

HPG Report

Valuing local resources in humanitarian crises

Barnaby Willitts-King, John Bryant
and Alexandra Spencer

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About the authors

Barnaby Willitts-King is a Senior Research Fellow at the Humanitarian Policy Group (HPG) at ODI.

John Bryant is a Senior Research Officer at HPG.

Alexandra Spencer is a Research Officer at HPG.

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Acronyms

CPI	Climate Policy Initiative
CRS	Creditor Reporting System
DAC	Development Assistance Committee
DCO	District Coordination Officer
DI	Development Initiatives
FTS	Financial Tracking Service
GDP	gross domestic product
GHD	Good Humanitarian Donorship
HDX	Humanitarian Data Exchange
HEA	Household Economy Analysis
HPG	Humanitarian Policy Group
HRP	humanitarian response plan
HXL	Humanitarian Exchange Language
IATI	International Aid Transparency Initiative
IDP	internally displaced person
IHA	international humanitarian assistance
ISIL	Islamic State of Iraq and the Levant
NRNA	Non-Resident Nepali Association
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PDS	Public Distribution System
SSA	Social Security Assistance
UNDP	United Nations Development Programme

Executive summary

Since the World Humanitarian Summit in 2016, progress has been made towards more locally led humanitarian action, catalysed by the Grand Bargain commitments and pressure from grassroots networks such as Network for Empowered Aid Response (NEAR) and Charter for Change. But signatories and local organisations alike have focused on the Grand Bargain localisation commitment to increase the proportion of funding provided to local NGOs and affected governments, rather than a broader approach to humanitarian financing. HPG's research into the resources that households use to cope with crisis has revealed the narrow way that humanitarian agencies have been looking at resource flows.

Locally led response starts in affected communities and the resources they mobilise and make use of, including community support mechanisms, remittances from diaspora, government and private sector funding and faith-based giving. But these funds and other resources are not easily measured or tracked and are not sufficiently understood by local and international humanitarian actors.

Globally, this study estimates that international humanitarian assistance (IHA) comprises as little as 1% of resource flows to countries affected by humanitarian crises. Even for the most high-profile crisis contexts (the top 20 humanitarian aid recipient countries) official IHA is only 1.7% of total flows from domestic and international sources including loans, investment and tax revenue. Remittances are one clear example of a major resource flow that is potentially significant in crises but insufficiently understood or factored in; others include faith-based flows and local community resources.

Each crisis context is, however, different. Country-level research in Nepal, Uganda and Iraq shows significant diversity of flows accessed by households:

- In a relatively small-scale disaster (Nepal), the response by the formal international response system was reported as only providing one-sixth of the total basket of resources received by

communities, which included Nepali government resources, volunteers and non-DAC donors, particularly China.

- In a refugee setting (Uganda), international aid is significant in volume, but people have multiple livelihoods and the international and government systems are disconnected; people also sell their aid for cash to buy what they need, which is very inefficient.
- In a conflict/displacement setting (Iraq/Mosul), government and local businesses are a major contributor to the local economy; aid is also important but can reinforce ethnic divisions.

Why does this matter? If international aid is only 1–2% of what people receive, then it needs to be managed in a much more complementary way and in better alignment with other resource flows to address the real needs faced by people in crisis. It is also important to understand the different ways in which recipients value resources. The research indicates that 'user value' can be perceived in terms of timeliness, solidarity and appropriateness as well as in monetary terms. The ideal resource mix would be complementary and catalytic. For example, international aid responding to a crisis might focus on health needs, the most vulnerable, or catalysing business recovery to complement the typical focus of local aid on food and shelter.

This means shifting perspectives from one with international resource flows at the core to one where households and affected countries are at the centre of how responses are planned and funded. Aid should be used not just to respond to gaps in need but to catalyse better and more effective use of flows beyond aid, which may be the best way to 'localise' the response. In addition to treating value differently, as described above, this shift requires different approaches in several dimensions.

It is critical to connect government and international humanitarian coordination systems, where appropriate, including through social welfare schemes, as well as including local and informal actors in planning and coordination.

The significance of livelihoods and economic inputs at household level is all the more important to understand and incorporate into planning when looking at a wider range of resources than merely IHA. Similarly, political dimensions of assistance are critical. Understanding how different groups may have less access to resources and be more vulnerable, and how local and international resources can both influence and be influenced by local power dynamics, is essential.

This is challenging in part because data on these resources is very poor. In order to track a wider range of resource flows there is an increased need to improve data systems to capture these where feasible. While there is momentum around data systems and initiatives, such as the International Aid Transparency Initiative (IATI), the Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking System (FTS), the Humanitarian Data Exchange (HDX) and the Grand Bargain transparency workstream, these remain fragmented and disconnected. Considerable data exists but it is not necessarily publicly available or comparable. We need to build aid programming, management and coordination systems that take a more holistic view of resources. We also need to better understand how data is used by decision-makers (or not) so we can

prioritise improving the data systems in ways that will make a difference, rather than collecting data for the sake of it. Humanitarian actors should also improve the data literacy skills in their organisations.

In practical terms this means the humanitarian community should:

- Focus on the household perspective in resource analysis and tracking by investing in household economy, market and political economy analysis.
- Design programming specifically for each crisis.
- Use aid smartly to focus on gaps and catalyse the right kind of investments and flows (for example, through supporting entrepreneurship or facilitating remittances).
- Build wider resource awareness into other systems.
- Better needs assessments are required that incorporate livelihoods and political analysis and involve government – this should be led by agencies and clusters.
- Strengthen data literacy and data systems, both in agencies and globally such as IATI/FTS, and develop a better understanding of how data is used to support humanitarian action.
- Build a community of practice on all-resource tracking that can prioritise where this can add practical value.

1 Introduction

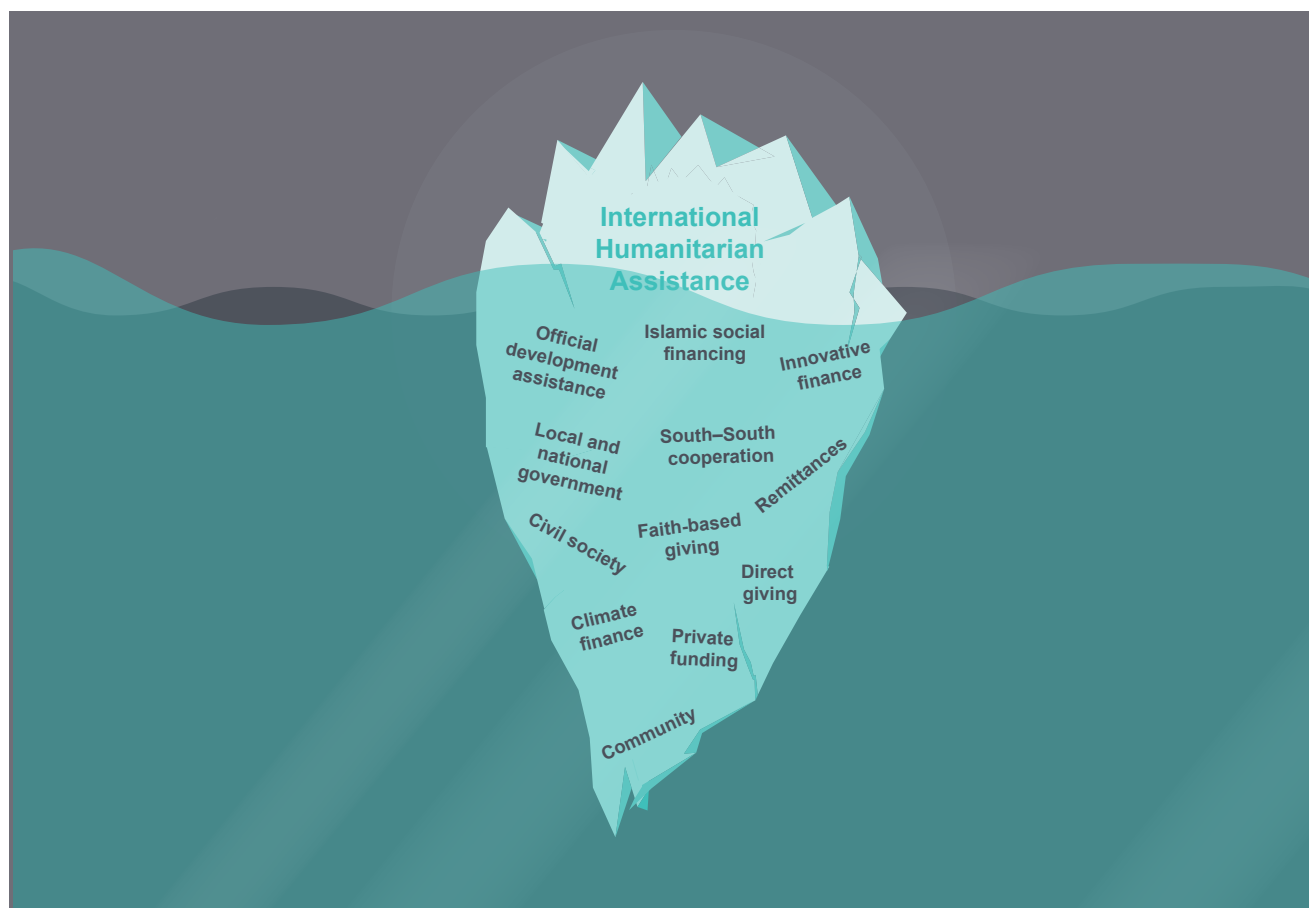
The flow of IHA into humanitarian crises (\$27 billion in 2018) is critical to effective response, providing food, shelter, medicine and other support to almost 100 million people affected by conflict and disaster each year (DI, 2018; OCHA, 2019). This paper explores the hypothesis that the known international resources for crisis response are only a small portion of a larger set of resources that are unseen or do not ‘count’. In other words, known resources are only ‘the tip of the iceberg’ (Willitts-King et al., 2018b) (Figure 1). These other resources come from a range of sources including: monetary and in-kind resources raised by crisis-affected individuals and communities themselves; monetary remittances sent by family members abroad; local and national government resources; and other informal types of aid including volunteering, philanthropy and faith-based giving. Many of these are rooted in a more local conception of assistance, therefore aligning with the localisation shift the international system has been

under pressure to make for decades, most recently with the Grand Bargain commitments made at the 2016 World Humanitarian Summit.

This perspective is important because official (government) IHA is estimated at a mere 1.7% of the total flows to the 20 countries receiving the most IHA (DI, 2018). Most data and policy attention among the international humanitarian community is focused on how this 1.7% is sourced and programmed, primarily through inter-agency humanitarian response plans (HRPs) and Red Cross emergency appeals, rather than how it relates to the remaining 98.3%. The central theme of this report is that this narrow focus on IHA limits the effectiveness of response by underplaying the importance of the wider range of resources.

The challenge is that we do not know how important this wider range of resources is in comparison to

Figure 1: The resources ‘iceberg’



Source: Willitts-King et al. (2018b), adapted from Development Initiatives (2019: 9)

what is more easily tracked. Beyond merely trying to measure levels of resources flowing from these untracked sources, it is also important to understand the extent to which international donors and agencies consider them when making funding decisions. This would potentially provide greater complementarity between different resource flows.

This report is the final output of a two-year research project that forms part of the HPG's Integrated Programme of research, *From the ground up: understanding local response in crises* (HPG, 2017). This project has important links to the question of whether and how the humanitarian system might become more locally led and implemented – specifically focusing on the role that a local perspective on resources could play and what this means for the way international and local actors work.

There is growing attention to the topic of tracking resources. The High-Level Panel on Humanitarian Financing's Report to the UN Secretary-General (High Level Panel on Humanitarian Financing, 2016) recommended the design and establishment of a 'generosity tracker' to better reflect the under-recognised contributions of governments hosting displaced people as well as the wider range of other resource flows that are missed by current systems. The High-Level Panel also recommended a 'Grand Bargain' to improve the efficiency and effectiveness of international humanitarian aid, which was agreed at the World Humanitarian Summit in 2016. While this research is not limited to the Grand Bargain, its localisation and transparency workstreams are relevant here in terms of how agencies and donors are already committed to making humanitarian response more localised and transparent (Metcalf-Hough et al., 2019). Better understanding of resources from a local perspective is an important but under-explored aspect of the 'localisation' agenda.

1.1 Research methodology

The overarching question this research aims to answer, within the framework of the Integrated Programme on local humanitarian action, is 'what assistance reaches communities in crisis and through what channels?' (HPG, 2017).

The expanded research framework (Annex 1) defined the overarching policy question of the research as: 'how might better knowledge about the range of resources that reaches communities in crisis change or affect the international humanitarian response?'

This is addressed through the following three research questions, which connect the issue of better understanding the range of resources with how this information is used in decision-making:

- Research question 1: How do people affected by crises make ends meet at the household level? In other words, what is the full scope of resources that households rely on?
- Research question 2: What resources contribute to crisis response at the system level? Some resource flows, such as government assistance and remittances, can be significant but may be less visible to households, donors and aid agencies.
- Research question 3: How do decision-makers use resource data when making allocation decisions and why?

An initial literature review and a set of background papers (DI, 2017; Poole, 2018) informed a working paper exploring the benefits and limits of considering a wider range of resource flows in humanitarian contexts (Willitts-King et al., 2018b).

