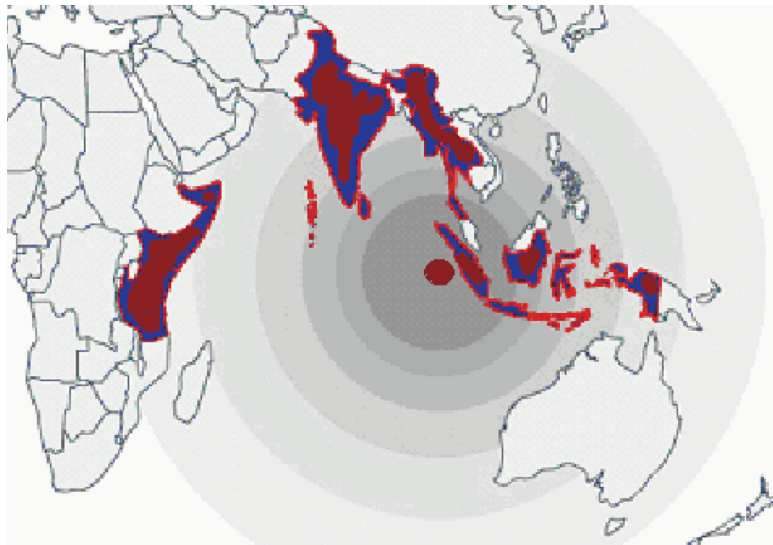


## Tsunami Evaluation Coalition (TEC)

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



# Government Funding

## Synthesis

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June 2006

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## Abbreviations

AECI	Spanish Agency for International Cooperation
BMZ	German Federal Ministry for Economic Cooperation and Development
CAP	Consolidated Appeals Process
DAC	Development Assistance Committee of the OECD
Danida	Danish International Development Assistance
DARA	Development Assistance Research Associates
DCI	Development Cooperation Ireland
DFID	UK's Department for International Development
DGIS	Dutch Directorate General for International Cooperation
EC	European Commission
ECHO	European Commission Humanitarian Office
EU	European Union
FAO	Food and Agriculture Organization
FTS	Financial Tracking System
GHD	Good Humanitarian Donorship
HA	Humanitarian Aid
HIC	Humanitarian Information Centers
ICRC	International Committee of the Red Cross
IFRC	International Federation of Red Cross and Red Crescent Societies
IOM	International Organization for Migration
JBIC	Japan Bank for International Cooperation
JDR	Japan Disaster Relief Team
JICA	Japan International Cooperation Agency
m	Million
M & E	Monitoring and Evaluation
MAEC	Spanish Ministry for Foreign Affairs and Cooperation
MCDA	Military, Civil Defense and Civil Protection Assets
MoD	Ministry of Defense
MOFA	Ministry of Foreign Affairs
NGO	Non-Governmental Organization
OCHA	UN Office of the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
PARC	Performance Assessment Resource Centre
Sida	Swedish International Development Agency
TEC	Tsunami Evaluation Coalition
UN	United Nations
UN DAC	United Nations Disaster Assessment and Coordination
UNDP	United Nations Development Program
UNEP	United Nations Environment Program

UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNJLC	UN Joint Logistics Centre
UNSECCOORD	UN Security Coordinator
WFP	World Food Program
WHO	World Health Organization

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Rome, Madrid, Jerusalem; November 14, 2005.

## Methodology

For the purpose of this synthesis, state donor country reports from different TEC participants were analyzed. Hence, this reporting structure follows the one elaborated by DARA and PARC for the funding theme of the TEC evaluations. The agreed format for the funding study and the questions under headings I, II and III have provided the basis for analysis. Complementary information has been researched when needed. In the case of themes under headings I and II, the quantitative data analysis was supplemented by intensive research on websites and databases, mainly of OECD, DAC and the UN Office for the Coordination of Humanitarian Affairs Relief Web.

For the analysis of questions under heading III, data was gathered through interviews and the research of available sources, including email and web accessible information. Information has been integrated into three main categories, basically in qualitative form. Each of the categories addresses a number of GHD principles.

GHD is assessed from three complementary perspectives, which aim to:

- Understand how donor humanitarian policies address GHD principles,
- Review how funding mechanisms and practices take these into consideration, and
- Identify what has been foreseen for learning and accountability, including transparent and accurate reporting.

## 1. Executive summary

The following document testifies to the impact of the tsunami disaster on the humanitarian assistance funding of state donors at different levels. At the same time the behavior of these donors is scrutinized according to the principles of good humanitarian donorship.

### **Quantitative assessment of funding**

One indicator of the impact of the tsunami on humanitarian aid funding flows is the percentage of private donations in the overall humanitarian aid budget in 2005. The percentage of private donations jumped from around 5% in 2004 to over 40% in 2005 as the overall private donations for the tsunami reached nearly 70%. The quantitative importance of donor state funding declined. Countries that were geographically close to the affected area like China or Australia spent more than 50% of their humanitarian aid budgets in 2005 on the tsunami response <sup>1</sup>.

The specific state donor funding analysis covering 77% of the overall state funding of the tsunami humanitarian aid shows that there is a clear split among state donors in terms of funding for humanitarian aid and reconstruction. The US, Spain, Germany, Sweden and the EC spent 60% to 85% of their tsunami funding on reconstruction while Denmark, Japan and Canada invested 70% to 85% of their funding in humanitarian aid. The UK and Australia showed a more even distribution of funding.

There seems to be no correlation between the performance in allocating pledged funds and the focus on rehabilitation of humanitarian aid funding. It is striking, however, that the countries (Australia, Germany and Spain) offering tied aid to the governments in the affected countries are among the least performing in allocating pledged aid; Australia's pledged humanitarian aid, however, had been expended by the end of September 2005, and all reconstruction funding is being expended over five years in accord with the agreed-upon timetables.

The coordination of the tsunami emergency response was organized differently by each state donor. Coordination ranged from managing 13 different government departments, as in the case of Canada to the coordination by one ministry, as in the case of the UK or Sweden. An inter-agency standing committee coordinated the tsunami response in the US. In Denmark, a humanitarian contact group included all relief organizations that responded to the tsunami, while in Ireland a new form of coordination was implemented: a joint government-NGO mission to the affected area to prepare the coordination of Irish humanitarian aid. The only country where coordination was an obvious and major problem was Spain due to its highly fragmented aid system. An indication of the lack of coordination is missing or contradicting data on funding and double counting.

Ninety percent of the humanitarian aid funding was geographically focused on Indonesia (45%), Sri Lanka (23%) and regionally (22%). The focus of state donor funding on key

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<sup>1</sup> The same seems to apply for Japan. However, the Government of Japan stated that Japan's humanitarian assistance is sourced from the reserve fund, which is kept in the national budget as contingency expenditure.

humanitarian aid sectors is remarkably even. Only food and non-food items are considerably above average, while shelter and preparedness are considerably below average.

The funding of actors was analyzed and then compared with usual funding patterns. On average 23.5% of humanitarian aid funding was provided by the selected donors to NGOs, 34.3% to UN agencies and 13.7% to IFRC/ICRC. Other actors received 28.5% of funding, including other government departments of the donor countries like ministries of defense, corporations, national governments in affected countries, and regional development banks or the World Bank.

A comparison between usual emergency responses and the tsunami response shows a change in funding patterns by actors in many donors' statistics. Due to the overwhelming response from the general public, NGOs requested less funding from donors than usual. In Germany, some NGOs returned funding to the federal government due to a lack of allocation capacity. In response, donors increased their funding to UN agencies. A considerable increase in UN funding and at the same time a decrease in NGO funding is documented in the case of ECHO

#### **Qualitative assessment of funding based on Good Humanitarian Donorship Principles**

Donors, in responding to the tsunami, have not been able to rely on existing foreseen mechanisms intended to guide funding. The Flash Appeal was late and many programs, even those run by UN agencies, were financed outside the CAP process. Certain donors like Sweden asked for advance copies of different agency appeals, others like the Netherlands contributed through country appeals, which were available before the regional Flash Appeal. Moreover the Financial Tracking System (FTS), which aims "to improve resource allocation decisions by indicating to what extent populations in crisis receive humanitarian aid, and in what proportion to needs," does not accomplish its goal in this context. Under the current system even if donors strive to implement GHD, they have to develop their own capacity to carry out needs assessments and fund in accordance with many GHD principles. Also, in the context of the tsunami response, much of the defined body of good practices within the GHD, such as large commitments, continuous rapid disbursement and CAP funding, proved incompatible with the intentions of good donorship.

#### Donor's humanitarian policies

Pledged amounts seem to be the result of a political decision rather than based on an assessment of need. Donor commitment to funding in proportion to need in overall pledges is uncertain. It is not clear to what extent this initial factor later affects commitments and allocations.

Donors rely almost completely on the assumption that implementing partners, including military forces, are consistent with humanitarian principles. But military assets were not properly and consistently integrated to the whole effort from a humanitarian perspective. Foreign armies tended to reach bilateral agreements with host countries. Hence there is a need to formalize donors' policy formulations of humanitarian assistance.



The slow establishment of multilateral humanitarian coordination capacities prompted donors to make decisions on their own, making the basis and criteria for decision-making more vulnerable to non-humanitarian factors. A system of consultation and decision-making based on humanitarian principles was weak and should be reinforced. In addition to the problem of considering local and regional capacities, integrating beneficiary involvement is another evident weak point in the relief effort.

#### Funding mechanisms and practices

Funds were made available rapidly and covered a high proportion of multilateral appeals. Donors with previous presence in the area, mainly in Sri Lanka, and with active cooperation programs, were better placed to assess needs, contact beneficiaries and coordinate the response. Japan, the US and Australia, which were able to deploy assets in the region, undertook the initial lead role in Indonesia.

The tsunami response offers a case study on “relief oriented to development concept,” as needs for reconstruction were assumed from the beginning. Some donors seemed to focus on the rehabilitation phase, leaving room for NGOs with their own funds to cater to the relief phase. Most donors also have reconstruction strategies. But weak planning and poor needs assessment can jeopardize both humanitarian aid and reconstruction efforts, and challenges in coordination and in addressing preliminary issues, including protection and civil rights, must be solved in order to boost the reconstruction phase.

Despite the predominance and abundance of private funding, many donors played a key role in enabling certain crucial UN agencies to reach affected areas early on. Donors contributed to the CAP in spite of their criticism of slow reaction and poor early performance of UN agencies.

Funds committed for the tsunami catastrophe will in general not be diverted from other existing crises. Donors claim that most of the funding for the tsunami relief is “new,” not impairing eventual reaction to other crises or ongoing programs. Donor funding mechanisms and practices remain geographically rigid and overall allocations are not in proportion to need. Only one donor, the Netherlands, reallocated humanitarian aid pledged for the tsunami to crises in Africa. It remains to be seen whether tsunami funding has withdrawn financial resources from other major disasters that occurred later in 2005. This should be studied in the context of the response to the earthquake in South Asia in particular.

## 2. Introduction

The following synthesis is part of the Tsunami Evaluation Coalition's (TEC's) efforts to coordinate the evaluation of interventions following the tsunami emergency. Evaluations of the funding flows of state donors for humanitarian aid are the basis for the synthesis. The selection of countries for these evaluations was based on a process whereby Danida contacted OECD DAC donors to request their participation in the TEC. Depending on donor country willingness and availability, Australia Denmark, Ireland, Japan and Germany have funded the evaluation out of their own funding. The Netherlands commissioned an evaluation that was finished at the same time as this synthesis. Hence only limited data from the Netherlands is included in the synthesis. In addition, DARA and PARC offered to cover the EC, Spain, Sweden and the UK, funded by DARA. World Vision funded the evaluations of Canada and the US. According to FTS data, the funding provided by donor states under TEC review accounts for over two thirds (67%) of funding commitments.<sup>2</sup>

### 3. Part I and II: Overall allocation and disbursement of funds

#### 3.1 Key state donor funding for humanitarian assistance

Chapter 3 looks at the "bigger picture" of the key state donors' response to the tsunami, the development of their commitments for humanitarian assistance in 2005 and over time, and pledged funding versus allocated funding. After this overview, this study will focus in the subsequent chapters on the selected countries mentioned in chapter 2.

##### **3.1.1 Net development assistance of DAC countries vs. humanitarian aid**

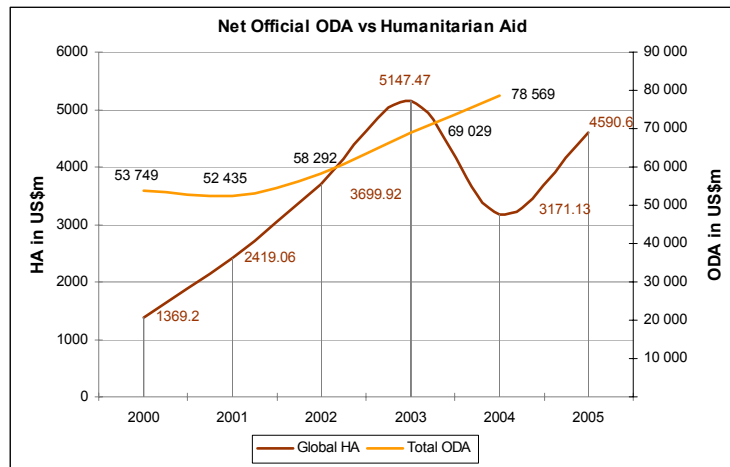
The net official development assistance by DAC countries has increased constantly since 2000. The total amount for 2005 has not been published yet but an increase is already predicted by the DAC.

While the total aid has been steadily increasing, humanitarian aid has registered some dramatic fluctuations especially in 2004. So far the total humanitarian aid in 2005 has been US\$4590.6 m. An overview of these trends is provided in figure 1.

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<sup>2</sup> See figure 8.

