agency or NGO to advance funds on the back of it.

<sup>iv</sup> This background paper focuses on the trends in the reported data. However, the role of the CAP and the importance of funding strategic priorities first has been the subject of much debate and analysis in 2005. The role of appeals in financing humanitarian response is discussed in the Overview of Funds paper and a fuller discussion of funding behaviour will be available later in 2006 in Global Humanitarian Assistance 2006 which will be published in hard copy and on [www.globalhumanitarianassistance.org](http://www.globalhumanitarianassistance.org)

<sup>v</sup> FAO aims to protect and promote early recovery of livelihoods in order to prevent food security and asset loss deteriorating and to enable a rapid and, ideally, enhanced return to self reliance. This is not seen as long term reconstruction and development. However, the nature of FAO's mandate has implications for the speed of response. Saving and promoting diverse livelihoods is a complex job, requiring a unique response in each emergency situation. Few items can be pre-positioned as needs assessments and detailed design and planning of the response are pre-requisites for procurement.

<sup>vi</sup> 16 October data

<sup>vii</sup> [\\Tony-g\di shared\GHA04\Tsunami\tsdtheme3AppealanalysisLB.xls](#) from workbook 'Basic data projectsandrequests

<sup>viii</sup> [Copy of commitments by sector inside the CAPbak.xls](#)

<sup>ix</sup> Information from the FTS build a table function selecting 'sector not specified' on the first page and then the appeal

<sup>x</sup> It is interesting that for the 2005 Niger Flash Appeal, as of the 12<sup>th</sup> October 2005, 6 donors have made contributions into 'sector not specified' – is the Tsunami changing the way donors contribute or do donors lack the knowledge of Niger to make a judgment between sectors?