The research design used a case study approach to interrogate these research questions by analysing quantitative and qualitative aspects of resource flows through field research in three countries: Uganda, Nepal and Iraq.

The research included interviews with 101 people in the study countries; 1,245 survey respondents; and 58 people were consulted through roundtable discussions, webinars and bilateral interviews at global level. Case studies were chosen according to the following criteria:

- Different types of crisis – to span natural hazard-related disasters, conflict and displacement.
- Different geographies – Africa, Middle East, Asia.
- Feasibility of research – availability of research partners, access/security.

Uganda was selected as a protracted refugee crisis in Africa, Nepal as a natural hazard-related disaster in an Asian country affected by regular such events (but without attracting a major international response); and Iraq as a recent conflict context in the Middle East. Fieldwork was undertaken between November 2017 and November 2018. In each country, a local research partner was identified to carry out elements of the research, including some or all the design, survey and interviews, analysis and report writing. The methodology was adapted to the context, but with the core focus on the research questions above.

Further studies were developed to support the research, including on remittances (Bryant, 2019a) and a global estimate of resource flows (Spencer, 2019 – see Annex 2).

The field research methodology combined quantitative surveys of household income sources with qualitative interviews to explore how different resources were used at household level. A core survey design was adapted for each context to be relevant to the specific crisis. Household interviews complemented key informant interviews with local and national government officials, national and international aid agencies, volunteers, diaspora and businesses.

The case studies, additional interviews and desk research generated preliminary conclusions and recommendations. The research team discussed these with UN, Red Cross, NGOs, donors and academics in London, the Hague and affected countries in a series of consultations using interviews, workshops and a webinar to test the thinking and ground the research outcomes in practical realities.

1.2 Definitions

By defining the subject of study as resources beyond IHA, the study intentionally encompasses a wide and diverse range of sources. Table 1 categorises these based on Development Initiatives (DI, 2017) classifications. These divide resource flows according to geography – whether originating domestically or internationally – and according to whether they are official (i.e. government) flows or from other unofficial sources.

A number of terms are used in different contexts for unofficial flows, a subset of which includes what has been referred to as informal, non-formal, non-traditional flows, or ‘local aid’. By nature, these are not conducive to clear definition, other than not

being formal or official flows. Generally, these refer to a range of community-based and local sources that, while less familiar to the international system, may well offer more traditional and sustainable mechanisms than international aid, such as community sharing of resources.

A key objective of this research has been to identify and quantify in monetary terms the flows of different types of resources that are anecdotally reported to exist and matter to people in crisis. For ease of comparison, values are expressed in US dollars using current exchange rates. In addition, the concept of ‘value’ – beyond simple monetary value – is discussed as ‘user value’ (which has also been referred to as ‘community value’). It encompasses other dimensions of value such as speed and appropriateness that may be as (or more) important to crisis-affected people and households than monetary value.

1.3 Limitations

The research design focused on balancing analytical rigour and depth with taking a broad approach to case study selection and balancing quantitative and qualitative data. In this regard, the case studies provide insights into three different types of crisis but do not represent every possible type of humanitarian crisis. The findings are therefore to an extent speculative rather than fully generalisable. In the individual case studies, resources were devoted to providing indicative rather than statistically representative survey samples, again potentially reducing the generalisability of findings.

A deeper limitation, and a finding in itself, is the dearth of data available on the range of resources under examination at global and local level, whether due to data not being publicly available, not provided in a comparable format or simply not tracked at all.

Table 1: Typology of crisis resources

		Geography	
		International	Domestic
Type of flow	Official	<ul style="list-style-type: none"> IHA Official development assistance (ODA) (beyond IHA) South–South cooperation Innovative finance Climate finance 	<ul style="list-style-type: none"> Local, regional and national government funding
	Unofficial	<ul style="list-style-type: none"> Diaspora remittances International private funding Direct giving Faith-based giving 	<ul style="list-style-type: none"> Islamic social financing National private funding/domestic philanthropy, private sector engagement National and local civil society Community response and support

Source: adapted from Development Initiatives (2017)

The complexity of multiple transaction layers and a tendency for individuals and organisations not to share financing data by default, form the basis of much of this opacity. In the disaster-prone but stable setting of Nepal, baseline data is more readily available than in the dynamic, conflict-affected context of Iraq. The protracted refugee situation in Uganda is more amenable to data collection but parallel government and international response systems make this challenging as the two systems do not interact efficiently.

In general, though, the spontaneous and community-level initiatives that partly make up the unmeasured response do not belong to systematic reporting or coordination systems. IHA is among the few forms

of assistance regularly counted and visible in publicly available sources; even local NGOs demonstrated limited capacity to report on their activities to funding partners.

1.4 Structure of this report

This report is structured as follows: Chapter 2 maps the sector's knowledge of this wider range of resources based on globally available data and empirical research from the case studies. Chapter 3 considers what this means for how humanitarian aid is organised and conceptualised, including local humanitarian action. Chapter 4 draws conclusions and makes recommendations for the international humanitarian system and local actors.

2 What levels of funding and support reach households in different crises, and how?

The starting point for understanding the level of resources relevant to a crisis is to establish the availability of data. Findings from a number of global, local and thematic studies reveal a mosaic of different resources. By looking ‘top-down’ (i.e. from the view of donors or affected governments) and ‘bottom-up’ (i.e. from an affected household perspective), we can establish several key characteristics about the funding that reaches households, while also shedding light on the limitations of what data can be obtained.

2.1 Global estimates

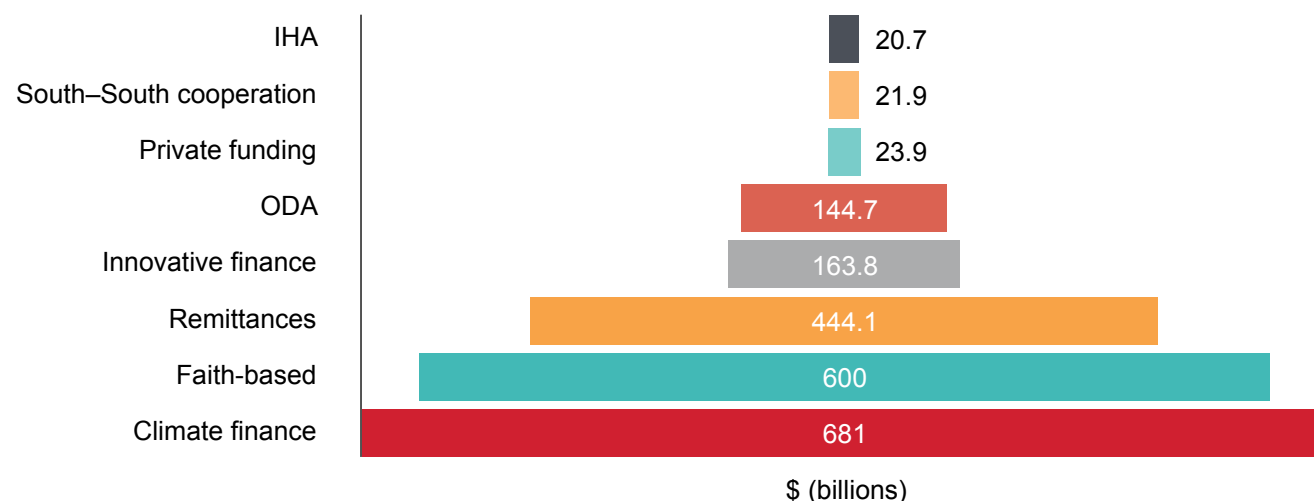
A global study undertaken by HPG (Spencer, 2019, see summary in Annex 1) indicates that there is little data on available resources in humanitarian crises beyond IHA. The key global sources for IHA are OCHA’s FTS, the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) Creditor Reporting System (CRS), and portals using data published to the IATI standard. These overlap to an

extent but have different strengths and methods of classification, discussed below.

Identifying the many different sources of humanitarian aid beyond those reported to these databases involves accessing multiple alternative databases and reports that are not necessarily comparable nor mutually exclusive, so double counting is likely. For example, a common challenge is to separate out ‘humanitarian’ expenditure from wider development or other international resource flows to developing countries. Beyond humanitarian aid, there are also multiple sources of financial flows rather than a single authoritative source.

While this analysis provides ranges depending on the source, it suggests IHA flows are as low as 1% of total flows to all countries affected by humanitarian crisis (Figure 2). When looking at the 20 highest-funded humanitarian crises where we would expect greater international investment, this figure is slightly higher – 1.7% according to Development Initiatives (DI, 2018) (see Figure 3). Even when looking at

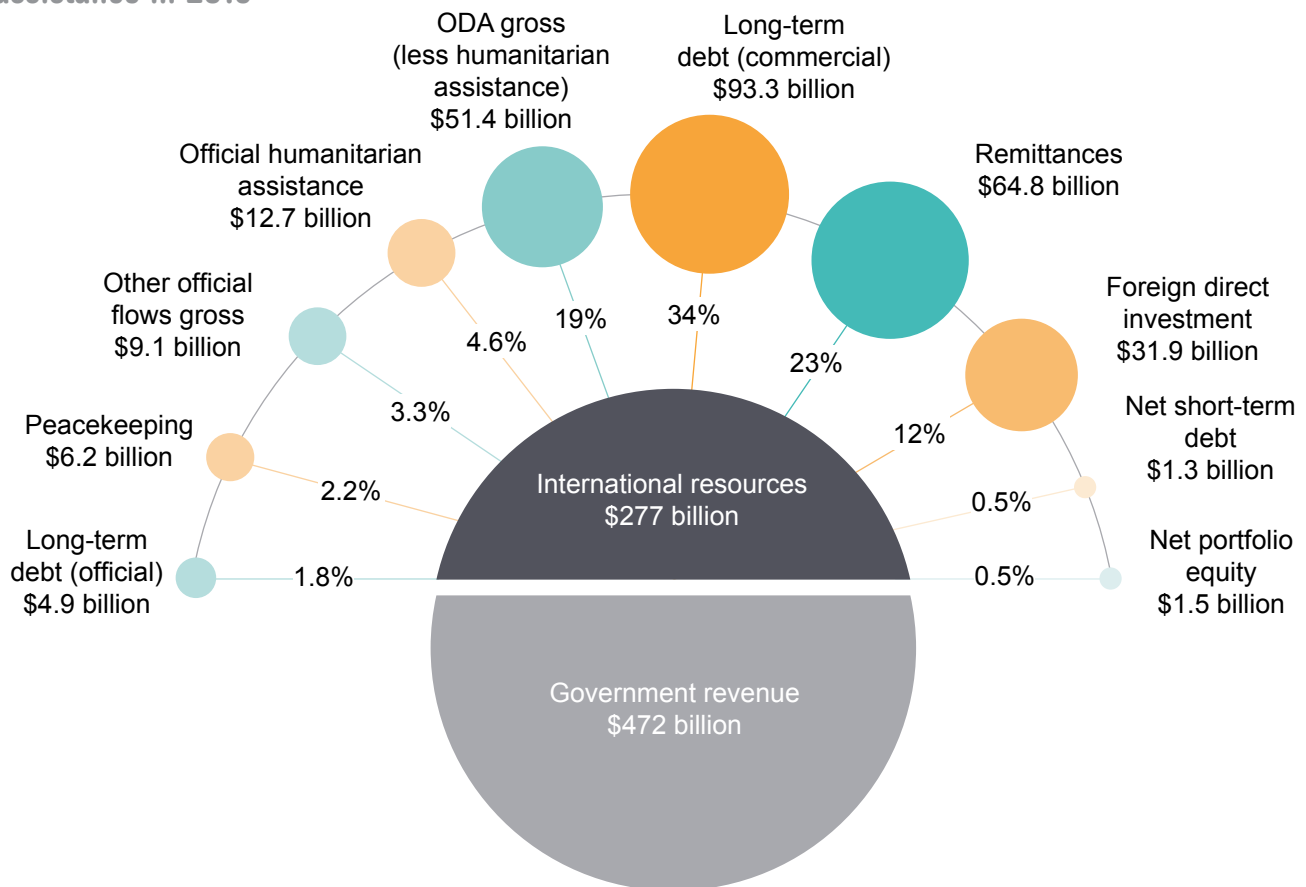
Figure 2: Global resource flows to all countries affected by humanitarian crisis



Source: Spencer (2019)

Note: These numbers represent the upper estimated range for each resource.

Figure 3: Resource mix in the 20 countries receiving the most international humanitarian assistance in 2016



Source: Willitts-King et al. (2018b), adapted from Development Initiatives (2018)

Note: Debt in these cases refers to loans taken from international sources.

international resources alone in these 20 countries, IHA represents 4.6% – still a very low percentage compared to remittances, foreign direct investment and other international flows. Interviews suggest a disconnect between these figures and the perception among international responders regarding the relative significance of their assistance.