**Figure 1: Development of net official ODA flows compared to humanitarian aid**

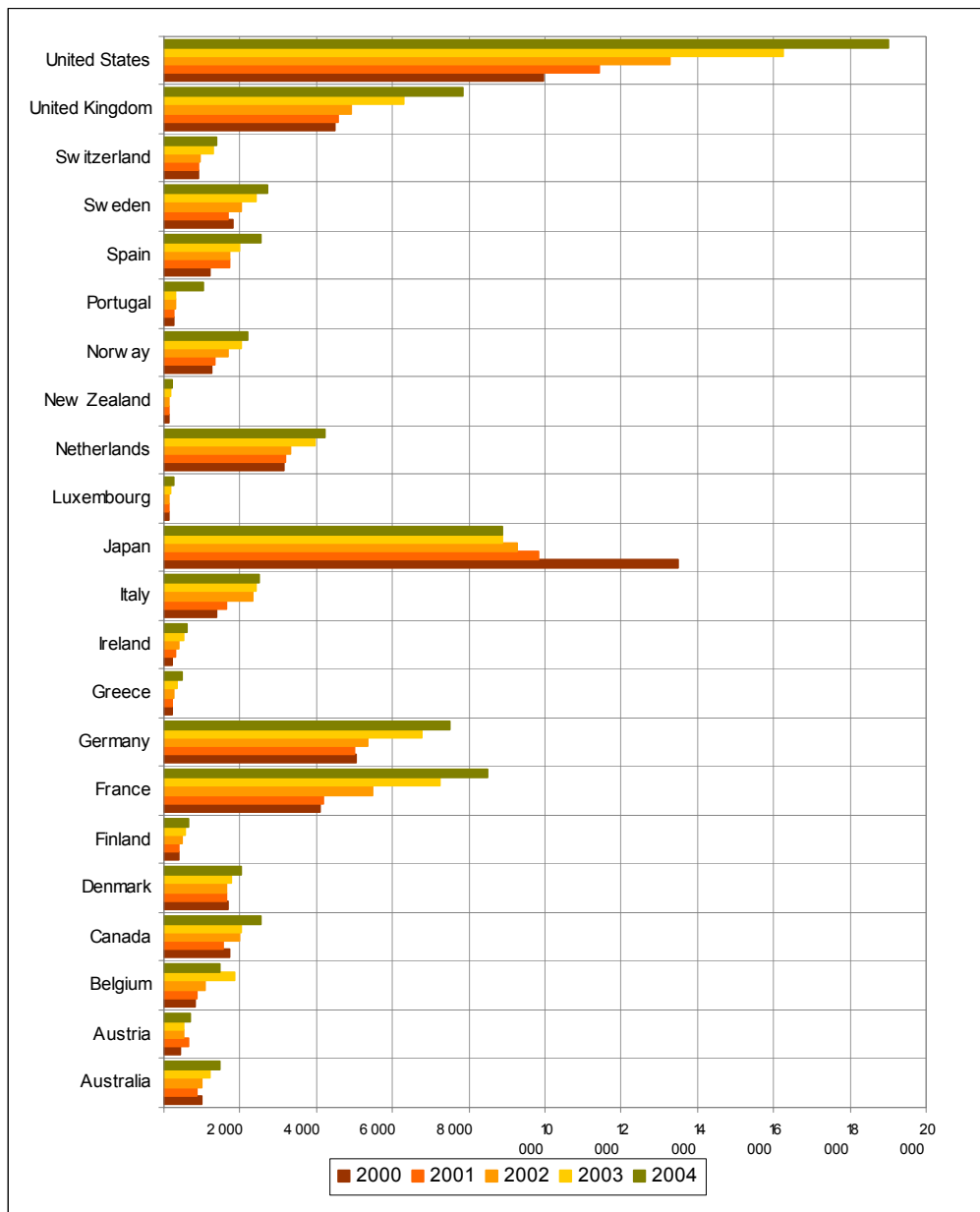


Source: DAC [www.oecd.org](http://www.oecd.org)

### 3.1.2 Net official development assistance and humanitarian assistance by DAC countries

It is worth exploring the trends in the official development assistance (ODA) of DAC countries over the last 5 years to disaggregate the data presented in figure 2.

**Figure 2: Official development assistance by DAC countries 2000 – 2004**



Source: DAC [www.oecd.org](http://www.oecd.org)

The countries with the major ODA contributions in the last five years are the USA with 21% of the total aid and Japan with 18% of the total aid, followed by France, Germany and the UK. ODA to developing countries increased to US\$78.6 billion in 2004. The DAC reported that taking into account inflation and the fall in the US dollar, this represents a 4.6% rise in real terms from 2003 to 2004. The 15 DAC countries that are members of the European Union (EU) increased net official development assistance to US\$42.9 billion. This accounts for 55% of the total ODA.

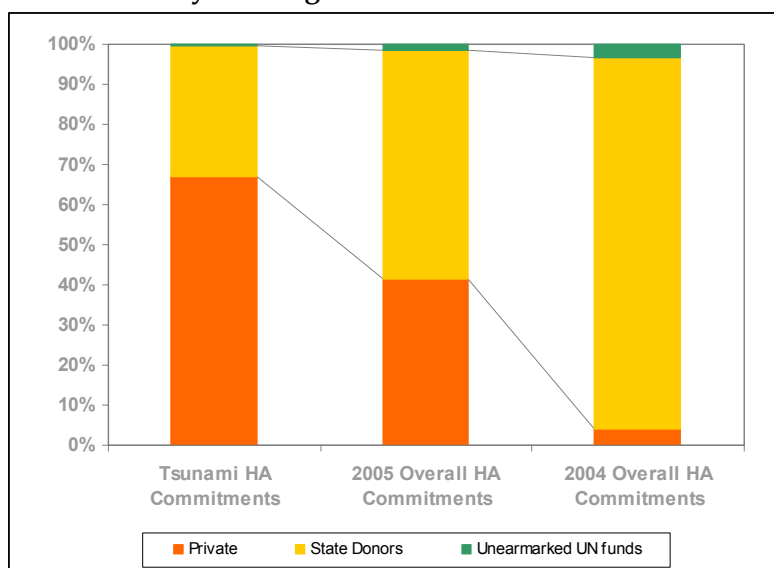
In humanitarian assistance, the USA has been the major contributor in the last five years, with total contributions of 43%, followed by the EC and by Japan with 9%. Annex 1 gives a good overview over the development of humanitarian aid contributions by country.

### 3.1.3 Effects of the tsunami on humanitarian assistance in 2005

Overall state donors committed US\$ 1,982,058,366 to humanitarian aid as a response to the tsunami, compared to US\$ 4,126,974,954 from the general public and corporate funding, as shown in Annex 2.

There is an interesting trend in funding that becomes evident when comparing 2004 humanitarian aid flows with the flows in 2005 and especially with the flows related to the tsunami. While less than 5% of humanitarian aid funding was provided by private sources (i.e. the general public) in 2004, this percentage shot up to 40% in 2005. The influence of the tsunami is clearly visible in this change. Nearly two thirds of the overall tsunami humanitarian aid flows originated from the general public as presented in figure 3.

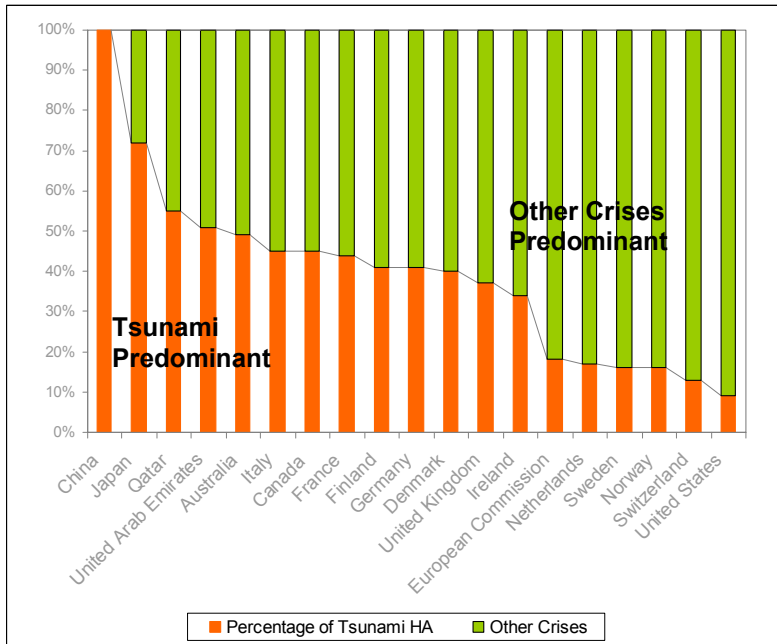
**Figure 3: Humanitarian aid by funding sources 2004 and 2005**



Source: Based on FTS data provided by OCHA

The tsunami emergency response affected state donors' budgets for humanitarian assistance in 2005 to different degrees. Figure 4 below shows that key state donors like Japan allocated over 70% of its humanitarian assistance funding to the tsunami response, which was raised from a specific Reserve Fund for Humanitarian Assistance. Other donors geographically close to the affected areas, such as Australia and China, predominantly funded the tsunami response over other crises. The EC, the Netherlands, Sweden, Norway, Switzerland and the US spent less than 20% of their humanitarian aid budget on the tsunami.

**Figure 4: State donor funding for humanitarian assistance 2005**



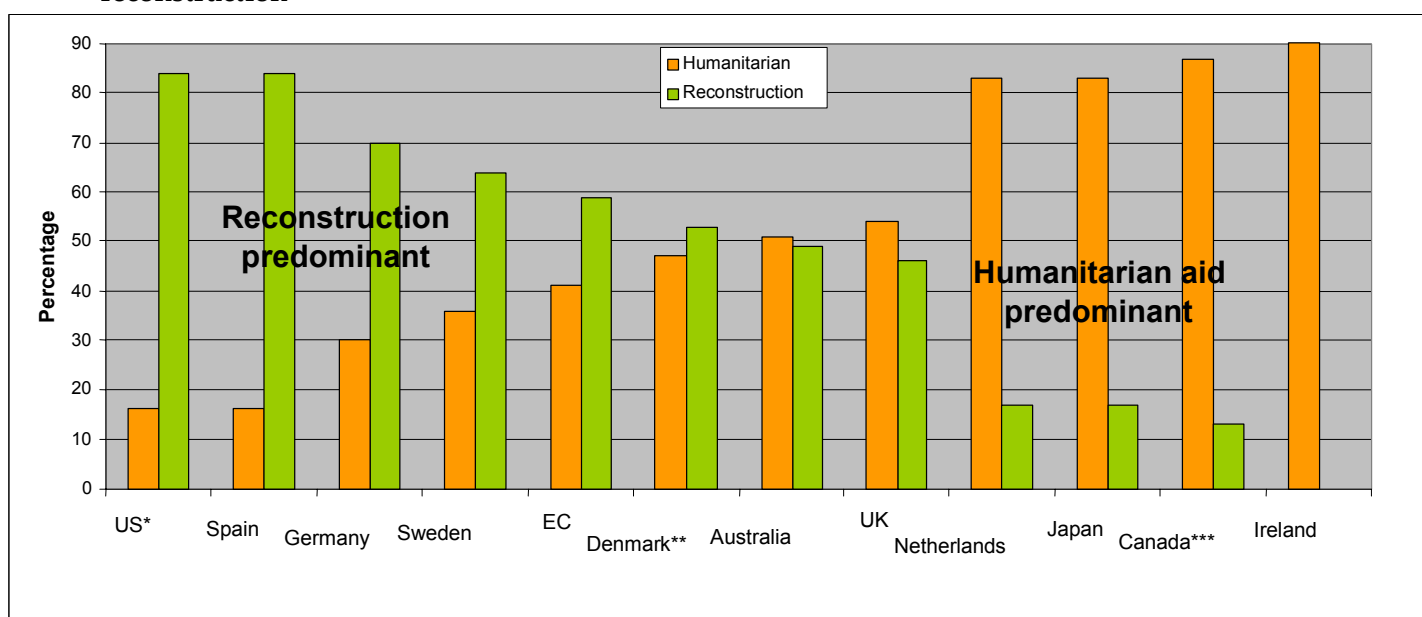
Source: Based on FTS data provided by OCHA

### 3.2 Donor state funding of humanitarian assistance versus reconstruction

The analysis of donor state funding for humanitarian assistance and reconstruction as a response to the tsunami shows interesting results, even though there are some limitations in the data available as shown in footnote 2, 3 and 4.

Figure 5 provides an overview of three different patterns of tsunami funding. The US, Spain, Germany and Sweden and the EC gave a clear priority to reconstruction. In the case of Australia and the UK, humanitarian aid and reconstruction funding are nearly at the same level. Denmark, Japan and Canada gave priority to humanitarian aid.

**Figure 5: State donors' tsunami response: Funding of humanitarian assistance versus reconstruction**



Source: TEC State donors funding studies, 2005<sup>3, 4, 5</sup>

It needs to be clarified that in Australia's reconstruction budget there are long-term grants and concession loans for Indonesia included that have not been entirely allocated to the tsunami affected areas. Spain spent about 50% of its humanitarian aid on military operations and 90% of its rehabilitation funding is tied or in the form of reconstruction loans. Detailed information about reconstruction and humanitarian aid will be provided by the TEC study focusing on linking relief, reconstruction and development.

#### 3.2.1 Actual tsunami humanitarian aid and reconstruction funding

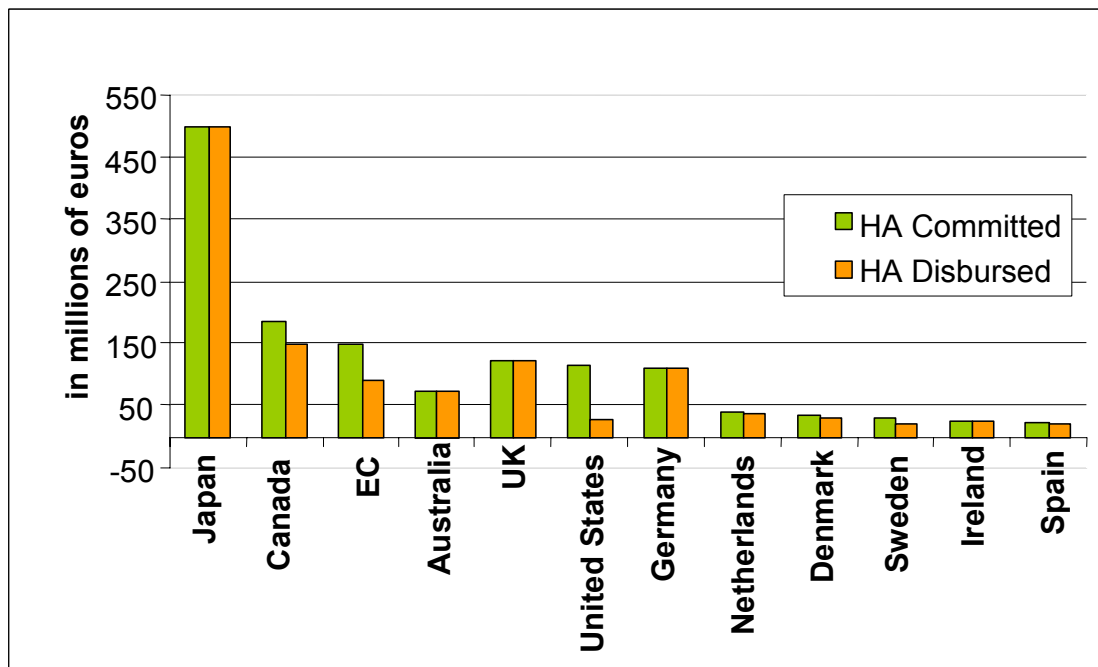
<sup>3</sup>\* USAID only, does not include military expenditure.

<sup>4</sup>\*\* Percentages are based on the amounts pledged by the Danish Government.

<sup>5</sup>\*\*\* CIDA only.

The following chapter is aimed at providing a picture of the committed funding of humanitarian aid by state donors as a response to the tsunami. All data is based on committed funding for 2005 and was provided by the TEC state donors funding reports. Data reflects reporting of donors' commitments between September and November 2005.

**Figure 6: Data on actual HA commitments and disbursements based on TEC country studies**

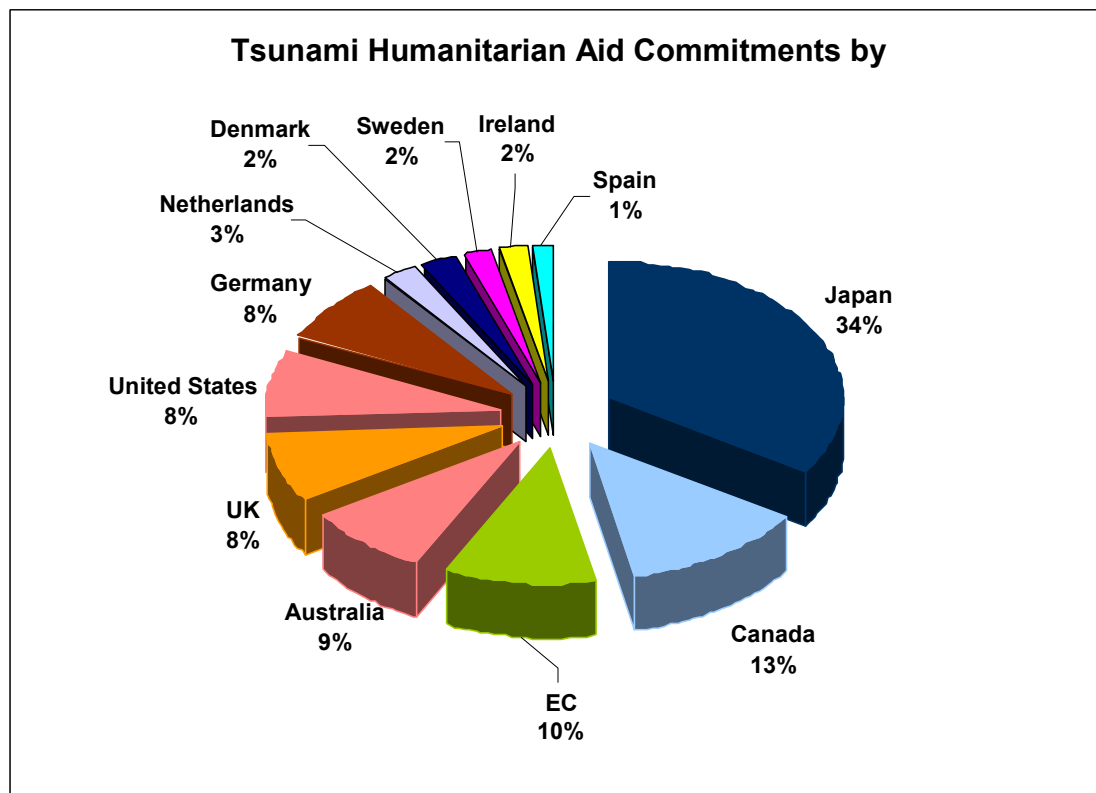




**Table 1: Donor state tsunami humanitarian aid contributions (based on TEC country studies)**

Donor Country	Total Aid Pledged (US\$)	Period Covered by Overall Pledge	Total Humanitarian Aid Pledged (US\$)	Total Humanitarian Aid Committed (US\$)	Total Humanitarian Aid Disbursed (US\$)	Date of Last Available Data
Australia	114,800,000	5 years	114,800,000	114,800,000	114,800,000	Sept. 2005
Canada	342,686,000		265,000,000	185,924,828	148,503,500	Oct. 2005
Denmark	70,500,000		34,050,000	34,050,000	30,788,000	Nov. 2005
EC	600,025,000	2 years	156,032,000	148,420,000	91,463,000	Nov. 2005
Germany	659,647,000	5 years		111,560,000	111,560,000	Oct. 2005
Ireland	25,596,000		25,596,000	25,596,000	24,011,000	Nov. 2005
Japan <sup>6</sup>	500,000,000	1 year	499,266,506	499,266,506	499,266,506	Nov. 2005
Netherlands	303,406,000	5 years	50,742,000	38,598,000	36,482,000	Oct. 2005
Spain	138,272,000	3 years		21,267,000	18,704,000	Oct. 2005
Sweden <sup>7</sup>	68,963,000	1 year		30,586,000	19,312,000	Oct. 2005
UK	499,364,000		136,190,000	121,474,000	123,480,000	Sept. 2005
United States	907,340,000		251,000,000	113,801,000	26,613,000	Sept. 2005

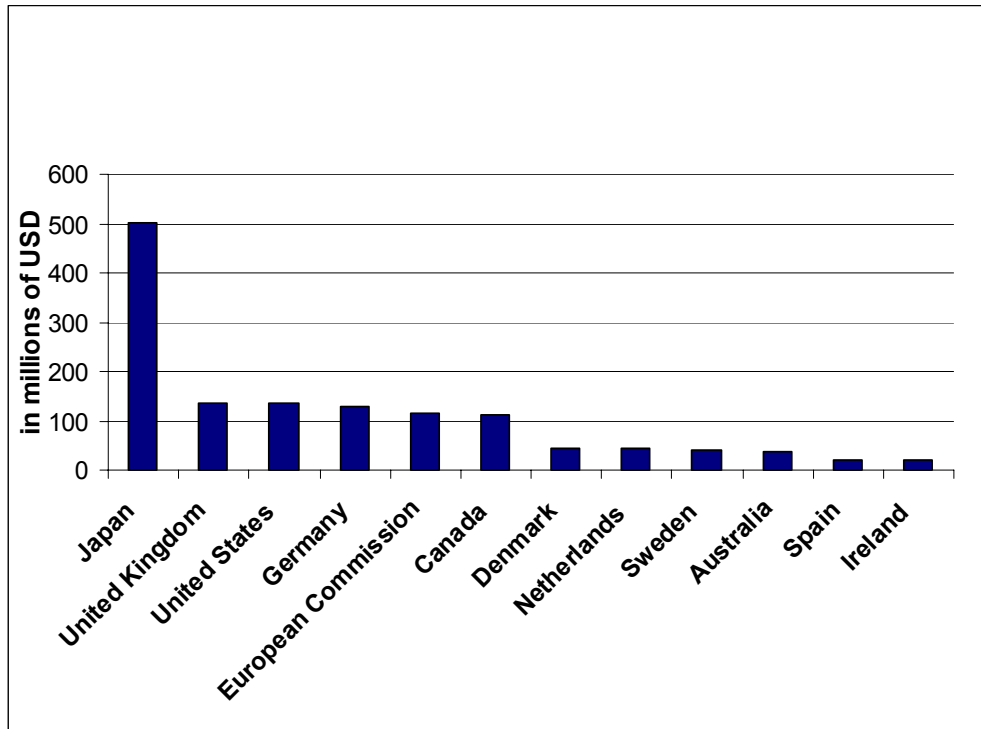
**Figure 7: Data on actual tsunami HA commitments based on TEC country studies**



<sup>6</sup> Japan disbursed the amount pledged by March 2005 and committed an additional US\$102 m in tsunami funding for reconstruction aid.

<sup>7</sup> Sweden committed US\$16 m more than the initial US\$69 m pledged.

Figure 8: FTS data on actual commitments of state donors humanitarian aid funding



Source: Relief Web [www.reliefweb.int](http://www.reliefweb.int) (December 2005)

Table 2: Donor state tsunami humanitarian aid commitments (based on Relief Web, December 2005)

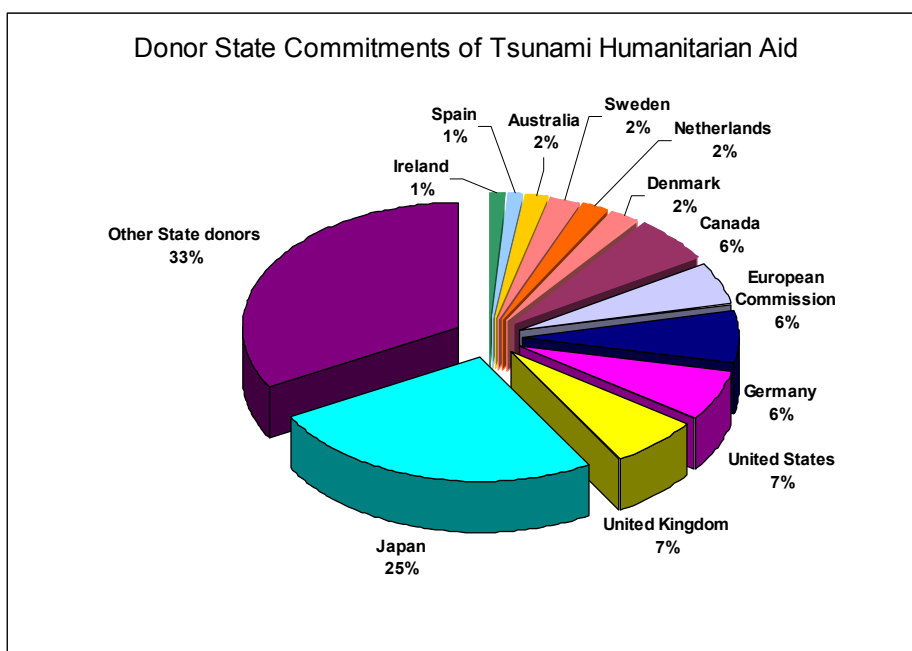
Donor	Tsunami HA Commitments in m of US\$
Japan	499
United Kingdom	136
United States	134
Germany	130
EC	114
Canada	113
Denmark	44
Netherlands	43
Sweden	41
Australia	36
Spain	22
Ireland	22

Japan is the donor that by far committed the most funding for humanitarian aid as part of its tsunami response. By the time of the preparation of the TEC state donors funding studies, the Japanese government committed US\$503 m. The UK committed US\$136 m, the US US\$134 m, Germany US\$130 m, the EC US\$114m and Canada US\$113 m. Denmark committed US\$44 m,

the Netherlands US\$43m, Sweden US\$41m, Australia US\$36m, Spain and Ireland US\$22m as presented in table 2.

In order to make the funding of humanitarian aid of state donors more comparable, a relative comparison in percentage is preferred in the following chapters rather than a comparison of actual budgets. Figure 9 shows that this study is covering the state donors that provided 77% of the tsunami humanitarian aid funding.

**Figure 9: Donor state commitments of tsunami humanitarian aid**



Source: OCHA [www.reliefweb.int](http://www.reliefweb.int)

### 3.3 Short description of funding by state donor

The following short descriptions of state donors are taken from the respective state donor funding studies. The authors of the synthesis gratefully recognize the sources of information for chapter 3.

#### **3.3.1 Australia**

##### AusAID leading collaboration with two other government departments

Throughout the emergency phase, AusAID worked closely with the Australian Defense Forces, Emergency Management Australia and the Department of Health and Aging,

##### Sectoral focus

In Indonesia, Australia's support focused predominantly on health, water and sanitation, but extended to re-establishing schools and protecting the most vulnerable children. Emergency

relief in Sri Lanka, the Maldives, Seychelles, India and Thailand, focusing on the urgent need for food, shelter, water and sanitation, as well as public health, education and the environment.

#### Special programs

The Special Indian Ocean Rim Disaster Fund was supported additionally and accessible to smaller NGOs that had accreditation with AusAID and already had programs in tsunami-affected areas. The agencies were funded to carry out important emergency relief and rehabilitation work, including emergency shelter, clothing and food as well as to provide medical supplies and trauma counseling to affected communities in Sri Lanka, India and Indonesia.

#### Tied aid

In January the Australian and Indonesian Governments agreed to form an Australia-Indonesia Partnership for Reconstruction and Development. The Australian Government will contribute AU\$1 billion over 5 years to this partnership (of which AU\$113 million will be used for reconstruction and development in tsunami-affected areas), in addition to Australia's existing development cooperation program. Fifty percent of these funds are provided in the form of tied loans.

### **3.3.2 Canada**

#### Broad involvement of government departments

The Government of Canada's response to the tsunami was a broad interdepartmental effort. Thirteen different government departments contributed on a variety of levels, from providing direct support to working on adoption policy issues or assisting with tsunami early warning systems.

Three core governmental departments were directly involved in Canada's response: the Department of Foreign Affairs, which provided overall coordination; the Canadian International Development Agency (CIDA), which coordinated and disbursed most of the relief and recovery assistance, and the Department of National Defense (DND), which provided the airlift for relief supplies and also deployed the Disaster Assistance Response Team (DART).