Further analysis of global sources according to the international/official funding categories demonstrates how small IHA is when compared to other funding flows. Figure 4 captures the data for all countries that are recipients of humanitarian assistance. It shows that other forms of ODA, particularly climate finance, dwarf IHA, and indicates the significance of faith-based giving and remittances, although available data is limited. Remittances are one of the most significant sources of global inflows to developing countries. Increased migration has led to rapid growth in remittance payments over the past decade, which are now worth \$613 billion per year according to recent estimates (Bryant, 2019a). Countries experiencing humanitarian crises tend to be far more dependent on remittances, with the 20 largest humanitarian aid recipients receiving 40% of their total inflows from

remittances, compared to 17% for other developing countries (DI, 2015a: 107). However, what is not clear from such global aggregates – which are incomplete as many flows are through informal channels – is who remittances support in affected countries and how they are used.

Findings from household surveys undertaken in northern Iraq and southern Nepal suggest that remittance payments are far from evenly distributed in recipient countries and are unlikely to be received by the most vulnerable people. In protracted crises, which receive the majority of humanitarian grant funding, the benefits of remittances for wider communities, including the ‘secondary distribution’ of cash from initial recipients to others, are less likely. In comparison to sudden-onset contexts, those affected by longer-term crises are more likely to have weaker social networks in their place of displacement and their sources of remittances have less ability to scale up their support (Bryant, 2019b: 8).

There is also a lack of data on faith-based funding for humanitarian emergencies and more broadly. Some sources focus on specific religions and others

on geographic locations, but global figures are seemingly absent from current research. One analysis suggests that \$420–434 million in humanitarian assistance was received and delivered by faith-based organisations worldwide in 2013 (DI, 2015b). This is equivalent to 15–16% of IHA channelled through NGOs in that year.

According to the Islamic Research and Training Institute and the World Bank, Islamic social finance, and in particular zakat (the religious obligation of alms-giving), was estimated to be \$550–600 billion per year (Obaidullah, 2017). As this estimate focuses on only one religion, the value of all faith-based giving could be much higher; however, it gives little information regarding what proportion is spent on humanitarian or development projects.

2.1.1 Data scarcity and relevance

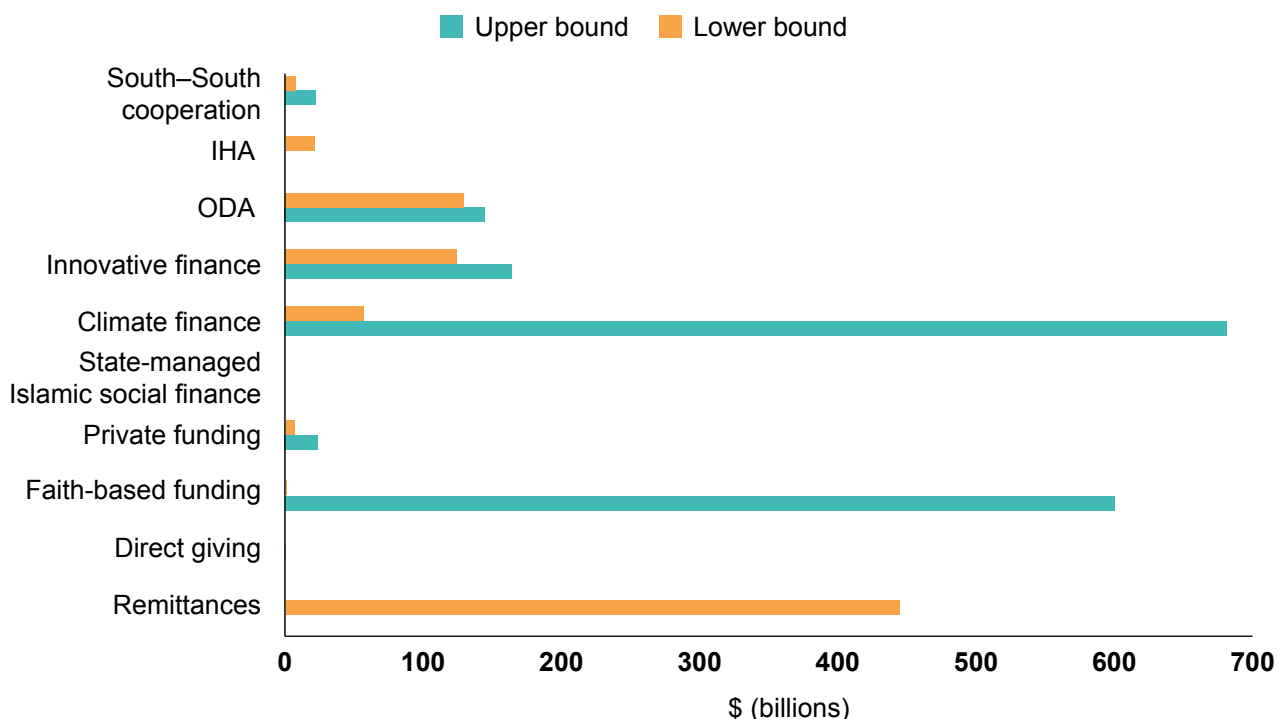
At the global level, while there is considerable data available, it is not in operationally relevant form due to varying focuses and timelines. A huge number of databases potentially need to be accessed to derive a more complete map of different sources – loans, grants, bonds, equities, remittances and so

forth. This is a complicated task and still does not capture a significant number of sources of crisis financing that are not reported or publicly available, particularly channels such as informal remittances and community support.

DAC CRS data is widely seen as the most authoritative source of information since reporting is mandatory for DAC members and categories are tightly defined; however, it is only published once a year in April (with an update in December) (Spencer, 2019). Consequently, the financing data reported to OCHA's FTS is the most used for operational and policy decision-making due to its relative timeliness – although it has many recognised flaws, as it relies on voluntary reporting and was designed to track response to international appeals rather than be used as an operational planning tool.

The overall conclusion from this global analysis is that IHA is a minor flow among other resource flows to crisis-affected countries. There are major limitations to global-level analysis of funding flows beyond highlighting the major categories, given the weakness of the relevant datasets.

Figure 4: Volumes of funding from international sources (most recent year)



Source: OECD, Development Initiatives, UNFCCC, DFI annual reports, Giving USA, IRTI, UN OCHA, World Bank and annual reports from direct giving platforms

Notes: In some cases, the lower and upper bound notation merely represents multiple estimates from different sources, rather than a bounded range. Most recent year here refers to the most recent date that data was available. In some cases, this is 2017/2018, but in others this date refers to an earlier year.

2.2 What forms of ‘local’ and alternative aid exist beyond IHA?

The case studies demonstrate there is a range of informal/local aid from sources not part of IHA: from the South Sudanese refugee populations in Uganda, where international aid is a major input, to the relatively low international input in Nepal in response to the 2017 floods.

HPG’s research into capacity and complementarity in humanitarian action proposed that context-wide mapping of available capacities would better inform humanitarian action, provided it was based on pre-agreed definitions of what constituted different types of ‘capacity’ and other terms (Barbelet, 2019). Adopting a similar system for financing data would certainly highlight the range of actors operating outside the humanitarian system and present a more realistic picture of the response. Yet it would also be a substantially more complicated undertaking that would need to monitor flows to even the individual level: a difficult and highly controversial process, particularly when considering flows such as remittances, which are often purposefully hidden for reasons of avoiding fees and legal issues.

2.2.1 Types of local actor

Our research highlighted the myriad local actors involved in each humanitarian response. In Nepal, a range of civil society actors, including the private sector, trade unions, volunteers, youth groups, banks and transport associations, responded to the 2015 earthquake and subsequent disasters including the 2017 floods. In Iraq, aid from international organisations appears to be a smaller feature of affected people’s lives than employment income and other support, although it was crucial for the survival of many in displacement. The majority of what was considered aid, provided either through international or government sources, was in-kind and often temporary.

Local humanitarian aid includes a broad spectrum of potential on-the-ground responders to crises and disasters: local NGOs, civil society groups and community leaders, indigenous peoples, local governments and people who are themselves affected by crises, including refugees, host communities and everyday volunteers (Fast, 2019). The International Organization for Migration uses the term citizen-driven assistance, while the Local2Global initiative has documented ‘survivor- and community-led response’ in the Philippines, Myanmar, Kenya, occupied Palestinian territories, Sudan and South Sudan

(Local2Global, 2018). The latter focuses on locally led protection aspects of response, recommending that it is crucial to recognise local communities’ own knowledge and protection strategies for their safety and survival, and that the community’s perspective should be central, allowing a holistic response that addresses physical safety, livelihoods and psychosocial needs.

These local groups could be further segmented by wealth, income and social group. For example, in Nepal the traditional support from landowners to sharecroppers provides a safety net in times of crisis, through the provision of loans or leniency on debt repayment (Willitts-King and Ghimire, 2019).

Food, cash and temporary shelter provided by the diaspora/local organisations will often be a major part of the initial response. The way the international response identifies the most vulnerable and helps address these needs in the sectors not prioritised by the local response is therefore critical.

2.2.2 Government assistance

Government assistance also funds responses to many crises but is not easily tracked nor consistently considered in planning international support. In Nepal the responses by the Nepali government and international community were of similar value, while in Uganda government support to refugees is notably generous, with refugees provided with land, access to government health and education facilities and allowed to work. In Iraq, government salaries were a significant resource used by those affected by the conflict to survive during the Islamic State of Iraq and the Levant (ISIL) period.

2.2.3 Role of diaspora and remittances

As discussed above, diaspora play a critical role in bringing resources and local knowledge through connecting global and local networks. In Nepal the Non-Resident Nepali Association (NRNA) received positive feedback from recipients for its in-kind assistance, despite being low in value. However, it is important to acknowledge the limits of remittances as an impartial source of aid. Unlike humanitarian aid, recipients of remittances are not necessarily the most vulnerable people in a crisis. Instead, their distribution results from patterns of historical migration that, although perhaps initially shaped by poverty or displacement, are unlikely to reflect present vulnerabilities. Funds are therefore inequitably distributed across the population, often being limited to the wealthiest households with the means to send a family member abroad to remit money. Such dynamics

become significant during humanitarian crises, resulting in some people benefitting while others do not, potentially altering the impact of the crisis at a household level (Bryant, 2019a).

2.2.4 ODA beyond IHA

The relative importance of different international aid sources also changes dynamically over time, with fluctuations in the share that IHA provides compared to other ODA flows. For example, in Uganda and Iraq the relative share of humanitarian aid compared to other flows has altered depending on the phase of the crisis (see Figures 5 and 6).

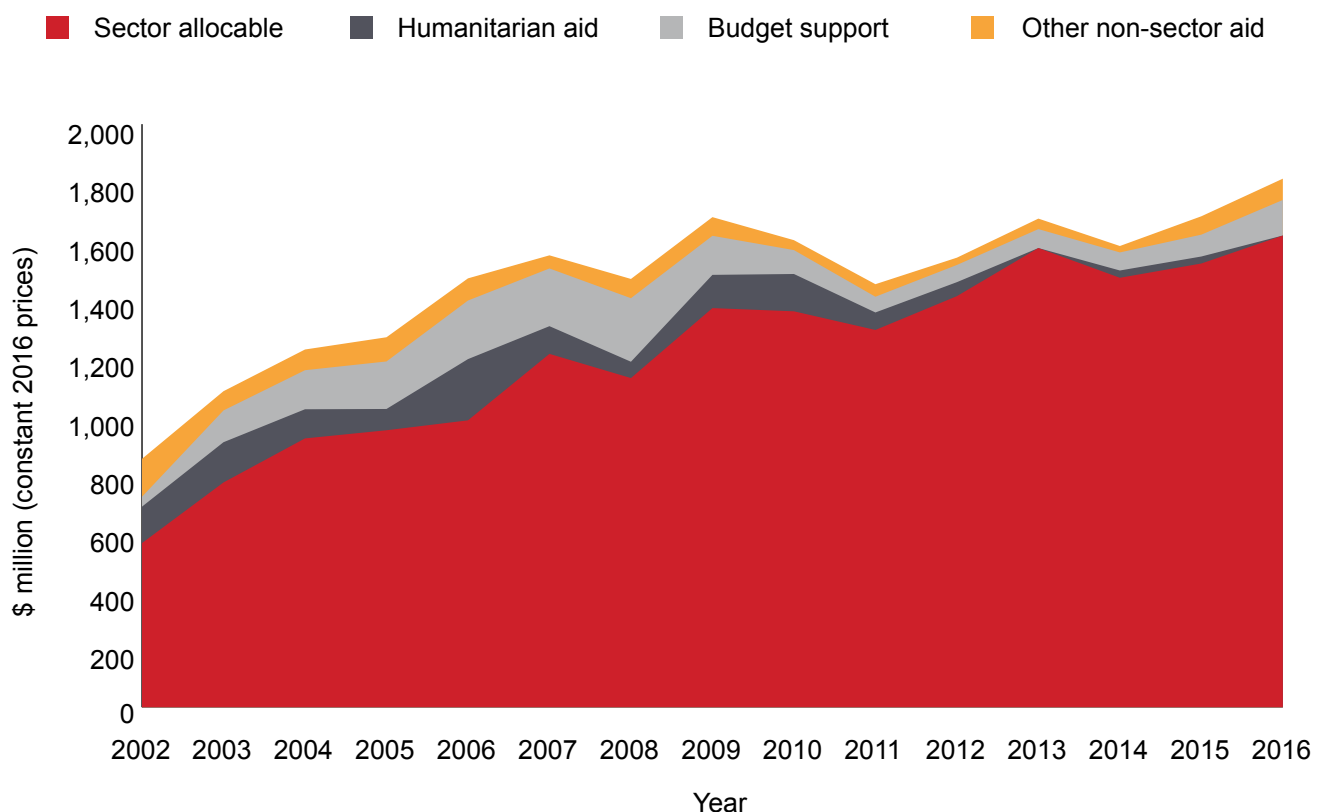
2.3 Key findings: alternative sources of finance in specific humanitarian crises

At country level, very different data sources exist depending on context. This section analyses findings from the three case study countries, as well as examples from elsewhere, to consider what light ‘bottom-up’ approaches to measuring a wider set of resources can shed on the overall research question.