#### Government pledges influenced by international and domestic criticism and the Flash Appeal

A number of variables may have played into the steady increases in pledges made by the Government of Canada. The Canadian public's generous outpouring of contributions to aid tsunami-affected countries may have put the government under some pressure. Furthermore, international and domestic criticism of the response may have added pressure to the Canadian government to increase its commitment. The Flash Appeal on January 6 also played an important role as it highlighted the extent of the destruction caused by the tsunami and indicated the level of resources that would be required for an adequate response.

#### New way of maximizing impact of private donations: matching funds program

Shortly after the tsunami the Government of Canada announced that it would match, dollar for dollar, individual donations for the response made between December 26 and January 11 to eligible implementing partners. Just over half of the Canadian Government's official funding for the tsunami has been earmarked for the Matching Funds Program, which has proved to be a new and creative way to maximize the impact of the massive private flow of funds that were being donated for the tsunami response.

Eligible implementing partners—largely Canadian NGOs—may apply for match funds for humanitarian relief project (those that last less than 12 months) or rehabilitation. Unused funds from the Matching Funds Program will be used for reconstruction projects in the tsunami-affected areas.

#### No funding for private companies or partner governments

CIDA did not provide funds to private companies or directly to governments of affected countries. CIDA also did not directly implement any activities.

### **3.3.3 Denmark**

#### Coordination by central body

All Danish relief organizations participate in a Humanitarian Contact Group headed by the Danish MFA. It is a central body for planning and coordinating Danish humanitarian assistance.

#### Supply driven pledges to match like-minded donors and public donations

The pledges of the Danish government were to a large extent supply driven. Unprecedented amounts were pledged before reasonable knowledge was obtained as to the specific needs and all the emergency assistance had been pledged less than a week after the catastrophe broke out. The Ministry of Foreign Affairs was keen to respond to apparent political pressure and a presumed public expectation of a swift and generous Danish response. The total amount pledged was also decided by comparing pledges of other like-minded donors. The Danish government donated DKK 420 m (US\$ 72 m) to the tsunami response while the public donated DKK 326 m (US\$ 53 m).

#### Key implementing partners in humanitarian aid: important role of Ministry of Defense

If one looks specifically at the distribution of the emergency budget the key implementing partners in the Danish tsunami response have been the Ministry of Defense and its Emergency Management Agency (DEMA), UN agencies and Danish NGOs.

#### Reconstruction: trust in multilateral system and partner governments

However, if one looks more generally at the distribution of both emergency aid and reconstruction aid the picture is quite different. Now multilateral agencies like the UN agencies and the Multi Donor Trust have been allocated 40%, local governments have been allocated 21%, Danish NGOs 20% and local NGOs 2%.

### Country focus

It was decided not to donate to India, as the Indian Government had not appealed for outside assistance. Thailand was not granted funds either as the country was regarded as rich enough to manage the emergency situation. Finally it was decided not to donate any funds to the Maldives, as the Ministry did not have any implementing partners in the country. All funds have consequently been earmarked to either Sri Lanka or Indonesia.

### Sector focus

The Danish Government has to a certain extent concentrated its emergency funding in specific sectors. It especially focused its bilateral funding in areas where Denmark has a comparative advantage such as water and sanitation and environmental rehabilitation.

### Lack of needs assessment documentation

Humanitarian aid especially in relation to natural catastrophes is by nature an activity characterized by the need for swift action. There is seldom enough time for appraisals and precise need assessments. Nevertheless, in the humanitarian section of the Danish MFA there is a *remarkable* lack of written accounts and assessments.

## **3.3.4 European Commission**

### Coordination by one Directorate-General at the EC level

The European Commission's humanitarian aid is managed by ECHO. In the context of the tsunami response, part of EuropeAid's allocation to WFP also funded the provision of additional food in the region. ECHO focused on its own rapid response. ECHO's role in coordinating EU disaster response, while necessary, was not visible in the tsunami context. Europe has increasingly become more active in disaster response, and both the European Union and many individual member states were actively and directly engaged in disaster and relief work. ECHO's 2005 Aid Strategy recognized that "better understanding of different mandates and responsibilities as well as good coordination is the key to put scarce resources to the most efficient use for the victims of humanitarian disasters."

### Considerable funding provided despite ECHO's focus on forgotten crises

The European Commission felt pressure to respond rapidly to immediate needs in the aftermath of the tsunami and mobilized additional sources of funding. As ECHO is a donor that focuses on neglected emergencies, financial amounts first appeared excessive. ECHO representatives believe that in practice the amount pledged has turned out to be correct in relation to the actual coverage of needs on the ground.

### Inability to rely on several key implementing partners

In the tsunami response, ECHO has resorted to funding UN agencies more than it traditionally does and relied less on NGOs. The change partially reflects the fact that traditional ECHO NGO partners have received large amounts of private funding and have not approached ECHO for

the same level of support; additionally, in certain areas such as the Maldives NGOs did not have a very strong presence and UN agencies had greater implementation capacity.

#### Sectors

In addition to a large allocation for food aid, ECHO has focused on the water and sanitation sector, which it states to be underserved in relation to existing needs. In the tsunami response, ECHO has devoted a relatively important share of funding to recovery efforts, livelihood and rehabilitation and a focus on LRRD and disaster preparedness and prevention.

#### Declining importance as a humanitarian donor?

According to ECHO, its aid has reached a level similar to the assistance provided bilaterally by the EU member states and is also comparable to the levels of humanitarian aid provided by the United States. The European Commission ranks third in humanitarian aid funding behind both the US and Japan. The contributions of EU member states also far outweigh those of ECHO. As a multilateral donor, ECHO believes it pursues a principled approach to humanitarian aid as its trademark. It remains to be seen whether its declining importance as a donor in relative terms has repercussions on overall efforts of allocating aid in proportion to need.

### **3.3.5 Germany**

#### Coordination by two ministries

In response to the tsunami, the Federal Foreign Office and the Federal Ministry for Economic Cooperation and Development (BMZ) led the humanitarian aid funding in Germany. In the German system humanitarian aid is mainly provided through the budget of the Federal Foreign Office in the amount of €50 to 60 million per year. Emergency food aid is provided by BMZ.

#### Reconstruction favored due to comparative advantage of government and unprecedented public donations for humanitarian aid

The major part of the funds was to be used for reconstruction, with only a smaller part allocated for humanitarian and emergency relief. The rationale for this decision was that considerable sums donated by the German public were to be used for immediate emergency assistance and the comparative advantage of state funding mechanisms and channels in the areas of rehabilitation and reconstruction. Another reason might have been that only a smaller part of the pledged amount could be mobilized in the short-term and thus could be used for emergency assistance. Some NGOs returned the funds provided by the German Government because they were not even able to spend the money they received through donations. For this reason the Foreign Office's total funding in humanitarian aid was lower than expected.

#### Reconstruction based on extending existing programs

Most of the funds allocated for reconstruction purposes can be regarded as a temporary extension of the long-standing bilateral development assistance programs for Indonesia and Sri Lanka and are allocated through the established channels of the German system.

### Bilateral system trusted more than multilateral system

The majority of official funds were channeled through the bilateral aid system, with a smaller part allocated through multilateral channels. The rationale for this decision was that both in Indonesia and Sri Lanka German development assistance was running well established aid programs with most of the German aid agencies (including NGOs) being present locally and having established long-lasting working relations with local state and non-state actors.<sup>8</sup> Another reason was the Government's perception that the general public would expect the Government itself to take full responsibility for the effective and efficient use of funds.

### Tied aid

Due to the long-standing practice in German development cooperation, funds have to be earmarked for specific purposes. Therefore, even if the funds were allocated through multilateral agencies or multi-donor trust funds, they were to be tied to specific measures.

## **3.3.6 Ireland**

### Coordination in new terms

To ensure maximum political and economic success a joint team consisting of the Minister of Foreign Affairs, the Director General of DCI and heads of 4 Irish NGOs visited the affected area. The team combination is unusual for Irish practice, as was the meeting with the Prime Minister before departing on the journey. The purpose was to bring government and NGOs together to a common understanding of the crisis. The pressure on DCI from both politicians and the public left no room for failure. DCI saw accountability to be crucial as well due to the unprecedented amount of funds involved. The report from this mission was taken to Parliament to both Minister of State Conor Lenihan (junior minister) and the Prime Minister.

### Assessing need for military presence

During the early period some NGOs raised the demand to send the Irish defense forces to assist. On the basis of the media coverage DCI included an experienced military person as part of the technical mission. The analysis concluded that there was no need for sending the Irish defense forces, but technical support was needed to assist the UN in logistics.

### New unforeseen implementation mechanism: secondment of military personnel to UN

The secondment of personnel to UNJLC is a new and unforeseen implementation mechanism. The UN made the request during the first Irish mission.

No military assets were deployed, and four military personnel were seconded on request to UNJLC to perform logistical support within UNJLC in Sri Lanka. One of the lessons learned from this first cooperation between Irish Defense Forces and UNJLC was that cooperation with UNJLC functioned very well at an operational level, but at a strategic level it could have functioned better if it had had the cooperation of the Sri Lankan Government.

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<sup>8</sup> This refers to Indonesia and Sri Lanka in general, but not to Aceh.



### Criteria for NGO funding

With regards to distribution on sectors which according to DCI was standard, it seems that the Irish response was driven first of all by the specific capacities of the regular cooperation partners—the NGOs, and in this case first of all their presence and capacity, rather than by any sector comparative advantage. This is also reflected in the reasons given for not supporting project proposals. Major reasons for not committing to proposals were lack of capacity, presence and experience; lack of government agreement (in the case of Sri Lanka); duplication (the project would be a duplication of an already supported project with another organization); or that the applicant did not contact DCI again.

### **3.3.7 Japan**

#### Timeliness of funding

The bilateral Grant Aid was pledged on December 28, 2004, and disbursed on January 6 and 19, 2005. The contribution for the international organizations was pledged on January 11, and then disbursed January 21, 2005. As such, GOJ achieved the target of the Humanitarian Response Review, which recommends a span of six weeks between pledge and disbursement.

#### Support of UN Flash Appeal

The Government of Japan supported the UN and the international community by prompt pledges and disbursement in response to the Flash Appeal. Its contribution accounts for US\$ 250 million, which is nearly a quarter of the total Flash Appeal response and one-third of total offers from all donors. This unprecedented amount of humanitarian assistance is the most that Japan has ever made.

#### Needs assessment

Needs were identified by the collective actions by staff members from the embassies, JICA and JBIC. Previous long-standing field presence proved to be an advantage for the needs assessment.

Needs criteria were set in a way that local (victims') needs are met (i.e. responding to immediate needs, covering all sectors, understanding life-threatening factors and human dignity, focusing on health and livelihood recovery, involving all stakeholders with gender and social considerations, examining local capacities, and figuring out what Japan can do or cannot do). Needs assessments in Sri Lanka and Indonesia were conducted in the same manner and using the same criteria.

#### Important role of mitigation

Japan has put its efforts into technical cooperation for mitigation of natural disasters and included these elements in its assistance. Such examples include the "Initiative for Disaster Reduction through ODA," the establishment of the "Tsunami Early Warning System" and relevant trainings for disaster risk reduction. It is noteworthy that Japan plans to provide more

than US\$ 2.5 billion over the next five years in assistance for disaster risk prevention and mitigation as well as reconstruction measures in Asia, African and other regions.

#### Donor coordination

The total funds for rehabilitation and reconstruction amounted to US\$ 102 million in 2005. With this funding, JICA and JBIC are supporting the projects and programs mainly for livelihood recovery and social and economic infrastructure. Under such an emergent and acute situation, donor coordination was also accelerated and promoted among JBIC, the World Bank and the Asian Development Bank to facilitate the needs assessment and realize long-term development efforts.

#### Sector focus vs. flexibility of funding

For the fund allocation by sector with a geographic focus<sup>9</sup>, the use of 95% of funds was unspecified at the time of disbursement. While this could be interpreted as an unclear sector focus, the Government of Japan argues that these funds were to be allocated to sectors based on the needs discussed with the recipient governments and Japan afterwards. In this way, Japan aimed to provide the needs-based funding and respect the ownership of the government.

### **3.3.8 The Netherlands**

#### Response driven by one ministry

In early January a formal Tsunami Task Force was set up within the Ministry of Foreign Affairs, led by the Deputy Director of the Human Rights and Peace-building Department. Contact was established with the national NGO fundraising body; SHO and the UN country resident coordinators in Sri Lanka and Indonesia early on in the response. The task force took part in discussions and informational meetings on initiatives from civil society, businesses and individuals throughout the response. The humanitarian strategy, as well as the basic principles for reconstruction aid, was set out during these meetings.

#### Tsunami funding reallocated to other crises

Nine million euros of the €40 million originally pledged in tsunami humanitarian aid was reallocated to emergencies in Africa (Sudan and Ethiopia). The Dutch Humanitarian Division in June found no demand in the tsunami affected areas for this unallocated amount and questioned the need for committing the remaining humanitarian pledge. This decision was made on the basis that the funds had not been committed yet, NGOs were not able to absorb more funding, the initial phase of emergency had passed, and a substantial amount of reconstruction aid had already been allocated.

#### Military assets and in-kind contributions

Of the humanitarian aid, 2.5 % has been provided in-kind in the form of air transport (KDC-10). Furthermore air traffic controllers were deployed. This funding is characterized as direct military assets. The in-kind contribution of military assets consisted mainly of the transport of

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<sup>9</sup> by Ministry of Foreign Affairs (MOFA), MOFA grants to NGOs, Japan Disaster Relief Team and NGOs

NATO-donated mobile bridges from Croatia to Aceh, Indonesia. The Netherlands organized the transport and delivery to the Indonesian authorities. In consultation with the Indonesian authorities an exploration team from the Ministry of Defense investigated how the bridges could best be used.

#### Funds concentrated geographically and channeled by a few key agencies

The Netherlands has long-term development ties with some of the hardest-hit countries in the region, especially Indonesia. The lion's share (60%) of the humanitarian aid went to Indonesia, followed by 29% to Sri Lanka. Only 8% was allocated to India and 3% to other areas in the region. Of the humanitarian budget 30% was allocated to eleven different NGOs, including two international NGOs; 60% was allocated to UN agencies. All key UN agencies received funding; all key Dutch humanitarian NGOs received funding as well, either by applying individually to the ministry or through their membership in the NGO fundraising body SHO.

#### UN resident coordinators proved an inadequate channel

On December 30, 2004, the Dutch Government decided to allocate €20 million to the UN. In an effort to speed up the disbursement process the money was allocated directly to the UN office resident coordinators in Colombo (€7 million) and Jakarta (€13 million) for them to allocate to the appropriate UN agencies. The standard procedure would have been to make the money available to the UN agencies via their headquarters. Unfortunately UNDP as UN resident coordinator in Jakarta was not able to respond in a relevant<sup>10</sup>, swift and effective way, and consequently the actual allocation was considerably delayed. However, this pilot attempt could serve as an input to the debate on how to improve the timeliness of the UN system.

### **3.3.9 Spain**

#### Fragmented aid system and lack of added value contrasting government image

The Spanish aid system is extremely fragmented and involves a wide array of both ministerial and regional actors. There are differences among actors, but, both in general and in comparative terms, Spain has not played a key role in it's the funding of the tsunami response and is not a donor that adds significant value to the international community's relief and humanitarian aid efforts. This is in contrast with the image that the Spanish government is capable of conveying by signaling comparatively large pledges and commitments at an early stage, when public attention on the disaster response is high.

#### Tied aid and loans

Almost half of the budget, over €8 million, was spent on covering the costs of the military operation. Spain has not contributed to the Indonesia Multi-Donor Trust Fund. Reconstruction commitments total €88 million, of which €80 million (over 90%) are in the form of loans. Spain attaches conditions on this aid that make it difficult to use. The majority of its aid has a joint commercial objective, which requires the purchase of goods and services from Spanish

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<sup>10</sup> Like committing funds in the initial emergency phase for HIV/AIDS program, Pim Kraan HMV/HH

companies and is in the form of loans. Of the €50 million in FAD funds<sup>11</sup>, which represent soft loans in the form of tied aid, it is unlikely that, under existing conditions, any of the funding will be disbursed in the near future and/or that half the amount committed be eventually spent.

#### Direct agency implementation for visibility reasons and neglect of UN system

Spain, as a donor, is still in the process of struggling to apply its rigid funding mechanisms and instruments in a given scenario, as opposed to funding in accordance to need and contributing positively to international aid efforts. Donor state contributions to the UN system, the IFRC and humanitarian aid agencies are negligible. Direct agency implementation for the purposes of humanitarian aid delivery, which has been a favored option, should be evaluated. This form of implementation is a common response of the aid system at all levels, AECI as in the case of decentralized cooperation (Madrid's SAMUR, the *Generalitat* and others). These modalities are often favored in Spain for visibility purposes and other considerations that are not necessarily compatible with the principles of humanitarian aid.

#### Lack of transparency

Finally, there is a problem of accuracy and transparency of information at all levels. A system of improved reporting should be promoted by the MAEC with clear and binding criteria on reported financial amounts. The coordination mechanism should seek to be more proactive in the process of information gathering and its transparent dissemination. It should be understood that donors at all levels are to be held accountable for the data they report or fail to provide and that the failure to deliver accurate information is a harmful practice. The importance of financial accountability will increase as Spain strives to reach defined ODA targets.

### **3.3.10 Sweden**

#### Coordination by one state agency

In Sweden, the government response to the tsunami was lead by Sida, a government agency organizationally under the jurisdiction of the Ministry for Foreign Affairs. It was the state aid organization responsible for the oversight, coordination and administration of the tsunami response.

#### Government pledge not influenced by public pressures

The tsunami catastrophe had a special meaning for Swedish society as it was considered a national disaster: 1,600 Swedes died while vacationing in the region. This contributed to attracting a huge amount of media attention to the catastrophe. Despite the uniqueness of the situation, Sida officials stated that the agency never felt the pressure to pledge or finance a higher amount of aid than it considered appropriate.

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<sup>11</sup> The FAD attempts to contribute to both the internationalization of Spanish companies and the development of recipient countries. After 30 years of existence, the instrument is questioned both by the Spanish entrepreneurial sector because of its rigidity and by the OECD's DAC which increasingly limits and conditions the use of tied aid. The DAC has a policy of untying aid to foster ownership and responsibility for the aid process at recipient country level.

### Vulnerability focus from initial relief phase

Sida is promoting, along with other like-minded donors, a vulnerability-focused response from the initial relief phase into reconstruction efforts. For this purpose it has sought to positively influence policies and strategies within the Indonesia Multi-Donor Trust Fund Steering Committee. In fact, Sida tends to approach the issue from the initial stage in promoting what it defines as “developmental humanitarian assistance,” including a poverty focus throughout its action.

### Learning from evaluation

Evaluation plays a major role in Sida’s response. Sida’s staff is committed to forwarding the agency’s mission and strives to improve the aid community’s performance by insisting on a poverty and vulnerability focus. Sida’s approach has also been conflict sensitive. Lessons learned from the Hurricane Mitch intervention were taken into account from the onset of Sida’s response to the tsunami.

### Sweden’s role in the multilateral system: lack of constructive criticism?

Finally, Sida is regarded as a model donor; it is fitting that Sweden has launched the GHD initiative. In its response to the tsunami Sida has shown that a large amount of funds and rapid allocation is not always compatible with needs-based funding and good donorship. Other GHD principles, such as supporting the UN system, have consistently been a large part of Sida’s policy also in the tsunami relief operation. UN agencies could, however, potentially benefit from additional questioning. From an observer’s view Sida’s unconditional support of the UN, while positive and necessary, may be an angle of constructive criticism. While Sida is involved in CAP workshops, among others, its role in UN agencies is key, so engaging in some degree of questioning could improve UN and international community performance. Other donors and stakeholders are concerned with UN accountability and the reality of Flash Appeals and decisive Sida action on these issues could prompt real change.

## **3.3.11 United Kingdom**

### Coordination by one ministry and intentional limited visibility

It is striking that in the UK, one government department, DFID, clearly led on the tsunami funding response. DFID coordinated a smaller scale operation by the Ministry of Defense (MoD). Despite this focused approach, DFID’s visibility during the tsunami response was intentionally very limited due to the wide range of implementation partners. Overall, DFID collaborated with over 20 UK and non-UK based NGOs, over 40 UN agencies, development banks, the Red Cross and an UK umbrella organization for NGOs engaged in emergencies.

### Transparency and M&E

DFID’s humanitarian aid activities after the tsunami were transparent, clearly and regularly documented and are accessible to the public. Monitoring and evaluation have been accompanying DFID’s relief efforts in 2005.

### Public pressure influencing government's pledge

There were high pressures on the UK government immediately after the disaster to match the US funding or the £400m of the UK Emergency NGOs umbrella organization. The public and parliamentarians demanded that the UK should do "more than everyone else". Even though DFID did increase its pledge for immediate humanitarian funding from £15m on December due to strong public pressures, it did not increase it beyond the £75m pledged for by the Secretary of State, Hilary Benn, on January 17<sup>th</sup> and withstood further public pressures<sup>12</sup>. In hindsight, this firm standpoint paid off as the £75m pledge was even slightly higher than the demands for funding to date.

### Focus on the UN, focus on coordination

Nearly half of the UK's humanitarian aid budget was dedicated to the UN (46.5%). Over one third of this funding was designated to UN coordination and communication efforts led by OCHA (36%). It is striking that the UK is the donor that gave the most importance and funding to OCHA.

### Ninety-one percent of pledges allocated

By mid March, DFID had nearly reached its current level of funding. In January, the Secretary of State pledged £75 m and by mid March £67m had been allocated. Approximately three weeks after the disaster, DFID had allocated 34.5% of pledged funds, compared to 54.5% at the same point in time of the current earthquake relief efforts in South Asia. By September 2005, approximately 91% of pledged DFID's funds had been allocated.

### In-kind contributions partly as multipliers for UN performance

In-kind contributions counted for 17% of the UK's humanitarian aid funding. DFID provided vehicles and Humanitarian Information Centers to the UN as multipliers for UN performance. Pharmaceuticals were not provided directly but rather through WHO and a specialized NGO.

## **3.3.12 United States**

### Coordination

The US Government (USG) response to the tsunami was a multi-agency effort led by USAID's Office of Foreign Disaster Assistance (OFDA). Internally, the USG response was highly coordinated. An Inter-Agency Standing Committee was created shortly after the tsunami and was responsible for coordinating the response. The committee comprised the Department of State, USAID, National Security Council, Department of Defense, Department of Justice, Department of Health and Human Services, Department of Transportation, FEMA and the CIA.

### International and domestic pressure influenced pledges

When the tsunami hit, USAID's Office of Foreign Disaster Assistance had approximately \$35 million available for disaster response. The initial pledge represented approximately half of this

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<sup>12</sup> These pressures reflected upon the government's planning. By January 9, Tony Blair had predicted that the UK government would eventually give "hundreds of millions" of pounds in aid, according to the BBC.

amount. The second pledge made by the President represented 100% of OFDA's remaining operational funds for FY 2005.

But international and domestic pressure played a role in further influencing US funding for the tsunami. The pledge of \$15 million received widespread criticism both within the US and internationally. On December 27, the UN Undersecretary General for Humanitarian Affairs, Jan Egeland, made a public comment about stingy rich countries. While this statement was later reported as misrepresented, it may have contributed to the weight of broader international and domestic criticism of the US pledge.

#### Deployment of the military

By January 12, at the height of the operations, more than 15,000 US military personnel were involved in providing relief to the tsunami-affected region. Twenty-five naval ships, one Coast Guard cutter, 58 helicopters and 43 planes were utilized.<sup>13</sup>

The DOD response to the tsunami was based primarily on recognition that, given the massive scale of the disaster, the US military was one of the few bodies that had the equipment—such as helicopters and airplanes—and personnel necessary to access the area and begin the relief response.

#### More funding of UN and IFRC/ICRC, less of NGOs

The distribution of the tsunami response, at least as far as NGOs, the UN and the IFRC/ICRC are concerned, was somewhat unusual. Including goods-in-kind (primarily two large food aid donations to WFP), the UN received just under one third of total tsunami humanitarian funding. The IFRC/ICRC also received much more than the usual 2%. NGOs' share of the funds was actually lower than the annual averages. This shift in the trend may well have been due to the fact that within two weeks of the disaster it became clear that NGOs had access to greater sums of private funding than could be provided by official donors. The influx of private funds not only swayed the DARTs' response of providing fewer and smaller grants, but also may have controlled the lower number of NGO requests for funding.

#### 3.4 In-kind contributions

Spain, Denmark and the US are the countries with the highest percentage of in-kind contributions as part of their humanitarian aid for the countries affected by the tsunami, ranging from 24% for the US to 30% in the case of Spain. The in-kind contributions of Ireland, Canada and Australia, however, are below 10%. Japan's in-kind contributions amounted to US \$2,115,672, which is 0.42% of its total humanitarian aid budget.

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<sup>13</sup> Going the Distance: The US Tsunami Relief Effort 2005 (<http://usinfo.state.gov/products/pubs/tsunami>); interview with Lt. Col. Russ Bailey.

### 3.5 Funding by affected country

Figure 10 provides a geographic overview of state donors humanitarian aid funding in the countries affected by the tsunami. All assessed state donors funded humanitarian aid in Indonesia, Sri Lanka and at the regional level, Indonesia being the clear focus of most donors but the US and Canada.

On average, state donors directed 45% of their humanitarian aid budget to Indonesia and 23% to Sri Lanka. Twenty-one percent was allocated at the regional level. India received an average of 3% of the humanitarian aid funding, the Maldives 1% and the other affected countries less than 1% each. An average of 5% of the funds were not specified geographically.

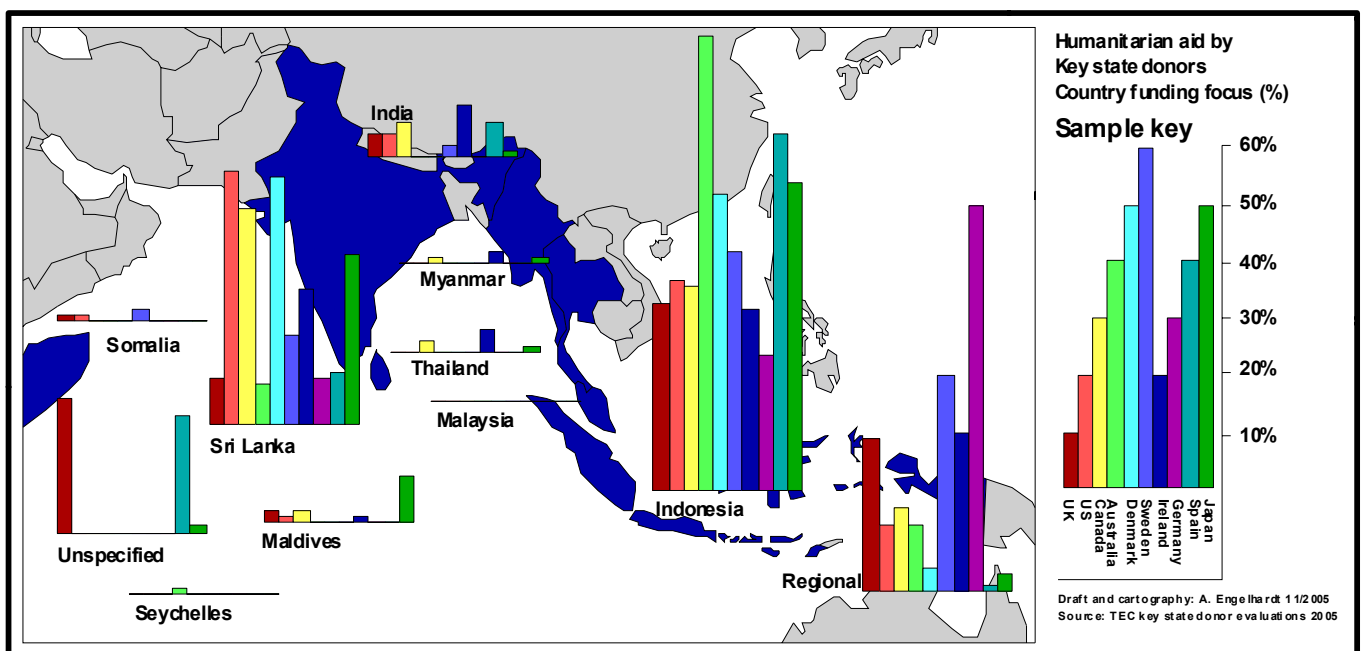
#### 3.5.1 Indonesia

There are three patterns of donor groups based on the allocation of humanitarian aid in Indonesia. One group allocated more than 50% of its humanitarian aid budget for the tsunami response in Indonesia. This group includes Australia, with 80% of its humanitarian aid budget allocated in Indonesia, followed by Spain with 63%, Japan with 54% and Denmark with 52%.