Apart from data limitations across all settings, there are few clear patterns when comparing different types of context. At one end of the spectrum, resource flows are less diverse for refugees in Uganda, due to their self-reliance and relative lack of economic integration. Those displaced receive little support from surrounding communities – in contrast to what is observed in acute crisis situations where local communities, and other refugees, are often observed to take in refugees in the early waves of new displacement (Fiddian-Qasmiyeh, 2016). Meanwhile, in Mosul international aid was crucial for internally displaced people (IDPs) at the height of the crisis but less so beyond this phase. The Nepal study demonstrates that in a less severe disaster, local aid was more important than international aid from a household perspective. This contrasts with the 2015 earthquake in Nepal, where reported international assistance amounted to \$535 million according to FTS (compared to \$20 million in 2017).

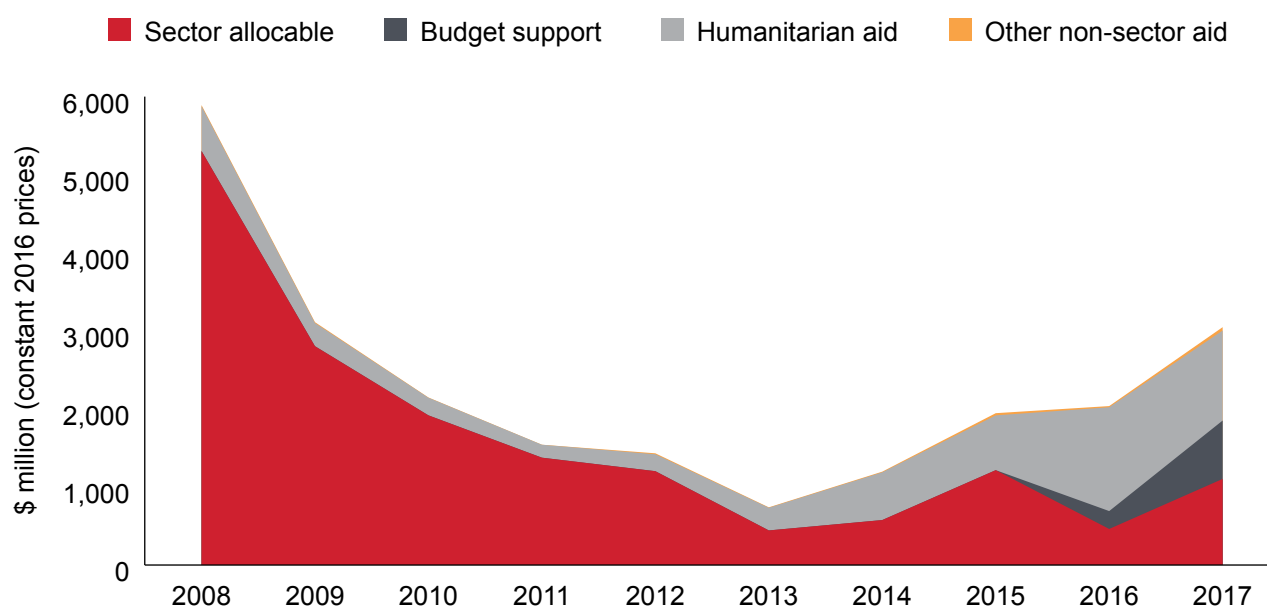
This suggests that the severity of the crisis and its international profile may be important in determining the balance between the local and international response (also see the discussion on ‘value’ in Section 3.1).

Figure 5: Total ODA excluding debt relief to Uganda, 2002–2016



Source: adapted from Poole (2019); based on data from OECD CRS

Figure 6: Total ODA excluding debt relief to Iraq, 2008–2017



Source: Bryant (2019b); based on data from OECD CRS

2.3.1 Finding 1: A broad set of resources contribute to the response, but they are difficult to compare

The three case studies vary widely in terms of the wealth of affected people and the scope of the networks of support to which they have access. However, they all demonstrate that humanitarian responses are supported by a much wider range of resources than just IHA. In the case of Iraq and Nepal, international assistance is not the most prominent source of funding and was limited in both scale and responsiveness. Even in the camp setting of Uganda, 40% of respondents said other sources besides aid organisations were more important in meeting regular shortfalls in household income (Poole, 2019: 9).

However, comparing these sources in terms of value is difficult. This is most clearly the case in Uganda, where the government contribution to refugee hosting was small in monetary terms: a United Nations Development Programme (UNDP) study in 2017 estimated the cost to the national budget of providing key services at around \$9 million (cited in Poole 2019, Figure 7). Yet, as recognised in the study, Uganda's liberal refugee-hosting policy has led to the provision of land to refugees on which they can live and farm. While the monetary value of this land is relatively low, it has provided safety to more than 400,000 people and crucial livelihood opportunities in terms of growing and selling cultivated food. While the policy is estimated to have cost the government the relatively low figure of \$30

million, it has given people an important means of longer-term assistance that IHA could not, and is not designed to, provide.

Exploring these means of support alongside one another often means looking at incomparable sources of assistance, therefore emphasising the importance of seeing such support as a complementary spectrum, rather than interpreting one source as 'more important' than another.

2.3.2 Finding 2: Perceptions of support matter as much as monetary value to affected people

As comparing the monetary cost of different forms of assistance is difficult and may be misleading, the perceptions of recipients may be more useful when attempting to assess what resources are valued and relied upon in crises. In all three case studies, perceptions of assistance provided insights that went beyond financial information and instead incorporated issues of aid relevance, timeliness and effectiveness.

In Nepal, the results from perception surveys illustrate that the Western international system played only a minor role in the response to major flooding in June–August 2017 that affected Saptari district (see Figure 8). Instead, households reported that over one-third of the resources they received came from family, government, diaspora or community-based organisations. Around a quarter of the response was from other countries, with China reported as the main source (this is likely to be related to a distribution by China Aid that took

place shortly before the survey and was therefore easily recalled).

These perceptions also raise questions around how the international humanitarian system operates, the nature of subcontracting through local organisations and the way different aid actors work together. For instance, aid recipients received a fifth of the response from Nepali NGOs (primarily the Nepal Red Cross); only one-sixth of the response at household level was reported in HPG surveys as being by the UN or INGOs. Some of what was perceived as locally provided aid, however, was actually internationally-funded assistance delivered by Nepali NGOs working in partnership with or as subcontractors to international organisations.

Solely using perceptions of flows as a means of assessing aid effectiveness has some key limitations. It emphasises visible forms of assistance, such as in-kind aid that may have more limited utility than, for example, cash assistance provided in the form of a social welfare payment to a bank account. Government sources may also be under-reported: in the case of Iraq, for instance, government support was seen by recipients as being limited, with only 21% of displaced people (30% of returnees recalling displacement and 12% of current IDPs) claiming they had access to government support (Figure 9). This does not, however, include the government-run Public Distribution System (PDS), which was among the most important sources of income in the aftermath of displacement.

2.3.3 Finding 3: Alternative sources of funding are inequitably distributed and reflect inequalities

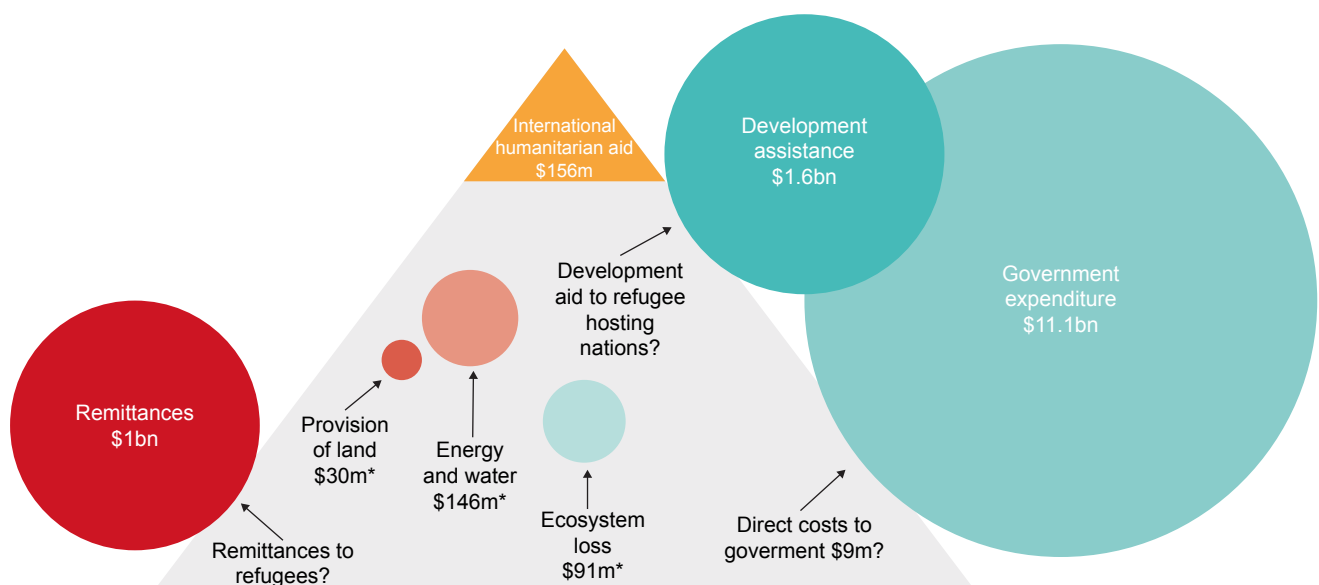
The three case studies also demonstrate that these other sources of support are not distributed equally and can reflect and entrench existing inequalities.

In the case of Uganda, surveyed women and female-headed households tended to be more economically disadvantaged. This is partly a consequence of a division in income-earning activities (women are less likely to earn money) as well as lower levels of basic education, which had a strong correlation with household expenditure per capita. In Iraq, the lack of women in income-earning roles – 19 were reported in the 300 surveyed households – makes observing trends more difficult.

A clearer observation from the Mosul case was the effect of displacement status. Those who stayed in the city under ISIL occupation recalled receiving most assistance from relatives and friends nearby, while those in displacement could instead rely on aid from international and national sources that had greater access to non-ISIL areas. What can now be seen, following Mosul's recapture by government forces, is a society heavily impacted by intercommunal conflict, comprising those who stayed as well as returning and currently displaced groups who continue to have access to different sources of support depending on political affiliations and ethno-religious identity.

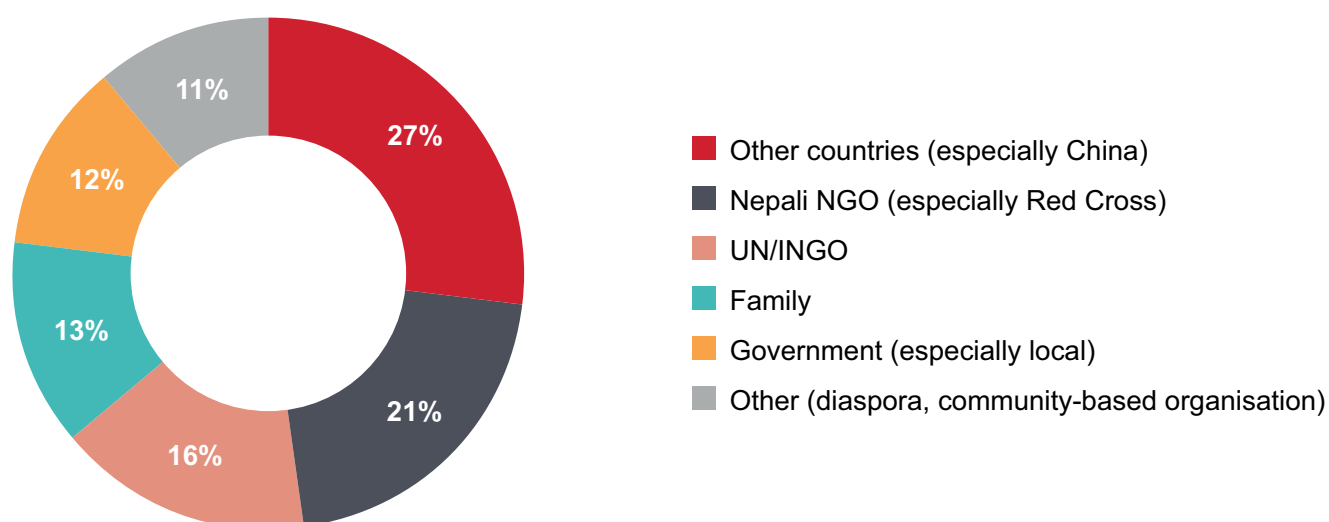
Inequalities can also be observed when considering remittances. These flows, which were observed to

Figure 7: Breakdown of resources flowing to refugees in Uganda



Source: Poole (2019), based on data from UN OCHA FTS, OECD DAC, World Bank remittance data, IMF World Economic Outlook and UNDP
 Note: These values are estimates and do not represent actual resource transfers.

Figure 8: Sources of assistance reported by Nepali households in 2017 (average value %)



Source: Willitts-King and Ghimire (2019), based on data from HPG survey

increase following sudden-onset crises, tend to be sent disproportionately to wealthier and more urban households with access to money transfer systems. Rather than corresponding with vulnerability or exposure to humanitarian crises, access to remittances in heavily-dependent countries such as Somalia also correlates with historical patterns of migration, with particular clans and lineages having an extended diaspora and the ability to access these flows more readily than those living in more isolated areas (Bryant, 2019a: 8).

IHA can also ignore marginalised groups, such as those with mental or physical impairments who have often been excluded from aid provision in urban settings and protracted crises. However, the case studies demonstrate that international assistance is still very important to affected people, particularly in the immediate aftermath of crises or in displacement where money transfer/banking systems may be inactive. This was the case in Iraq where, despite its small monetary value compared to domestic flows, international aid was seen as crucial while people were fleeing violence.

2.4 How does funding and support flow?

The overall amount of funding and support that flows to households is the primary question. However, it is also important to understand the ways in which funding flows through multiple systems and

the role of each ‘transaction layer’, given the impact this has on what funding reaches households, and how effectively and efficiently.

Support can reach households directly – such as through direct contributions from local organisations, volunteers or government – but more often comes through one or more intermediaries who may add value or provide a service while also taking a proportion/overhead of the funding (Fast, 2019). The humanitarian funding system is highly complex, fragmented and opaque.

These intermediaries can be in the formal system – the multiple layers of the humanitarian ‘transaction chain’ are well documented (Willitts-King et al., 2017) – or, in the case of remittances, can be money transfer operators such as Western Union, which typically take 7–10% of the transfer value (Bryant, 2019a).

For the humanitarian system, while theoretically data published to the IATI standard or to FTS can reflect relationships between different actors in the chain, actual reporting to this level of detail is extremely limited. A 2016 Development Initiatives study showed how complex the chain can be even for a small amount of funding: it demonstrated how €600,000 from Irish Aid for the Nepal earthquake response disbursed through six grants involved a total of 14 operational partners, not including procurement. This information was derived from IATI data supplemented by additional data manually provided by partners, a work-intensive exercise.

The degree to which the overall monetary value of the operation corresponds to the recipient's perception varies according to the type of response. For acute crises the value may be perceived more in terms of timeliness than monetary value, as discussed further in Section 3, while in protracted crises the delivery of services may be perceived as more important than the delivery of goods. An analysis of €300 million of projects funded by the European Commission's Directorate-General for Civil Protection and Humanitarian Aid (ECHO) found that 38% of the total funding value reached affected people directly (such as value of food or medicine received) and a further 43% enabled the direct delivery of goods and services (for example nurses' salaries to deliver immunisation) (Willitts-King et al., 2017).

The limits of such tracking systems are readily apparent. Funding and resources provided by local organisations and government institutions are not reflected in publicly accessible databases. While the reported funding to local/national actors is in the order of a few percentage points, country-specific studies for NEAR found that in Somalia 13% and South Sudan 10% of funding reported to FTS was passed directly or indirectly to local partners. These figures indicate the slow progress towards meeting the Grand Bargain commitment of providing 25% funding directly to local/national actors, but even this level of activity of local actors is not reflected in international databases, which only list the funding

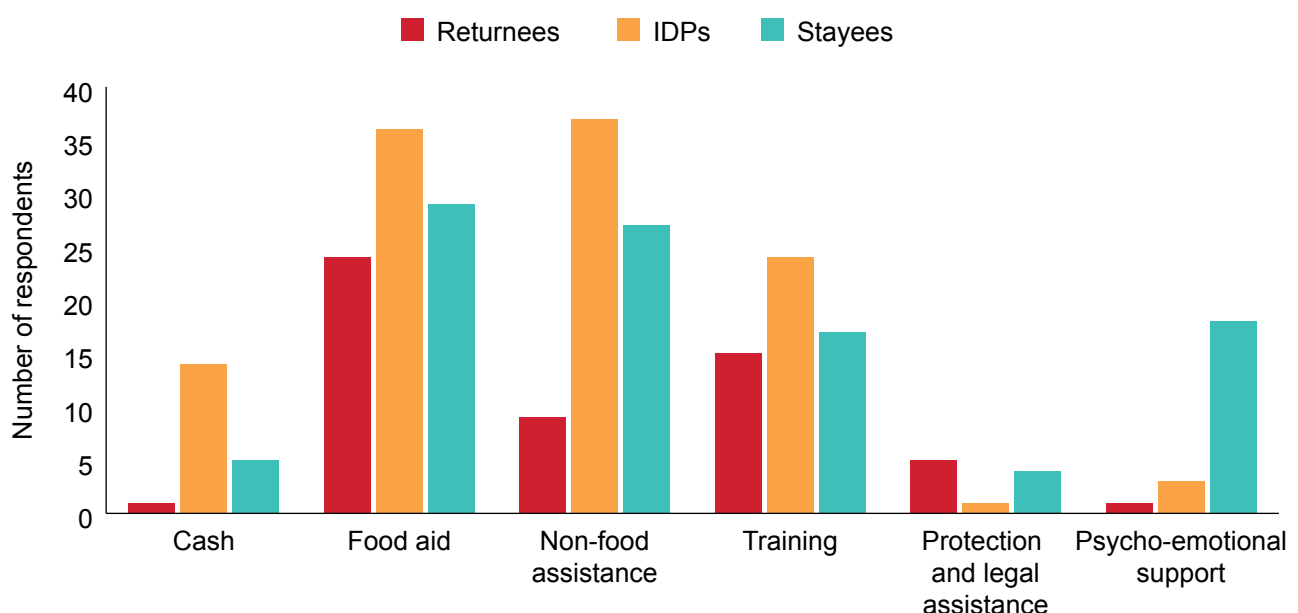
received by international actors (Ali et al., 2018; Majid et al., 2018; Willitts-King et al., 2018a).

Despite the weaknesses outlined above, these formal flows are easier to track through relevant databases than other informal funding flows. Most informal sources can only be partially tracked through parallel, unpublished and unconnected channels, such as through money transfer operators. It is unlikely that current systems will ever be able to capture the aggregate value of personal transfers through informal hawala channels, for example.

2.5 Conclusions

The fact that, globally, IHA flows are as low as 1% of flows to all countries affected by humanitarian crisis is a strong indicator of the need to look differently at how international assistance relates to the environment in which it is programmed. At crisis level, too, we see that a broad set of resources contribute to the response, but are difficult to compare, and the social value of support can matter as much to affected people as monetary value. While a wider range of sources is more important than is often recognised, it is also the case that alternative sources of funding are inequitably distributed and reflect inequalities within the societies affected by humanitarian crisis. Funding and resources also flow through complex and parallel channels, with challenges around data availability and comparability.

Figure 9: Iraq survey respondents citing current sources of support from NGOs or UN they 'regularly' receive, categorised by displacement status



Source: Bryant (2019b), based on data from HPG survey

This suggests the need for a change in strategy in the international humanitarian system towards a more holistic ‘all resources’ approach to resource allocation and humanitarian programming. This would look at flows from different sources and consider value differently: by considering all

available resources collectively, better targeting of international resources should be possible (DI, 2018). As we discuss in the next section, however, there are limits to the extent to which the system is ready to base decision-making on better context-specific data.

3 Towards complementarity in local and international financing: implications for system change

Households in crisis rely on a wider range of resource flows than just IHA. The more we understand resource flows from a household perspective, the more apparent the shortcomings of the existing approach become, as well as the challenges to changing it. From a local perspective, the distant international system is not rooted in the everyday experience of households managing a ‘portfolio’ of resources during a crisis. This section considers important themes and challenges to consider in moving the international system towards being more ‘people-focused’, which takes the local as a starting point.

3.1 Value

The case studies highlight that assistance provided by local aid-givers had value to affected people; this went beyond monetary value and was broader than effectiveness criteria and standards commonly listed by international organisations, which consider coverage, timeliness and relevance. In Nepal, for example, focus groups reported how the aid that reached them in the first hours and days after the flood was the most appreciated, ‘be it a handful of rice’ (Willitts-King and Ghimire, 2019). One recipient went on to suggest that the timeliness of this aid was what made it so valuable. In considering the wider value of this assistance, however, the fact that this was an instance of local aid-giving between affected people may also carry an additional benefit, perhaps a wider sense of communal value, ‘social good’ or solidarity.

This type of ‘value’ is effectively impossible to quantify and difficult to label. ‘Community value’, for example, recognises a beneficial impact beyond an

individual directly receiving the aid but carries with it some assumptions. For the aid sector, historically focused on rural ‘communities’, such aid may be seen to have a beneficial impact on a cohesive, geographically situated unit such as a village. What constitutes a community in an urban or displacement context is likely to be more complicated. Additionally, the benefits of aid distribution and instances of sharing relief among affected people do not necessarily follow a straightforward pattern of geographic distance, instead flowing along pre-existing lines of familial, ethnic, religious or other identities. The immediate local area may not see much by way of benefit and some people, who might be excluded from flows such as remittances for example, may actually see their living standards deteriorate (Bryant, 2019a: 8). These flows are also not representative of the whole community and do not benefit every group or demographic equally. It is important to recognise that the answer to the question ‘What constitutes a “valuable” form of assistance?’ depends on who is asked, and is likely to differ between men and women, different ethnic and religious groups, people of different ages, displaced people and those with disabilities, among others.

Regardless, acknowledging this additional value is useful in recognising that assistance can deliver benefits beyond individual need.¹ Aid provided by local people and organisations is likely to foster a sense of solidarity or common identity. In contemporary humanitarian responses, a ‘solidarity-based approach’ to relief is often presented as differing from the UN agency and Red Cross/Crescent Movement-led, international system, governed by principles of neutrality and impartiality (Bennett et al., 2016: 2).

¹ Seeing just the individual as the sole unit of analysis has limits in many humanitarian contexts, as demonstrated in studies of dignity among Rohingya refugees in Bangladesh that emphasise the communal or collective (Mosel and Holloway, 2019: 8).

In contrast, solidarity-based approaches often refer to volunteer-based responses that in some cases explicitly engage with the politics of the crisis (Borton, 2016). Likewise, as seen in the instances of informal aid-giving in the case studies, this solidarity-based model could be perceived as being unsupported but also unconstrained by formal aid structures.

Whether these so-called solidarity-based models of aid-giving are evidenced in the case studies is ambiguous, but respondents across the contexts highly valued the aid provided by their host communities and neighbours. In doing so, they likely use different criteria when judging the value of local assistance. This is especially highlighted when considering the form this assistance often takes, which across the case studies is more likely to constitute in-kind and food aid in small quantities of relatively low monetary value. In Nepal, recipients received storage drums and cooking utensils, while displaced people in Mosul reported neighbours providing blankets and materials that could be used for repairing shelters. Although lacking the utility of, for example, cash transfers distributed by an international agency, such in-kind aid from local aid givers was nonetheless highly valued by many respondents.

This form of assistance, and the sense of social good highlighted by recipients, is not consistent across the case study contexts. In the case of Mosul, there was a marked difference between those who were displaced and those who stayed in Mosul under ISIL rule – 12% of IDPs received aid from the local community they stayed in while 64% received aid from NGO/UN sources; in contrast, 43% of those who stayed in Mosul received aid from their community and only 2% received it from NGO/UN sources due to lack of access. Such findings suggest local giving may increase when there is a lack of access to NGO or UN sources of funds. Following the return of many displaced people after the conflict, respondents in Mosul also reported a decrease in giving from friends and neighbours. This lack of peer-to-peer giving, driven by long-term conflict, displacement and economic hardship, has helped fuel a widespread sense of a changed community that is less open to mutual assistance and has lost a sense of solidarity. Following intercommunal violence and instances of violence against aid-givers in the city, respondents now tend to rely on smaller, more family-based networks for support. Similarly, the secondary distribution of remittances beyond the original recipient has also been identified as less likely in protracted displacement contexts (Bryant, 2019a: 9). Many people have exhausted their own resources and, without

maintaining strong social ties, it is easy to see how giving and a sense of solidarity could wane over time, making more official forms of humanitarian assistance all the more important (Crawford, 2015: 20).

It is clear that both local and international forms of assistance have strengths and weaknesses. Alternative forms of giving that provide these different forms of value do not have the means for or necessarily interest in delivering the same kind of coverage as the global humanitarian system, nor make any claim to. Local giving may be limited in terms of resources and by motivations to help certain groups or at certain times. The same may be the case for international responses, but despite coverage being judged to be decreasing in recent years (ALNAP, 2018: 123), assistance attempts to reach those most in need and has the means to access people isolated for geographical, political or social reasons. While it cannot match the timeliness of local aid-giving, international assistance often comprises aid and services that cannot be provided by the immediate community.