Another group allocated its funding more evenly and allocated between 30% and 40% of the humanitarian aid budget to Indonesia, including the US (37%), Canada (36%), the UK (33%) and Ireland (32%).

Germany is the only country that allocated less than a quarter of its humanitarian aid budget to Indonesia (24%).

Figure 10: Geographic focus of humanitarian aid flows





### **3.5.2 Sri Lanka**

A pattern of three different groups is also evident in Sri Lanka. For the US (45%) and Canada (38%), Sri Lanka is the primary focus of allocation of its humanitarian aid response to the tsunami. Denmark invested 44% of its funding in Sri Lanka and Japan 30%. This group of donors is followed by Ireland (24%) and Sweden (16%). For the UK, Australia, Germany and Spain, Sri Lanka was considerably less of a focus and less than 10% of these countries' funding was allocated to Sri Lanka.

### **3.5.3 India**

India received humanitarian aid funding from all donors but Australia, Denmark and Germany. Overall the funding was below 10% in the case of all donors working on humanitarian aid in India. This might be linked to the hesitant reaction of the Government of India, which asked some donors for help only many days after the tsunami.

### **3.5.4 Myanmar, Thailand, Maldives**

It is striking that Canada, Ireland and Japan provided humanitarian aid funding to all three countries, being the only ones<sup>14</sup> in the case of Myanmar and Thailand. The Maldives also received funding by the UK and the US.

### **3.5.5 Somalia**

The UK (1%), US (1%) and Sweden (2%) provided humanitarian assistance funding to Somalia. The funding from Canada and Japan was below 0.5% of the countries' overall humanitarian aid funding response to the tsunami.

### **3.5.6 Others**

The Seychelles got funding from Australia and Japan,<sup>15</sup> while Malaysia got funding from the US.<sup>16</sup> It is important to note that 24% of the UK's and 21% of Spain's humanitarian aid budget was not specified geographically.

## **3.6 Funding by sectors and country**

Figure 11 shows the sector focus of state donors. Japan is not included in this analysis as 95% of its funding was not specified by sector at the time of allocation, as outlined in section 3.3. The funding of Sweden is mostly not specified by sector either, and for the fragmented Spanish aid

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<sup>14</sup> With funding above 0.5% of the donor's total humanitarian aid budget for the countries affected by the tsunami. Sweden's and Australia's funding for Thailand was below 0.5% of its total humanitarian aid budget for the tsunami response. AusAid commented that while the exact expenditure figure is hidden in the other government departments' regional expenditure, more than six months after the tsunami 20 Australian federal police were still in Thailand assisting with disaster victim identification in a major forensics operation. This effort identified more than 3,300 victims. Therefore, Australian assistance to Thailand was substantial, i.e. it would have exceeded 0.5% of its total humanitarian aid budget for the tsunami response.

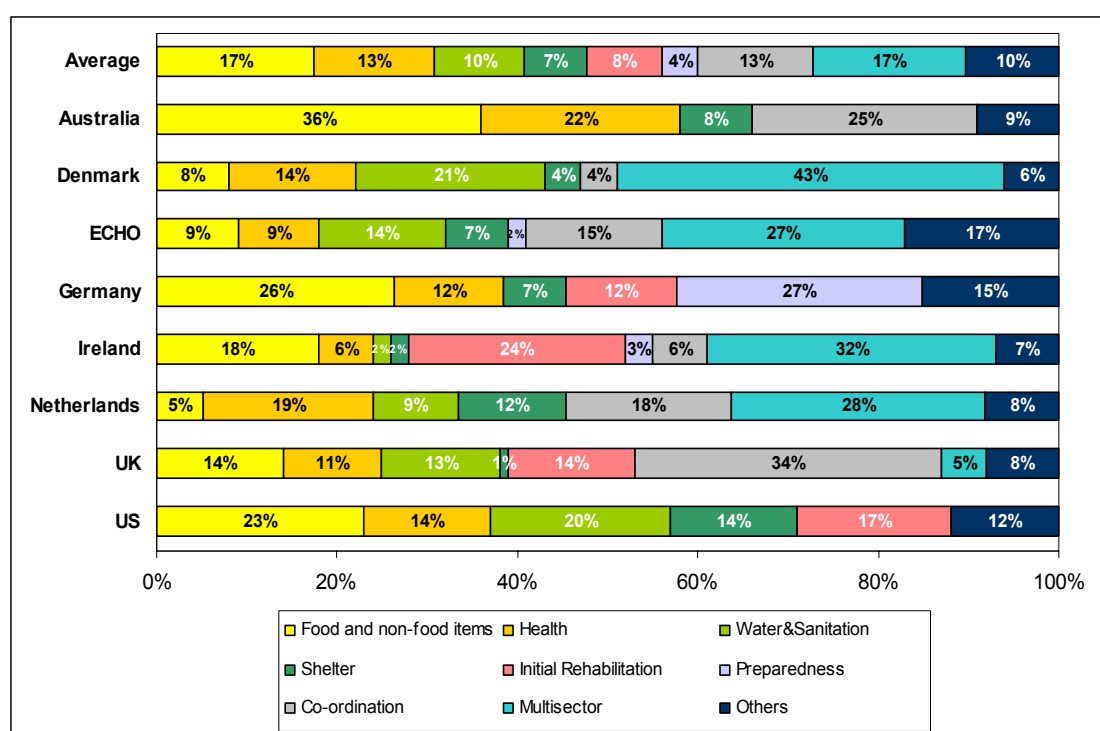
<sup>15</sup> Below 0.5% of Japan's total humanitarian aid budget for the tsunami response.

<sup>16</sup> Below 0.5% of the US' total humanitarian aid budget for the tsunami response.

system an analysis was not possible. In the cases of the UK and Germany, funding for UN agencies was considered only.

Taking into account the average donor state funding by sector, an even distribution is evident. On average 10% to 13% of the overall funding was allocated in health, water & sanitation, initial rehabilitation, coordination and multisector. Food and non-food items were the sectors attracting most funding on average with 21%. Sectors with funding below the average are shelter with 6% and preparedness with 4% as presented in figure 11.<sup>17</sup>

**Figure 11: Sector focus by donors**



### 3.7 State donor funding by actors

Figure 12 shows the distribution of state donor funding by actors.<sup>18</sup> The percentage of humanitarian assistance funding of NGOs, UN agencies, the IFRC/ICRC and others is presented in that figure. It is striking that there is no clearly visible pattern of funding as each state donor seems to have different preferences or criteria. The only common denominator is that all but

<sup>17</sup> Denmark: The sector shelter includes non-food items.

Australia: Health, Water & Sanitation are assembled in one category.

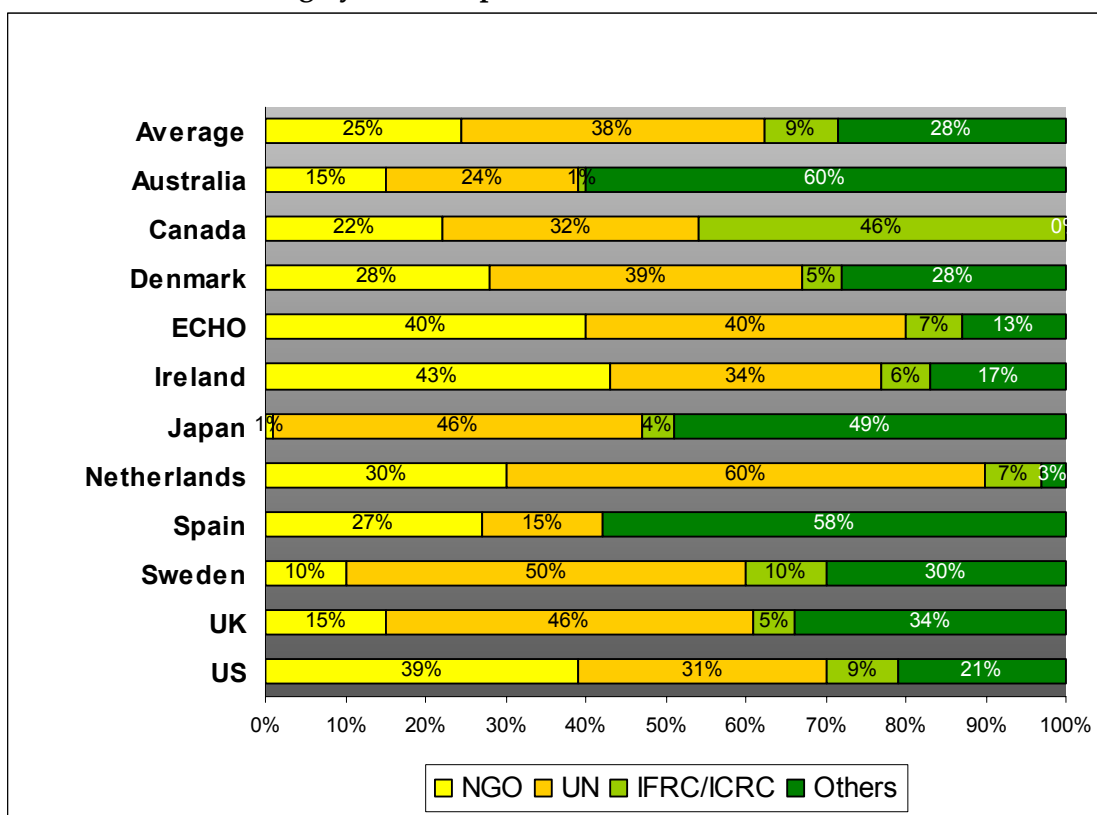
Germany: Crisis prevention is counted for as part of preparedness.

<sup>18</sup> Germany is not included as the available data in the TEC study could not be disaggregated for this purpose.

two<sup>19</sup> state donors gave at least one quarter of their funding to UN agencies. In the case of ECHO, which usually channels most of its funds through NGOs, UN agencies were also the main recipients of tsunami funding.

On average 23.5% of humanitarian aid funding was provided by the selected donors to NGOs, 34.3% to UN agencies and 13.7% to IFRC/ICRC. Other actors received 28.5% of funding, including other government departments of the donor countries like ministries of Defense, corporations, national governments in affected countries, regional development banks or the World Bank.

**Figure 12: State donors funding by actors in percent** <sup>20</sup>



Source: TEC State donor funding studies, 2005.<sup>21</sup>

If the average funding flows by actor are compared to the tsunami emergency response, a change in patterns will be visible in many donors' statistics. Due to the overwhelming response from the general public, NGOs requested less funding from donors than usual. In the case of Germany, some NGOs even returned funding to the government as there were no capacities to

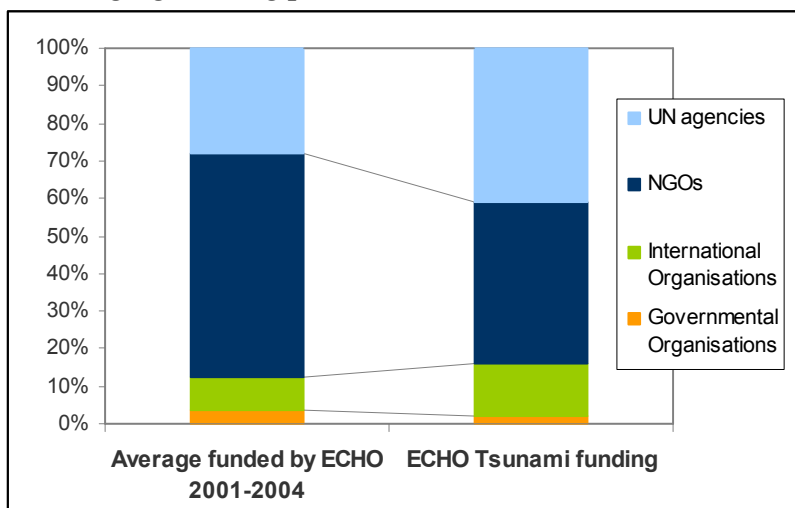
<sup>19</sup> The Netherlands contributed 65% of its humanitarian aid commitments to UN agencies. This is a normal feature of Dutch funding, which predominantly channels its aid to UN agencies (69% on average in the 2000-2004 period). Australia provided 24% of its total tsunami response humanitarian aid budget for the UN and Spain 15%.

<sup>20</sup> Certain donors include IOM in their UN agency funding. Under ECHO, IOM amounts are categorized as international Organisation funding.

<sup>21</sup> The distribution of Dutch funding was 60% to the UN, 30% to the NGOs, 7% to the Red Cross and 3% to the Ministry of Defence.

spend the funds. In response, donors increased their funding to UN agencies. A considerable increase in UN funding and at the same time a decrease in NGO funding in the case of ECHO is visible in figure 13.<sup>22</sup>

**Figure 13: Changing funding pattern in ECHO**



Source: TEC State donor funding studies, 2005.

### 3.7.1 NGOs

The state donor with major funding for NGOs is Ireland with 43% of the total tsunami response humanitarian aid budget dedicated for this actor, followed by ECHO with 40%, the US with 39% and Denmark with 28%. From a financial point of view, NGOs were the most important implementation partner for the humanitarian tsunami response for Ireland and the US and remained important for ECHO.

Japan is at the other end of the scale, with 1% of its total humanitarian aid budget for the tsunami response allocated to NGOs, followed by Sweden with 5% and Spain with 9%.