Conversely, this wider sense of communal or social value suggests that, although international humanitarian responses arguably cost more than ‘local’ responses, they may not always translate into being more valuable to affected people (Manis, 2018: 2). A recent study of almost 5,000 aid recipients across seven countries, for example, revealed that support received by international assistance rarely meets affected people’s most pressing needs (Ground Truth, 2019: 16). In addition, while assessing the monetary value of inputs into crisis response may be of use from the perspective of donors and humanitarian organisations, it is of limited use in assessing the value of assistance to those receiving it.

Realistically, there is no likelihood of informal local forms of aid giving being integrated into the global humanitarian assistance apparatus. It will not fulfil the criteria of, for example, the Core Humanitarian Standard that informs the work of the international aid sector. Rather than judging one to be more effective than the other, there is scope to recognise the respective benefits of both a highly institutionalised approach to assistance and more informal means of aid-giving. What aid from local and national relief organisations potentially offers is an increase in this broader sense of value. When assistance is delivered in a manner that is appropriate and more participatory from the perspective of recipients, married with the infrastructure and resources of the international system, it can also utilise and hone tools to ensure coverage and access for those most in need.

Households take a ‘portfolio’ approach to assistance, balancing what is available from their own resources (including family, employer and diaspora) and elsewhere, whether via contributions from volunteers, government or international organisations. This was in evidence in Uganda: although the average number of income-generating activities was reported as 3.5 per household, income was nonetheless low and necessitated a periodic selling of food aid to enable purchase of other more useful items. In contrast, the ideal resource mix may be more than the sum of the individual parts if it can be complementary and catalytic. For example, if local aid tends to focus on food and shelter, international assistance could complement it by focusing on the most vulnerable and health needs, or catalyse the local response by helping kickstart business recovery.

3.2 Data systems and decision-making

This study suggests that a wider range of resources should be considered in programming and policy-making. It also highlights the overriding lack of high-quality data that could inform such activities.

The case studies confirm the observation in Willitts-King et al. (2018b) that better resourcing data on its own is neither likely to be forthcoming nor necessarily likely to drive efficiency, effectiveness and system change. More data does not necessarily lead to a better response. Programming needs a better understanding at crisis and household level about how flows operate, both in terms of their volume and use. This can in turn better inform targeting at crisis level and complementary approaches by international and national agencies and has potentially significant implications for how the international response system operates, including donor decision-making and coordination. A more useful way to think about flows may be to look at how such funding is prioritised, allocated and spent at household level.

In terms of implications for decision-making, agencies must incorporate a wider range of resource flows into assessments and vulnerability and capacity analysis should be rooted in household economy and livelihoods analysis (see Section 3.4). Meanwhile, donors should require partners to analyse wider resource flows and support them to develop the tools necessary to incorporate such approaches. Incremental improvements to global data tracking systems are worthwhile but there should be realism about how far this will go. The experience of IATI demonstrates that

technical solutions take considerable time to become established and part of systems and culture, for both political and bureaucratic reasons.

There is momentum around data transparency initiatives including IATI, FTS, HDX and Humanitarian Exchange Language (HXL), as well as the Grand Bargain transparency workstream, but these remain fragmented and disconnected. We also need to better understand how data is used by decision-makers (or not) so we can prioritise improving data systems in ways that will make a difference, rather than collecting data for the sake of it (DI, 2019). We also need to improve data literacy – there is a major skills gap in humanitarian organisations in managing, storing and using data to support and improve operations.

The IATI/FTS pilot is a good example of the types of harmonisation and integration that will be needed to develop a more useful holistic approach; however, it also demonstrates the future investment of time and resources required for donors and aid agencies to adapt existing systems to perform new functions (Centre for Humanitarian Data, 2018).

FTS was always designed to support donor decision-making by identifying funding gaps. A major flaw in this was assuming that transparency is easy: monitoring tools are expensive to maintain continuously and getting data into a publishable format takes work. An important initiative within the transparency workstream of the Grand Bargain is to look holistically across different tools and develop a blueprint/vision for Grand Bargain transparency, moving from data publishing to data use (DI, 2019).

IATI has been developing and in its ten years has made progress. By the end of 2018, \$152 billion of spending was published to IATI by more than 900 governments, multilateral institutions and private sector and civil society organisations (IATI, 2019). But IATI is not yet at a stage of penetration beyond technical users and needs to demonstrate how data can be used to solve specific problems rather than being an exercise in data collection as an end in itself (Metcalf-Hough et al., 2019).

3.3 Coordination

Where there are multiple systems of response and resource tracking, coordination over financing is as important as for response programming. Coordination occurs at different levels. In Nepal, local government

coordination is through the District Coordination Officer (DCO), the district's chief civil servant until new federalised arrangements are in place. In theory, this coordination at the local level also includes cluster coordination by national and international agencies. At national level, international agencies coordinate with national government ministries and with international donors. There is little evidence of consistent involvement or engagement of a wider range of actors in such coordination systems. In Nepal, the private sector is intended to be part of local disaster risk reduction platforms, which plan for future disasters.

3.3.1 Working with government systems

A recent study of Nepal's floods found that there are several advantages to using Social Security Assistance (SSA) schemes as part of a wider emergency response to floods (Holmes et al., 2019). These include utilising existing government capacity and administrative structures to channel payments to vulnerable groups in times of crisis, potentially reducing delays in delivering emergency assistance and increasing accuracy in targeting emergency response benefits (by reducing the risk of targeting lists being manipulated). The provision of cash as an emergency response mechanism is also increasingly seen as an appropriate intervention in Nepal, and one which would be valuable to beneficiaries of the SSA schemes (Willitts-King and Ghimire, 2019).

However, research also shows that there are reasons to be cautious about how the SSA system could be used in future responses to flood emergencies and careful consideration needs to be given to how challenges relating to coverage, targeting, appropriate value and capacity for service delivery can be overcome (Holmes et al., 2019).

A recent report on South Sudan gives insights into localised social protection and support systems in the country and the ways in which humanitarian aid, including cash transfer programming, can both complement and disrupt these systems (Humphrey et al., 2019). Among other recommendations, it suggests that donors should provide aid actors with the flexibility to determine when and how to pivot from short-term emergency assistance to livelihood support (ibid.).

It is therefore important to connect government and international coordination systems where appropriate, including through social welfare schemes, as well as including local and informal actors in planning and coordination.

3.4 Politics and livelihoods

The political role that resources play is evident in the three case studies. Resources and who controls them are sometimes downplayed in aid responses.

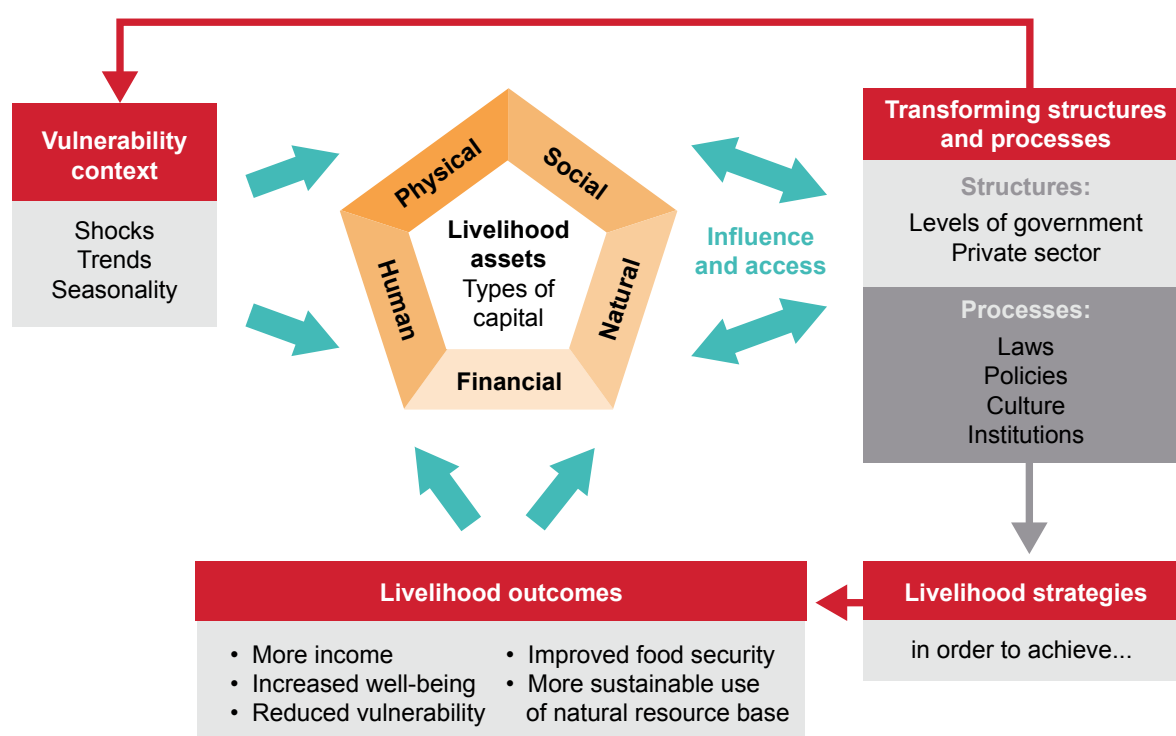
In Nepal, there was a widespread perception that relief resources were being allocated by local authorities in order to favour political supporters and influence the local elections that took place a few months after the floods while recovery was still ongoing. While the evidence is fragmentary and points to allocation being more likely in relation to reconstruction funding, it demonstrates the importance of transparency and communication alongside needs assessment, targeting criteria and monitoring to ensure fair distribution.

In Iraq, the distribution of assistance exacerbated increasing divisions in what had previously been an ethnically mixed region. The sources of support that people have access to now often differ according to identity and experience of conflict and displacement, threatening to further exacerbate political tensions. These dynamics are also present in social networks at a community level. Host and affected communities supported people in displacement or under ISIL rule, but interviewees reported these sources dissipated, leaving an atmosphere of mistrust. Running through these findings is a clear sense of frustration over nepotism, either in securing jobs or receiving compensation.

Those providing international assistance must consider the political dimensions and implications of resource flows and look at how different groups may have less access to resources, making them more vulnerable, and how resources can both influence and be influenced by local power dynamics. The significance of livelihoods and economic inputs at household level is also all the more important to understand and incorporate into planning when looking at a wider range of resources than merely IHA.

The country case studies demonstrate how understanding people's economic lives and coping strategies is key to a better response. As mentioned above, in Uganda, despite high levels of international assistance, surveyed refugees had an average of 3.5 livelihoods sources of help and relied on a secondary market in selling relief goods for cash inputs, highlighting the complex reality of refugee life (Poole, 2019). In Nepal the floods had greater impact on more marginalised groups and the vulnerability of those in traditional 'sharecropping' arrangements was high; but there was a risk of a 'missing middle' of poorer

Figure 10: Sustainable livelihoods framework



Source: adapted from DFID (1999), quoted in Levine (2014)

ethnic Terai Madhesis who neither had the resources themselves nor attracted the targeted support given to minorities and marginalised groups such as dalits (Willitts-King and Ghimire, 2019).

There are many existing tools that could be further embedded in agency and inter-agency approaches. Levine (2014) sets out the ways in which a livelihoods framework can be used in crisis situations (Figure 10). The livelihoods approach is ‘still widely recognised as offering the most comprehensive framework for understanding how people live’ (ibid.) and the benefit of looking at the role of markets in crises has long been recognised, but the challenge of making it a reality of humanitarian response remains a ‘symptom of a much deeper problem, an engrained paradigm of emergency aid that needs to be transcended’ (Levine, 2017).

Household economy analysis (HEA) (see Figure 11 and Box 1) offers a detailed approach for determining whether households have enough food and cash to survive – either as a planning tool for future events or to assess current coping capacity in the face of a crisis.

These approaches to livelihoods and political analysis are used to varying degrees by agencies and given different levels of priority and funding by donors.

By incorporating such analysis more consistently into more ‘macro’-level context assessment as part of needs assessments, coordinated assessments could be of greater value and help understand the broader resource picture. As well as informing short-term responses, they would better inform recovery and reconstruction by considering longer-term livelihood impacts of short-term coping mechanisms (for example, people affected by flooding in Nepal took on debt to buy food when their harvests were destroyed, with debt repayments reducing their available capital for rebuilding houses and paying for education) (Willitts-King and Ghimire, 2019).

3.5 Conclusions

Making the shift towards more locally relevant humanitarian action fundamentally requires a clearer understanding of local perspectives on crisis resources. On the one hand, this requires a better knowledge of the role of a wider range of resources and their value in a broader sense beyond money. This ‘people-focused’ financing should connect disparate systems through strengthened coordination, be underpinned by better data systems that are guided by what data decision-makers need and will use, and bring new urgency to the need to look at both politics

Box 1: Household economy analysis (HEA)

HEA is a unique methodological framework that determines whether households have the food and cash they need to survive and prosper. The food and livelihood focus of HEA makes the approach most useful in the design of interventions focused on household economy and with events that primarily impact livelihoods and food security (such as droughts, floods, heatwaves and fluctuating market prices). However, the methodology can be adapted to be applied more widely.

Knowing whether households have 'enough' resources to meet their needs requires quantifying thresholds against which their access to resources can be measured.

HEA establishes:

- how people in different social and economic circumstances obtain the food and cash they need;
- their assets and opportunities, and the constraints they face; and
- the options available to them in times of crisis, such as drought, flood or increasing food prices.

The HEA framework uses this information to:

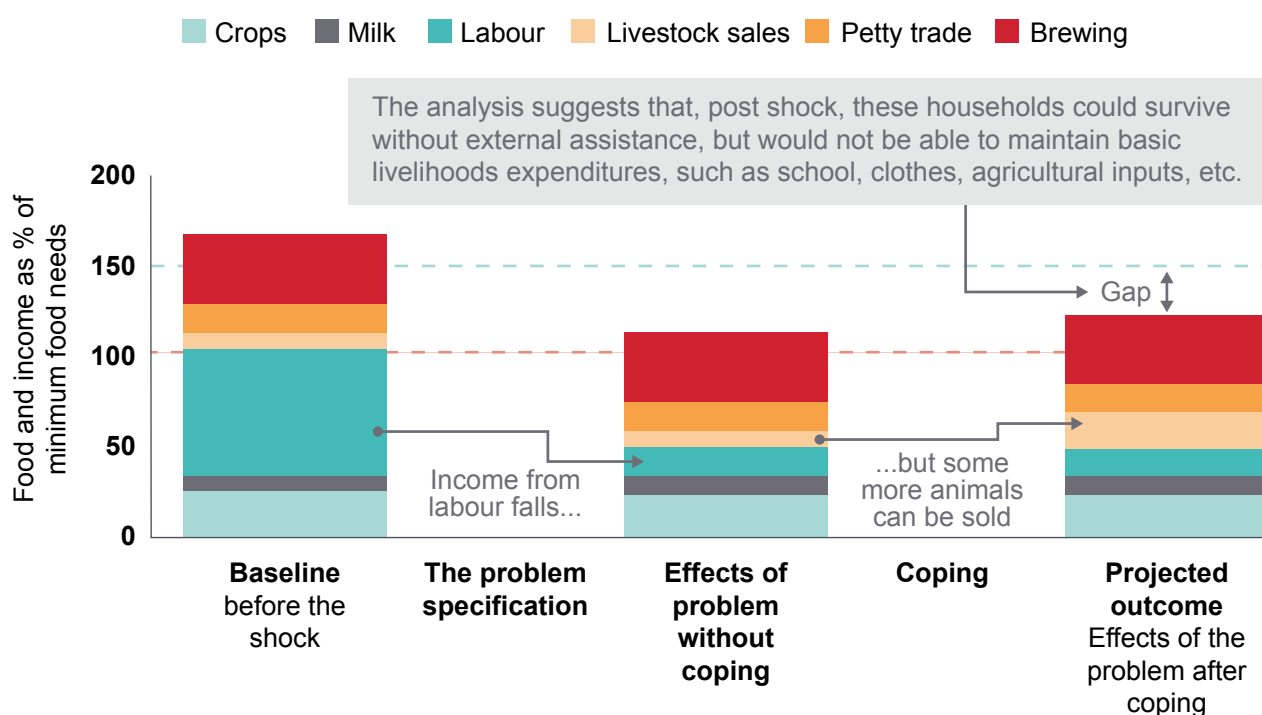
- quantify access to food and income for households across the wealth spectrum in a specified timeframe (either a baseline, current year or season).
- identify the kind of intervention needed, by whom, how much and for how long; and
- predict when and where households will require assistance.

HEA defines household access against two thresholds:

- The 'survival threshold': basic food (kilocalories) to meet households' annual kilocalorie needs and enough cash to meet their basic non-food survival needs (such as drinking water for humans and cooking fuel).
- The 'livelihoods protection threshold': survival needs, plus the income necessary to cover basic household expenditures (such as basic healthcare, education and livelihood inputs).

Source: Food Economy Group (2008)

Figure 11: The HEA Analytical Framework – a simplified illustration



Source: adapted from Start Network (2019)

and people's livelihoods, given that resources often centrally underpin political dynamics.

Donors and agencies consulted for the study recognise the need to look more broadly at resources but have not yet prioritised this due to a lack of awareness and barriers caused by existing structures and incentives (such as a focus on results and value for money rather than adaptiveness and innovation (ICAI, 2019: 18)). Progress could be made collectively by a group of like-minded donors and agencies coming together as a community of practice to focus on all-resource tracking – perhaps through the Good Humanitarian Donorship (GHD) initiative or the Grand Bargain transparency workstream. This should comprise a phased set of actions that would lead to more focused tracking, while being realistic about what can and

should be tracked, rather than looking for global level, comprehensive solutions and tools. It is also about incentivising and driving change by requiring funding partners to consider wider context analysis.

It is also important to note that recognising communities' reliance on a wider range of resources does not necessarily imply that they are less dependent on international assistance; donors should not conclude that fewer resources are required as a result of these findings. Dependency may be more acute in some places at certain points in time due to the absence of networks, while it may indeed be less acute in others. In practical terms, the findings of this study suggest that a more targeted use of IHA will mean that it can focus on those unable to access their own resources.

4 Conclusions and recommendations

A more local humanitarian action needs to be rooted in a deeper understanding of the portfolio of resources that households rely on in crisis. A key finding of this study is that a wider set of resources matter in humanitarian crises than are currently generally considered by humanitarian responders.

At global level, we estimate that IHA comprises as little as 1% of resource flows to countries affected by humanitarian crisis. At country level, there is a widely varying picture but there is a significant diversity of flows, and at household level people tend not to rely on a single source of support. A broad set of resources contribute to responses, but they are difficult to compare. Funding and support flow through a number of parallel channels that operate independently of each other.

4.1 Conclusions

4.1.1 The role of different resources

Local resources are different to international ones. They may be timelier but also might not cover all sectors – for example in Nepal there may be an increasing role for the international community in trying to identify the most vulnerable and address these needs, acknowledging that food/cash/temporary shelter provided by the diaspora/local organisations will always be a major part of the initial response. Alternative sources of funding such as remittances are inequitably distributed and reflect pre-existing inequalities within communities. Perceptions of support can matter as much as monetary value to affected people.

4.1.2 Data availability and use

While this study has been able to gather insights into the wider resource picture, it has also highlighted that data on this wider set of resources is sparse, inconsistent and difficult to compare. It is also unlikely to be in a form that changes the way decision- and policy-makers respond. Data may not be available at the moment it is needed – particularly in a

rapid-onset crisis – or it may be incomplete, for example if only a subset of remittance flows are reported.

Consequently, there is a mismatch between the expectation of what data can be captured on resource flows and the impact more data would have on decision-making and policy. Although investment in capturing more data will not necessarily transform a response, investing in gathering the right kind of data in specific areas and considering how it will be used will lead to some gains in organising a better response.

4.1.3 Implications for the formal humanitarian system

If international aid is only a small percentage of what people receive, then it needs to be programmed with this in mind. Even if it is significant, it is important to use international assistance in a more complementary way and in better alignment with other resource flows.

This means shifting our perspective from one with international resource flows at the core to one where households and affected countries are at the centre of how responses are planned and measured. IHA plays a significant part in supporting people in crisis, but it does not do this alone. Aid should be used not just to respond to gaps in need but to catalyse better and more effective use of alternative flows, which may be the best way to ‘localise’ the response. This shift requires different approaches in several dimensions.

It should become the default to map existing resources and make allocation and programming decisions based on how to complement and catalyse such resources. While there is recognition among operational actors in the field that they should be considering a wider range of resource flows when planning their responses, the systems used at local and global level to track and manage resources and programme humanitarian assistance are not built to incorporate this wider perspective. A starting point to incorporate this perspective into the international system would be to recognise that we need to at least ask about resources beyond IHA. IHA has a

crucial role in saving lives but can be made more effective with greater contextual understanding.

There are many barriers to such an approach. In particular, the prevalent donor focus on results and value for money struggles to incorporate more political and adaptive lenses.

4.1.4 Locally led humanitarian action

There are strong links between better understanding local and unofficial resource flows and HPG's wider Integrated Programme theme of understanding locally led response. At one level, better capturing the contributions – financial and non-financial – of local actors, whether NGOs, government or community-based/voluntary, gives a better picture of the entirety of the response and hence where gaps might be. This would allow complementary/supportive international action to align with and support local responses from an informed position. Better understanding local political and livelihoods dynamics based on a specific context's needs should incorporate a wide resources lens to provide a complete understanding.

As this discussion is just beginning it is important to be realistic about effecting change by identifying feasible entry points. The quantitative and technical nature of financial resource flows can be a barrier to engagement by some aid actors, so greater data and financial literacy would be beneficial.

Several questions remain that could be further researched to support deeper context analysis. These include developing greater understanding of the ways that resources are used and shared at household level and household decision-making about what different resources are used for.

4.2 Recommendations

The following recommendations are aimed at donors, operational agencies and crisis-affected countries.

Shift the focus of resourcing towards how people use the mix of available resources

By refocusing on the experience of affected people, the international system can better target its resources in ways that complement the capacities of people in different crisis contexts. Recognising the possibility of a wider set of resource flows and incorporating these into planning and decision-making can be enhanced if actors:

- Invest in household economy, market and political economy analysis.
- Require a more fine-grained understanding of the dynamics of communities and households, such as carried out by Pain and Hout (2017), to provide a level of detail not usually reflected in programming.
- Design responses with a greater appreciation of livelihoods and the social and economic issues to contribute to a broader conception of value beyond monetary value; longer-term recovery and reconstruction needs; and the roles that different sources of assistance play.
- Undertake better needs assessments that incorporate livelihoods and political analysis and involve/support communities and local authorities/government in their own assessments – this should be driven by agencies and clusters.
- Sustain the response beyond the initial high-profile phase and consider longer-term livelihood impacts of short-term coping mechanisms, such as debt.

Coordinate closely at crisis level

Measuring and tracking a wider range of resources is challenging and imperfect, but still important. A strong message from this research is the need to enhance understanding, awareness and coordination between diverse responders. Specifically, this report recommends that aid actors:

- Share good practices between traditional experienced actors and new non-traditional actors.
- Expand roles of non-traditional and informal actors from relief to engage them in preparedness, mitigation and rehabilitation.
- Build local and national platforms for diaspora to organise relief and use local youth to help coordinate with the local government or local disaster management system (e.g. in Nepal).
- Build capacity in the local community/structures.
- View non-traditional actors (such as youth groups, student groups, scouts and other volunteer groups) as human resources not only for relief but in all phases of disaster management, such as targeting and monitoring relief.
- Train non-traditional actors such as youth groups, engage with and create awareness among local employers, money lenders and community people about their role in disaster management and engage them beyond their traditional roles in relief for mitigation and preparedness efforts.
- Include diaspora networks and informal actors in the local disaster management plan and devise a system to actively engage them/support them in their roles (as evidenced in Nepal).

- Consider non-traditional actors and integrate them into the local and national level.
- Expand aid management platforms to incorporate humanitarian funding as well as capturing non-traditional sources.
- This requires better tracking of resources through the aid management platform to avoid duplication and potential mismatch between needs and response.
- As a part of preparedness, establish a robust information management platform to track resources – e.g. increase capacity/tools at the national, district and local level.
- Transparency – strengthen the role of local committees in monitoring fund flows and use public audit systems for disaster relief, to prove accountability.

Build wider resource awareness into other systems

Resource tracking on its own will have limited impact due to the interconnectedness of different parts of the response system. Tying in the wider resource picture to an expanded approach to assessing needs, and crucially to response monitoring and coordination, is required to make gains from this new approach.

Recognising that communities rely on a wider range of resources should not be taken to mean that they need less international assistance. Instead focus should be on understanding the nuance of different vulnerabilities over time and in different parts of the affected population. Some people will be dependent for specific periods when their coping mechanisms are exhausted, while others may not be able to rely on networks of support.

This means a more targeted use of resources: the role of the international community should be to identify the the most vulnerable and help address their needs, acknowledging that support provided by the diaspora or local organisations will often be a significant part of the initial response.

Strengthen data and financial literacy

Unlocking many of the changes suggested by this research requires a prior step of building the

capacity within organisations to use data smartly through greater understanding of its opportunities and limits, as well as investing in the right systems to do this at agency and international level.

- Investment is needed in data literacy training/ developing understanding of data use as well as data systems within agencies and in global mechanisms such as IATI and FTS.
- Aid should be used smartly to focus on gaps and catalyse the right kind of investments and flows (for example, through entrepreneurship or facilitating remittances).
- Be realistic about the limits of IATI and other mechanisms such as FTS, which are not suited to repurposing for different objectives. Identify the specific data problem and design an appropriate tool, tailored for specific sets of users.

Build a community of practice on all-resource tracking

Donors and agencies should develop and launch an initiative such as a community of practice to focus on all-resource tracking, through GHD or the Grand Bargain transparency workstream. This should comprise a phased set of actions that would lead to more focused tracking, while being realistic about what can and should be tracked, rather than looking for global-level, comprehensive solutions and tools.

These actions could include:

1. Accelerating/expanding existing initiatives to join up tracking, for example the IATI/FTS pilot, and, for data curators and stakeholders such as IATI/ FTS and OECD/DAC, identify specific subsets of relevant users and design non-specialist interfaces for them to access relevant data.
2. Identifying priority ‘modules’ for additional elements to develop custom tracking tools for different sources and users, e.g. for remittances, the private sector, faith-based giving. This would include identifying appropriate stakeholders to drive forward development.