Denmark funded with an additional 3% of its budget NGOs in the affected countries, while countries like Canada and Spain funded only national NGOs. The UK, Ireland, Sweden and Germany funded national NGOs based in their respective countries and international NGOs. Australia and the US funded national and international NGOs and one NGOs in an affected country as shown in figure 14.

In many countries like Sweden and the UK, national NGOs funded work through partners in the humanitarian relief efforts; the Swedish Mission Council, Oxfam UK, Mercy Corps Scotland, Cafod and Save the Children Fund UK are some of many examples.

<sup>22</sup> AusAid commented that Australian funding to IFRC/ICRC is understated by A\$4.8 - A\$5 million. This amount was passed through the Australian Red Cross Society to the IFRC.

**Figure 14: State donor funding of NGOs for humanitarian aid**

State donor	National NGOs in donor country	International NGOs	NGOs in affected country
Australia	√	√	√
US	√	√	√
Denmark	√		√
ECHO	√	√	
Ireland	√	√	
UK	√	√	
Sweden	√	√	
Germany	√	√	
Canada	√		
Spain	√		

Source: TEC State donor funding studies, 2005.

### 3.7.2 UN

The Spanish Agency for International Co-operation allocated 54% of its tsunami response humanitarian aid budget to a single UN agency, the FAO, amounting to approximately \$2.5 m. ECHO's allocations to UN agencies account for 40% of its aid. The proportion of EC humanitarian assistance granted through the UN is even larger when considering EuropeAid's food aid allocation. Japan and the UK allocated 46% each of their humanitarian aid budgets to the UN. Australia invested 15% of its budget in the UN, Sweden 50% and the US 31%. A detailed overview of the state donor's funding of UN agencies is provided in section 3.8.

### 3.7.3 IFRC/ICRC

While the funding of the IFRC/ICRC by most state donors varies from 1% to 9% of their tsunami response humanitarian aid budget, Sweden and Canada are exceptions. For Canada the IFRC/ICRC were the most important implementation partners for the tsunami response in terms of financing.

Sweden invested 10% of its humanitarian aid budget for the tsunami response in the IFRC/ICRC and Canada 46%. In the case of Canada, however, 88% of the funding for the Red Cross Movement was allocated to the Canadian Society of the Red Cross.

Spain is the only country that did not contribute any funding to the IFRC/ICRC. Although ECHO only allocated 7% of its funding to the Movement, IFRC was the first recipient of its aid.

### 3.7.4 Others

Canada is the only country where all funding for the tsunami relief was focused on NGOs, the UN and IFRC/ICRC only. ECHO as a multilateral donor also only funded these actors in addition to governmental organizations, as the Norwegian Refugee Council.

Other government departments

A total of 47% of Australia's tsunami humanitarian aid funding response was dedicated to other government departments. The role of Australia's Ministry of Defense (MoD) is not quantified in the statistics. In the case of Denmark 28% of the tsunami humanitarian aid funding was spent on the MoD and Spain channeled nearly 50% of its humanitarian assistance through the MoD. In Ireland 1% of the funding went to the MoD and 5% to the Ministry of Agriculture. Sweden invested 5% of the funding in government departments other than Sida and 15% went to other, not necessarily Swedish, government organizations like the Norwegian Refugee Council.

### **Corporations**

Nine percent of US tsunami humanitarian aid funding was designated to private corporations. In Australia 1% of the funding was allocated to corporations.

### **National governments in affected countries**

Japan is the only country that designated tsunami humanitarian aid funds to national governments in the affected region. Compared to other donors, it is worth mentioning that nearly half the Japanese humanitarian aid budget, 49%, was allocated to partner governments.

### **Regional development banks/World Bank**

Ten percent of Ireland's tsunami humanitarian aid funds were transferred to the World Bank. In the case of the UK 12% of this budget was allocated to the Asian Development Bank and the World Bank via FID.<sup>23</sup>

## 3.8 State donor funding of UN agencies and IOM

State donors funded a wide variety of UN agencies for the humanitarian aid response to the tsunami. All state donors but Spain funded OCHA, WFP and WHO as shown in figure 15.

On average, WFP is the UN agency given the most priority by state donors. On average 27% of donor funding to UN agencies was earmarked for WFP, followed by UNICEF with 21%, UNDP with 14%, WHO with 9% and OCHA with 8%. UNHCR, FAO and IOM are not shown in figure 15 and are classified under "others." FAO received an average of 11% of funding, UNHCR 5% and IOM 7% of the funding allocated to UN agencies.<sup>24</sup>

The US and Denmark have focused their funding on UN agencies and IOM most. Both countries funded a total of five UN agencies: OCHA, UNICEF, WFP, WHO and, in the case of the US, IOM and, in the case of Denmark, UNHCR. ECHO channeled most of its UN agency funding through IOM.

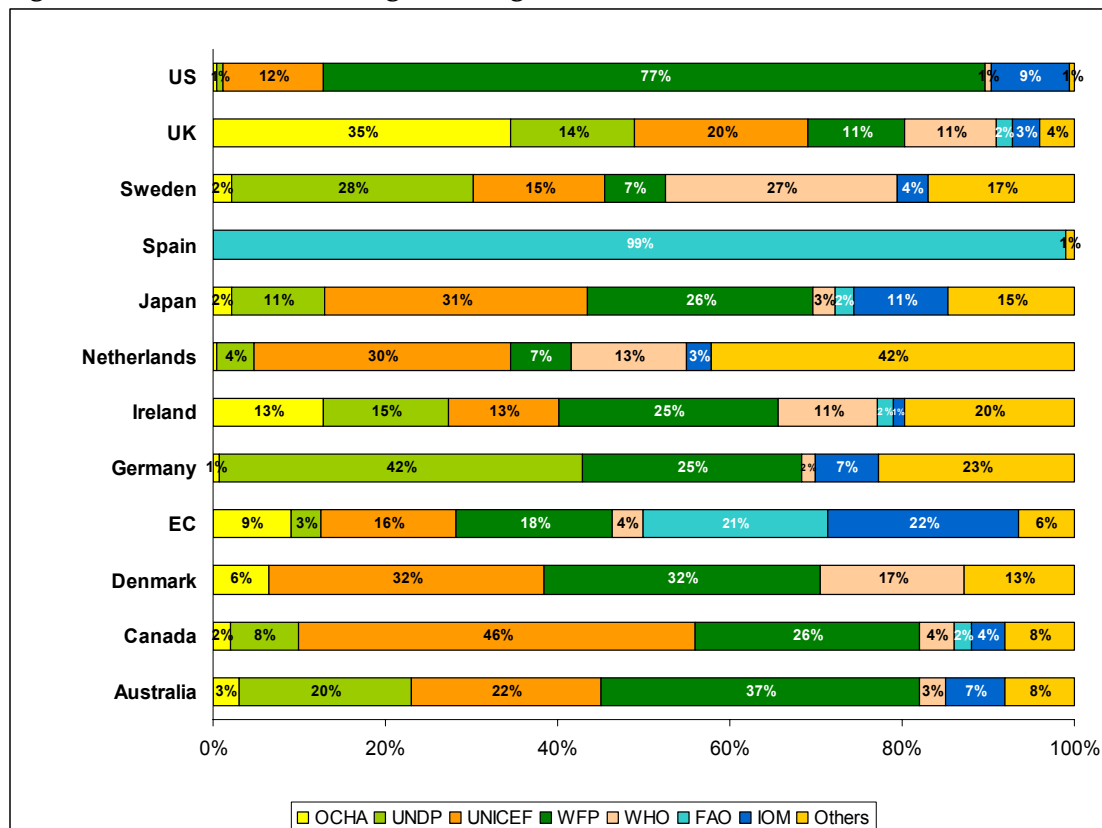
Japan is the state donor spreading its UN funding most widely. A total of 13 UN agencies benefited from Japanese humanitarian aid funding.

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<sup>23</sup> This includes funding to Internews.

<sup>24</sup> "Others" also includes FAO, UNSECCORD, UNEP, UNFPA, ILO, UNIFEM, UNJLC, ISDR, UNV and UNHABITAT.

**Figure 15: State donor funding of UN agencies and IOM for humanitarian aid**



Source: TEC State donor funding studies, 2005.

### 3.8.1 OCHA

Even though all state donors but Spain<sup>25</sup> funded OCHA, the specialized UN agency for coordination of humanitarian aid, only the UK is giving OCHA real importance in its funding to the UN (36%), followed to a lesser degree by Ireland (15%). From all other state donors OCHA received one of the smallest, or the smallest, budget of all UN agencies.

Even though OCHA should have played a central role in the tsunami funding response, most state donors provided it with very little funding, compared to other UN agencies.<sup>26</sup>

### 3.8.2 UNDP

Germany gave most priority to UNDP in relative terms as 42% of its funding for UN agencies was designated for UNDP.<sup>27</sup> Germany's humanitarian aid policy responding to the tsunami supported the UN system and private organizations to cover the Maldives, Myanmar and the

<sup>25</sup> Spain allocated 100% of its funding to the UN to FAO for food aid.

<sup>26</sup> Japan funded with US\$ 5m, 30% of the total OCHA Flash Appeal, accounting for 2% of Japan's overall contribution to UN.

<sup>27</sup> Supported by the Ministry for Economic Cooperation (BMZ). The Federal Foreign Office supported agencies with good previous working experiences. Another criterion was that the supported organisations had to act according to the humanitarian principles of the agency. As a result, UNHCR, OCHA, WHO and IOM were funded. The BMZ supported UNFPA, WFP and UNDP.

affected African countries. Overall Sweden provided 29% of its UN budget for UNDP. For all other state donors, UNDP played a less important role in the disbursement of humanitarian aid funds for the UN. Apart from Spain, the US and Denmark also did not provide funding for UNDP.

### **3.8.3 UNICEF**

For Canada and Japan, UNICEF was the most important UN agency to get humanitarian aid funding for the tsunami response. Canada allocated 46% of its budget earmarked for the UN to UNICEF and Japan 31%. Japan funded UNICEF in all affected countries where it provided UN agencies with funding<sup>28</sup> except for Somalia. In these six countries Japan allocated funds specifically for relief in the following sectors to UNICEF: health, education and child protection. For ECHO, UNICEF was a key partner in the Maldives.

Denmark allocated 32% of this budget to UNICEF for regional multisector aid. For Denmark, UNICEF and WFP were the most important collaboration partners in the UN.

UNICEF did not receive any funding from Germany or Spain. The funding from the US, with 12% of the overall UN budget for humanitarian aid and Ireland and Sweden, with 15% respectively, was limited.

### **3.8.4 WFP**

As outlined above, WFP is on average the UN agency given the most priority by state donors for funding the UN humanitarian aid response to the tsunami. The US focused 77% of its funding to the UN on WFP, giving it an outstanding role as a specialized UN agency for emergency food assistance. Ninety-four percent of the assistance from the US for WFP was in the form of in-kind contributions to Sri Lanka and Indonesia. Australia provided 37% of its UN humanitarian aid funding to WFP and Denmark 32%. The European Commission through EuropeAid and ECHO contributed 37% of its humanitarian assistance to WFP. The Danish, Australian and EC contributions to WFP were not in-kind.

The state donors prioritizing WFP least, apart from Spain, were Sweden with 7% of its UN humanitarian aid budget for the WFP, the UK with 11% and Ireland with 15%.

### **3.8.5 WHO**

Overall, state donors did not prioritize WHO for the funding for the humanitarian aid response to the tsunami, with the exception of Sweden. Twenty-seven percent of the Swedish budget for the UN was earmarked for WHO. Sida relied mainly on UN agencies in Indonesia, including WHO, and allocated limited funding to the UN in Sri Lanka where Sida has established partners and a country assistance strategy.

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<sup>28</sup> Indonesia, Sri Lanka, Maldives, Thailand, Myanmar and India. UN agencies did not receive funding in the Seychelles, but the IFRC did.



### **3.8.6 The role of UN agencies as specialized service providers in the multilateral system**

In this context it is worthwhile to begin exploring the role of the Flash Appeal. All donors regarded the Flash Appeal as a reference document but not a basis for prioritizing funding or channeling immediate response. Most donors believed that the UN arrived late and did not provide enough coordination. Donors approached UN agencies individually before the appeal. An indicator that illustrates this is that a high proportion of the funding that has gone to the UN has been channeled and registered outside the Flash Appeal both in the immediate aftermath of the disaster and in later months. The DFID UN funding serves as an example.

For donors, a rationale for funding UN agencies in general is their clear and specific recognized UN mandate. The overlap between individual UN agencies is meant to be minimal. In practice, this is not always the case and many donors are assessing multilateral effectiveness closely, for example in the MOPAN initiative.

Figures 8, 9, 10 and 11 show that, depending on the donor, some UN agencies were used in multiple sectors in the area of humanitarian aid in response to the tsunami while others were predominantly used in one sector. The disaggregation of data allows for an analysis of Japan, Australia, the UK and the US.

A relatively clear relation between a sector and a corresponding UN agency for the tsunami humanitarian aid response is evident for OCHA, WFP and WHO.

#### **Coordination**

All four state donors for coordination of the tsunami humanitarian aid response funded OCHA. The UK and ECHO also provided funding for communication.

#### **Food and logistics**

WFP was funded to respond in food and logistics. The US also assigned coordination tasks related to food and logistics to WFP for regional relief efforts. Although not included in figures 16, 17, 18, 19 and 20 it is worth noting that Spain focused all its funding to the UN on FAO for food aid, rather than WFP.

#### **Health and others**

All four key state donors called upon WHO for humanitarian aid in the area of health. Japan also funded UNICEF to act in the area of health, linked to education and child protection. Australia funded UNICEF for support in health and education. The US funded UNICEF for humanitarian aid in health. WHO is funded for health surveillance. In addition the US also funded UNICEF for health, nutrition, water and sanitation.

In the case of UNICEF, there is a certain proliferation of US funding for UNICEF in very diverse sectors ranging from psychological support to nutrition, water and sanitation. The UK and Australia also funded UNICEF in more than one sector. As UNICEF is focusing on the rights of children and women by advocating the Convention for the Rights of Children and CEDAW,

this multisector funding can be explained. Another explanation could be UNICEF’s comparable advantage over other UN agencies in these sectors.

UNDP received multisector funding from Japan and the US, and FAO from Japan.