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Annex 1: Research framework

Table 2: Research framework

Research/policy questions	Hypothesis	Themes to explore	Sources of evidence	Policy implications
Overarching policy question: How might better knowledge about the assistance that reaches communities in crisis change/affect the international humanitarian response?	We do not have full visibility of the different resources on which communities call in a crisis	<ul style="list-style-type: none"> What different resource inputs exist? 	<ul style="list-style-type: none"> Field case studies Thematic studies Global interviews 	<ul style="list-style-type: none"> More holistic understanding of how resources are used by communities and by system-level actors. Better understanding of the role of data and evidence in resource allocation decisions and how this could be strengthened
Research question 1: How do people affected by crises make ends meet at the household level?	Affected communities use a range of resources – international and other – to meet different needs	<ul style="list-style-type: none"> What resources (including assets and inputs) do people have access to and through what networks? What influences access to resources? How do the different resources compare in terms of quality, timeliness and appropriateness? What do different resources enable households to achieve (for example, meet basic consumption needs; repay loans; assist others; invest in household economic viability/sustainability/resilience) 	<ul style="list-style-type: none"> Published data Interviews with affected and host communities Household surveys Interviews with local agencies, private sector, money transfer operators, government, aid actors at field level 	<ul style="list-style-type: none"> Better understanding of the relative contribution and importance of different resources and insights into the factors that enable or constrain affected communities to access and benefit from resources
Research question 2: What resources contribute to crisis-response at the system level?	A range of resource inputs contribute to crisis-response at the system-level, which currently fall largely outside of humanitarian tracking and analysis	<ul style="list-style-type: none"> What resources contribute to the wider crisis-response? How much are they and what is their relative importance? How are these contributions measured and monitored? What influences, enables and constrains these resource contributions? 	<ul style="list-style-type: none"> Analysis of publicly available data on resource flows including national budgets, aid and remittance flows and data on private giving Interviews with local agencies, private sector, money transfer operators, government Aid agency interviews at field and national level 	<ul style="list-style-type: none"> Better understanding of what resources enable system-level response and the factors that enable or constrain contributions

Research/policy questions	Hypothesis	Themes to explore	Sources of evidence	Policy implications
Research question 3: How do decision-makers incorporate resource data in making allocation decisions and why?	Aid actors do not factor in the full range of resources available in decision-making; data and evidence play a limited role overall in resource allocation decision-making	<ul style="list-style-type: none"> • How do decision-makers currently incorporate resource data into allocation decisions? • Is the right kind of evidence available and at the right times? • How might additional knowledge affect decision-making? • What systems would need to be in place for better visibility of all resources? • What other factors influence decision-making and why? • What would need to change about how responders and funders make decisions to incorporate a wider picture of resources? 	<ul style="list-style-type: none"> • Analysis of agency and publicly available data and evidence informing decision-making, including needs and vulnerability analysis, funding evidence and gap analysis • Interviews on decision-making processes and influences at field, national and global levels • Literature review on influences on decision- and policy-making • Interviews with data experts 	<ul style="list-style-type: none"> • Better systems/ approaches for tracking non-traditional resources • Implications for more direct/local aid • Different approaches to understanding household economy/better use of this evidence • Different approaches to coordination, information sharing and decision-making

Annex 2: Global study

The following research aims to gather data on the global volume of funds used for crises beyond traditional IHA. Data are broken down into the following four categories: international official, international unofficial, domestic official and domestic unofficial.

International (official)

Humanitarian assistance

Humanitarian assistance from governments reached \$20.7 billion in 2017, taken from Development Initiatives' *GHA Report* (DI, 2018). This methodology combines data from the OECD and OCHA's FTS and is released on an annual basis.

ODA

DAC donors reported a total of \$144.7 billion in official development assistance in 2017.² Excluding humanitarian aid, this figure drops to \$128.9 billion. Given the mandatory nature of reporting, the OECD DAC tables are widely considered the most accurate source of data on ODA. However, data is only released on a bi-annual basis and so is not timely.

South–South cooperation

Figures for South–South cooperation rely primarily on estimates – as yet there is no reported figure. In 2016, the OECD reported that 10 non-reporting countries³ beyond the DAC contributed \$7.4 billion in 2016 (OECD, n.d.(a)). In addition, and depending on how South–South cooperation is defined, the estimate rises to \$21.9 billion (ibid.). This estimate includes an additional \$14.5 billion in development cooperation from 20 reporting countries beyond the DAC.⁴

These estimates are consistent with values reported by UNDP (n.d.) (\$20 billion, 2013) and UN Secretary General on South–South Cooperation (n.d.) (\$16–19 billion, 2015).

Innovative finance and public–private partnerships

The OECD Convergence database reports that blended finance mechanisms have so far mobilised \$124 billion in funds for development purposes. Most transactions on the database were launched after the year 2000.

In 2017, 24 bilateral and multilateral Development Finance Institutions (DFIs) (OECD, n.d.(b)) reported \$163.8 billion in new investments. These organisations support private sector development in developing countries. This methodology aggregates all investments made by DFIs in 2017 (where possible). It is not broken down by specific mechanisms as such, so it is possible there is some double counting with other official measures. While these 24 institutions include some of the largest DFIs, this list is not conclusive. This is a crude estimate taken from annual reports for 2017; however, it should be noted that institutions have varying financial years.

Climate finance

Several estimates exist for the volume of climate-related funding. The OECD (2018a) reports that \$56.7 billion was received from developed to developing countries in 2017. The data includes bilateral public climate-related aid from developed countries, multilateral climate finance attributable to developed countries and officially supported climate-related export credits from developed countries. This estimate can be broken down by response type with \$12.9 billion for adaptation activities, \$38.9 billion for mitigation activities and \$4.8 billion for cross-cutting activities. This estimate does not yet incorporate private climate finance; however, figures from 2013 and 2014 suggest that this could add an extra \$13–17 billion.

At the other end of the range, a report from the UNFCCC aggregates all available data and that directly collected from states on the volumes of climate financing. It includes data collected from the Climate

2 OECD DAC Table 1 (<https://stats.oecd.org/Index.aspx?DataSetCode=TABLE1>)

3 These countries are: Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Mexico, Qatar and South Africa.

4 These countries are: Azerbaijan, Bulgaria, Croatia, Cyprus, Estonia, Israel, Kazakhstan, Kuwait, Latvia, Liechtenstein, Lithuania, Malta, Romania, Russia, Saudi Arabia, Chinese Taipei, Thailand, Timor-Leste, Turkey and United Arab Emirates (UAE).

Policy Initiative (CPI), another source of climate-related data. The estimate from the UNFCCC (2018) totals \$681 billion in 2016. This figure spans more than the international categorisation, featuring both international and domestic expenditure on climate-related activities. The mandate and purpose of this funding far exceeds humanitarian assistance, with much of this figure accounting for investments in renewable energies.

The CPI methodology that is incorporated in the UNFCCC estimate also tracks funding from DFIs; as a result, it's likely there is a significant amount of double counting between these two categories.

State-managed Islamic social finance

See Domestic (official) State-managed Islamic social finance (below).

International (unofficial)

Private funding

According to the *GHA Report 2018* (DI, 2018), IHA provided from private sources – individuals, trusts and foundations, companies and corporations and national societies – totalled \$6.5 billion in 2017. This methodology provides an estimate based on data provided by a number of NGOs and was extrapolated using UN OCHA FTS for the same year. For this reason, this figure may not capture any private funding outside of the FTS system (for example, direct interventions from the private sector). It does, however, refer to humanitarian assistance alone, whereas other figures in this document include funds delivered for purposes that go far beyond humanitarian assistance.

Research from OCHA suggests that Fortune 500 companies collectively spend \$15.2 billion in corporate social responsibility annually. This funding is not humanitarian-specific, nor does this estimate account for all private sector engagements with the development sector. There is also little detail on the geographic trajectory of this funding; it is therefore not clear whether this funding is raised and spent internationally or domestically.

Other figures produced by the OECD (2018b) suggest the total volume of philanthropic funding for development was \$24 billion between 2013–2015. The report details an additional estimated \$14.7 billion from the top 50 donors in 2017. The Bill and Melinda Gates Foundation, who also report to the DAC,

accounts for half of the former estimate, so in some cases there may be a risk of double counting.

Faith-based funding

There is a lack of data on faith-based funding for humanitarian emergencies and more broadly. Some sources focus on specific religions and others on geographic locations, but global figures are seemingly absent from current research. The figures below demonstrate the range of estimates, highlighting the difficulty in arriving at a conclusive or accurate figure for faith-based funding.

Some existing analysis (Stirk, 2015) suggests that \$420–434 million in humanitarian assistance was received and delivered by faith-based organisations in 2013. This relates to 15–16% of all IHA channelled through NGOs.

In the US, the *Giving USA Report* (IUPUI, 2017) suggests that giving via religion (across all faith traditions) totalled \$122.9 billion in 2016, representing 32% of all US charitable giving. There is no information regarding how this money is spent and to what extent it contributes to humanitarian financing. Furthermore, as an estimate of US funding, it is not representative of global faith-based funding. Given the US's status as the largest philanthropic donor, this figure becomes methodologically complex to extrapolate. However, even crudely estimated in relation to the proportion of global gross domestic product (GDP) (24.32%), faith-based giving would total approximately \$506 billion globally.

The Islamic Research and Training Institute and the World Bank estimate Islamic social finance, particularly zakat, to be in the region of \$550–600 billion (Obaidullah, 2017). However, this figure gives little information regarding what proportion is spent on humanitarian or development projects. Of course, this estimate focuses on one religion and, as such, the true value of faith-based giving is likely to be much higher when incorporating funding from all major religions.

Direct giving

This research found no aggregate data on global direct giving flows. However, some online direct giving platforms release annual figures on the amount of funding directed through their platforms. An aggregate estimate for three such platforms details donations of \$248 million in 2017. This figure combines values from Direct Giving, Kiva and Global Giving, some of the largest platforms of their kind for humanitarian or

development purposes; however, they represent just a small fraction of the market.

Difficulties in defining direct giving complicate the ability to track the volume of funds given in this way. Many online giving platforms go far beyond the humanitarian or development sectors. For that reason, including the likes of JustGiving or GoFundMe would be misleading.

Remittances

This analysis tracked remittance inflows to the 111 countries receiving humanitarian assistance in 2017, as per UN OCHA FTS. An additional 29 countries reportedly received humanitarian assistance in 2017 but given their high-income status and ODA ineligibility they were excluded from this analysis in order to not skew the figure. In 2017, \$444 billion in remittances were channelled to humanitarian recipients (World Bank, 2017).

However, the database lacks remittance data for several key humanitarian recipients, e.g. Central African Republic, Somalia and South Sudan. A separate World Bank estimate suggests that Somalia received \$1.4 billion in remittances in 2016 (World Bank, 2016).

Domestic (official)

Domestic public resources

In 2017, domestic public resources for humanitarian recipients totalled \$6.8 trillion (IMF WEO, n.d.). This includes figures for 111 recipients of humanitarian assistance as per UN OCHA FTS. It does not include 29 other countries who are ineligible of receiving ODA because their resources are likely to skew the figure upward. Revenue consists of taxes, social contributions, grants receivable, and other revenue.

Data is missing for some countries, although in many cases resources are likely to be minimal, for example in Syria or North Korea.

Of the \$6.8 trillion, China's domestic resources account for 50% of the total; without China, this estimate would be \$3.4 trillion.

State-managed Islamic social finance

A crude estimate of zakat funds collected by state-managed organisations and funds suggests that at least \$5.1 billion is amassed on an annual basis. This estimate aggregates the most up-to-date figures from 10 countries: Bangladesh, Brunei Darussalam, Indonesia, Malaysia, Nigeria, Pakistan, Saudi Arabia, Singapore, Sudan and UAE. In some cases, where both public and private collection systems exist, these figures may contain sums collected by private entities. Additional countries with state-managed systems could not be included as a result of a lack of data. This list is not exhaustive as in some cases it can be difficult to determine whether zakat funds are state-managed. While some zakat funds produce data on disbursement by sector or zakat category, little information is available to suggest where funds are spent geographically. Given the income status of many of these countries, it is likely that most funds are spent domestically.

Domestic (unofficial)

Domestic philanthropy

A report commissioned by the SDG Philanthropy Platform announced that \$116.9 million in disaster-related grants were awarded by the top 1,000 US private foundations in 2013, of which most went towards domestic needs (approximately \$66 million), with less than \$50 million for international humanitarian needs. This figure is only representative of the US and again, given its economic status, it is unlikely to be applicable for all countries.

Other forms of domestic funding

Figures on domestic private sector, civil society or host community funding at the global level could not be estimated due to a lack of data.

HPG

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Humanitarian Policy Group
Overseas Development Institute
203 Blackfriars Road
London SE1 8NJ
United Kingdom

Tel.: +44 (0) 20 7922 0300
Fax.: +44 (0) 20 7922 0399
Email: hpgadmin@odi.org
Website: odi.org/hpg

Cover photo: South Sudanese refugee and entrepreneur, Jacob, at the shop he owns in the market in Nyumanzi refugee settlement, Uganda.

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