**Figure 16: Japan: Funding by sector and selected UN agency**

Japan	Food	Health	Coordination	Health, education protection, rights	Initial rehabilitation, infrastructure	Livelihood	Food, livelihood	Shelter, livelihood	UN agency
			√			√	√		FAO
					√			√	OCHA
				√					UNDP
	√								UNICEF
		√							WFP
									WHO

**Figure 17: Australia: Funding by sector and selected UN agency**

Australia	Coordination	Health	Health, education	Water, sanitation, health	Livelihood	Food, logistics	Shelter, essential facilities	UN agency
	√							OCHA
		√					√	UNDP
			√	√				UNFPA
						√		UNICEF
				√				WFP
								WHO

**Figure 18: UK: Funding by sector and selected UN agency**

UK	Coordination, communication	Health	Security	Water, sanitation,	Protection	Multisector	Economic recovery	Logistics, food	Shelter	UN agency
	√									OCHA
						√				FAO
								√		IOM
							√			UNDP
						√				UNEP
	√									UNFPA
									√	UNHCR
				√	√					UNICEF
			√							UNSECCORD
								√		WFP
		√								WHO

**Figure 19: US: Funding by sector and selected UN agency**

US	Food	Health	Health, nutrition, water and sanitation	Health surveillance	Logistics, air support and coordination	Coordination	Child protection and psychological and social activities	Water and sanitation, emergency school kits, child protection and psychological and social activities	Psychological and social protection	Income generation	UN agency
						√					OCHA
									√	√	UNDP
		√	√				√	√	√		UNICEF
	√				√						WFP
				√							WHO

**Figure 20: ECHO Funding by sector and selected UN agency**

ECHO	Multisector	Coordination	Water and sanitation	Shelter	Food	Rehabilitation	Livelihoods	Logistics	Health	Preparedness	UN agency
	√		√	√					√		IOM
					√	√					FAO
		√								√	OCHA
							√				UNDP
									√		UNFPA
				√							UNHCR
	√		√								UNICEF
					√			√			WFP
									√		WHO

#### 4. Part III: Good Humanitarian Donorship

This report on donor state funding in response to the tsunami sets out to review the international community's support reaction in the context of a unique catastrophe and the Good Humanitarian Donorship agenda. It attempts to assess donor compliance with GHD principles and distill the main features of Good Humanitarian Donorship in the framework of an unprecedented disaster and response.

The following analysis refers only to the group of donor countries included in the TEC funding study.<sup>29</sup> These donors represent approximately 67% of state donor tsunami humanitarian aid commitments. These can be considered representative of a traditional core group of donor countries within the DAC. All countries studied have, as have all DAC donor states, endorsed the GHD Initiative as agreed upon in Stockholm in June 2003.

Some of the countries participating in the study have defined their national strategies to achieve defined progress in GHD.<sup>30</sup> In addition, a set of indicators able to monitor progress is in the process of elaboration and will be proposed for discussion before the end of this year. This study refers only to an exceptional case and cannot be taken as representative of individual donor practices, but offers an interesting case study on how the IC has reacted and complied with previously agreed principles of GHD.<sup>31</sup> We intend the following considerations to contribute to the building of a better understanding of the challenges implied within GHD

<sup>29</sup> Data was gathered from USA, Japan, Denmark, Sweden, Spain, Canada, Ireland, Australia, EC/ECHO, the Netherlands, Germany and the UK.

<sup>30</sup> Six countries, Ireland, Denmark, Sweden, Canada, UK and the Netherlands, have defined GHD national implementation plans.

<sup>31</sup> See annex 3 for a formulation of the GHD Principles.

It should be borne in mind that the tsunami response has been unique in the dimension and variety of new donors involved. Further research should be carried out to analyze donor practices at large. Moreover, while public responses to appeals for aid funds in the wake of the Indian Ocean tsunami were unprecedented, donor state aid pledges were also considerably large. This raises special issues concerning the financing of relief in the tsunami context on the role of official donors and the GHD agenda when private funding is so much greater. As mentioned in the methodology section, three main categories have been defined for analysis, each addressing a number of GHD principles,<sup>2</sup> as follows:

#### 4.1 Donor humanitarian policies

This section reviews donor funding in the context of Humanitarian Principles 4, 7, 15, 16, 19 and 20 (see annex 3) and considers whether donors have implicit or explicit policy formulations addressing the principles of GHD, that is, guiding donor involvement by the principles of humanity, impartiality, neutrality and independence towards easing human suffering.

In this aspect is crucial to understand whether donor response has been influenced by factors related to the existing political situation or political or economic agendas that could tend to favor a segment of the affected population. Other aspects of policy approaches related to GHD are the support for beneficiary involvement; the promotion of good practice among implementing agencies, including accountability and the use of accepted codes or guidelines (IASC guidelines, Sphere standards, RC code of conduct, IDP guiding principles); the acceptance of MCDA guidelines; and the primacy of civilian organizations in the implementation of humanitarian action.<sup>32</sup>

#### 4.2 Funding mechanisms

A review of donor funding mechanisms in the context of the aid provided in response to the tsunami intends to address aspects mentioned under principles 3, 5, 8, 9, 10, 11, 12, 14 and 18. These primarily focus on the degree of flexibility and timelines of the funding provided; to what extent the funding was allocated according to needs; if provisions were made for capacity building, preparedness, prevention and mitigation; the linkages with recovery and development actions; how the role of the UN in coordination and the special mandate of the ICRC/IFRC have been taken into consideration; the effect of the response to the tsunami on allocations for other crises; how donors responded to Flash Appeals and CAP and the role of these in the decision-making process; and how flexible and predictable the funding has been for this crisis.

#### 4.3 Learning and accountability

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<sup>32</sup> See annex 3.

Principles 21, 22 and 23 are considered, addressing aspects of evaluation and lessons learned exercises, financial transparency, and reporting and accountability towards the public of the donor countries and to the beneficiaries.

## **5. Main findings**

### 5.1 Humanitarian general policies

#### **5.1.1 Effective promotion and respect of humanitarian principles**

Regarding the effective promotion and respect of humanitarian principles in the decision-making process, it is to be noted from the different reports that the primary goal of the response to the tsunami was stated, clearly and universally, as to alleviate human suffering guided by the principles of humanity, impartiality, neutrality and independence, while a general void in terms of proper policy papers addressing humanitarian aid seems the case for most donors. The most explicit formulations from the reports appear for Denmark, Sweden, Japan and Australia. In some cases neutrality is highlighted (Ireland), while in others they have their own approach to humanitarian principles (like Germany with its “12 rules of humanitarian aid,” the UK invoking a “new humanitarianism” or the Netherlands with two papers and one checklist as working references). Access and protection are mentioned by Canada as particularly relevant issues. One of the most important donors, ECHO, has a specific humanitarian mandate within the EC, and constitutes probably the only case of a proper policy formulation of humanitarian aid.

However, already some difficulties are evident even in the articulation of this broad and somehow rhetorical principle. From the reports, a number of questions can be raised regarding the effective application of the principles stated. Donors rely almost completely on the assumption that implementing partners are coherent with humanitarian principles, including military forces.

Most donors tend to address humanitarian action with instruments of ODA,<sup>33</sup> which are more vulnerable to other strategic factors, and tend to put humanitarian considerations second when deciding areas and amounts, suggesting that development policies’ interests and political context might influence decision making for humanitarian action. Figure 6 in this synthesis offers an interesting perspective of donor preferences, but reflects as well different conceptions and accounting mechanisms of HA within ODA.

Assuming that the dimension of the disaster made impossible for each individual donor to address coherently the allocation of funds on a humanitarian basis throughout the affected area, and accepting that coordination could be invoked as a priority in order to assure equality on the delivery (access) of aid irrespective of religion, political adscription or other factors, it can be concluded that the reasons for the initial division of tasks and areas were mostly not based on needs, the volume of funds that each donor could provide, nor their logistic or operational capacity.

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<sup>33</sup> Humanitarian aid is reported, in general, as a budget line of ODA, not a specific action with its own principles and dynamics.

The first core donor group that established coordination in the field, US, Japan, Australia and India, and the first assessment mission to Sri Lanka, by the UK, USAID and UN probably decided on very important and transcendental executive decisions, and a primary division of tasks from that moment appears to have been accepted by the rest of the main donors. Issues such as bilateral or regional interest, proximity and previous presence were defining factors in the allocation of resources and capacity to provide tsunami relief. It cannot be concluded to what extent humanitarian considerations were taken as main determinants of the decisions taken.

In some cases it becomes clear from the reports that the fact that some affected countries had previous development plans (like SIDA, DFID and Germany in Sri Lanka) or the existence of partners in the field (such as the case of ECHO in Sri Lanka, Thailand, Burma and India, among others), affected primary decisions on allocation of aid and possible reconstruction funds.

The UN system's reaction is considered slow by all donors. This affected its legitimacy in defining priorities and best options in terms of logistics and resource allocation. The Netherlands case illustrates a situation where a donor tries to swiftly provide financial support, before the whole UN mechanism reacts, to the "proxy" UN administration in the field, with deceiving results. The Flash Appeal was not useful, in the opinion of most donors, in defining priorities and framing the response. Left to themselves, donors took decisions given the need for prompt and decisive action. In light of existing political pressure of donor constituencies at home, a combined result of the media coverage and the dimension of the tragedy, politicians were the ones making decisions, and politicians are supposed to make political decisions, not humanitarian ones.

The above was specifically visible in decisions related to the overall amount of humanitarian pledges. The process of pledging appears to be political in nature, and all donors reacted to political conditionality when pledging, with the possible exceptions of Sweden and ECHO. To what extent the following steps, as commitments, allocations and disbursements, were affected by the initial political conditionality is not clear.

Some donors acted as direct implementing actors (Spain, Sweden, Australia), probably impairing their leverage capacity to assure the humanitarian space for humanitarian agencies to work. The additional recourse to military means (Germany, US, Australia, Spain) might be coherent with a donor's need to use effective logistic instruments, if not to please its constituencies at home (Spain), but can jeopardize humanitarian considerations.

Implementation plans and operational coordination happened often outside the UN umbrella, the UK-USAID-UN coordination in Sri Lanka being one of the exceptions. Ireland, UK and Sweden seconded the UNJLC in Sri Lanka and coordinated at least part of their military presence with the UN. Denmark even put its military assets under UN command. Otherwise,

the presence of armies in the aftermath of the disaster further downplayed the role of the UN, as most armies tried to reach bilateral arrangements with the host country.

From this study it seems that the humanitarian system as a whole was not in charge, although there was enough room in the response to allow inferring that in general terms the humanitarian community had enough funds from the public and cooperation from bilateral donors as to assure a fair coverage of the disaster. Not only donor involvement but more critically the huge general public support to humanitarian actors allowed for this. This is a critical aspect, only marginally taken into account in the reports from donors: the fact that huge sums were mobilized by the public, should have led to a different role for the main donors and their coordination mechanisms. The need for coordination, leadership, legitimacy and guidance seems to have been critical. The reports analyzed don't provide data on the way donors addressed those challenges in this case.

It has to be recognized that there was a consensus in the immediate aftermath to support the initial appeal of the IFRC. This seems most adequate in humanitarian terms; acknowledging that the IFRC offered a limited capacity, it at least assured regional coverage and strict application of humanitarian principles. But the dimension of the disaster, the media influence and public reaction early pushed the IC, which could not rely on a single instrument, to utilize and justify the combined effort of other ones, including the military.

The lack of evidence of a sound humanitarian approach in the initial decision-making process needs to be underlined. Even if humanitarian principles were supporting the decisions, strong public opinion pressure and competition between donors influenced pledges and initial operational decisions more than a real needs-based approach. More than assuring an egalitarian and uniform response, donors used contextual opportunism to define their priorities. Assigning priorities was based on the ease or possibility of implementation rather than on a shared understanding of needs.<sup>34</sup> The review team is aware that other themes within this TEC are likely to address the impact that this dynamic had on the final relief provided. But from this study there are already some insights worth highlighting:

- Weaknesses in terms of pure humanitarian principles were already identified by donors' assessments after the immediate response (see the Ireland report; missions noted in late January that some groups were marginalized from the aid process, raising concerns about access to some communities),
- Issues of positive discrimination were identified as destabilizing already fragile situations, and
- The military was overtly or covertly in charge of the coordination of the response in some areas, and in some cases implementing relief action.

What is missing is a real system of decision-making based on humanitarian principles. GHD permeates all major donors' framework, but still tends to be a rhetorical formulation more than

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<sup>34</sup> See point 2.8 in "Post-tsunami lessons learned and best practices workshop," Jakarta, May 16-17, 2005, UN and Government of Indonesia.



a proactive system of consultation and decision-making able to avoid discrimination and to rightly allocate resources impartially. It is a possibility that some instruments in the file acted as informal coordination platforms that would justify initial decisions. The UNJLC in Sri Lanka, the already mentioned first core group of donors, among others, serves as an example. It can be deemed logical to concentrate efforts in areas or sectors where a donor is better placed, but real coordination should ensure that others take the burden of the other areas or sectors, guaranteeing that common standards and principles are applied.

### **5.1.2 Beneficiary involvement**

Regarding beneficiary involvement, donors seem aware that this is a weak point of the response process, and it tends to be justified by the fact of need for swift action and field difficulties in having access to beneficiaries. It seems that the magnitude of the disaster could waive to some extent this principle, and as a consequence unilateral decisions were made at some stage of the response process, especially relevant in the case of the use of military assets, creating some discomfort and resistance in local governments. Donors state that the first reaction was based on assumptions, and subsequent needs assessments provided an insight into real needs and granted to some extent beneficiary involvement. Even those that were able to mobilize assessment teams in the immediate hours after the disaster acknowledge little beneficiary involvement. Only Japan seems to have been able to involve representatives from communities and local relief actors through the traditional strong presence in the area of Japanese representatives and bilateral cooperation programs.

The fact is that donors, in their swift response, in some cases overran local or beneficiary participation. The absence of proper consultation channels in cases of catastrophes of this magnitude can probably explain this aspect. To what extent the UN acted as an accepted (and acceptable) broker in order to facilitate beneficiary involvement in the design and deployment of the aid reaction is not clear, and probably the TEC will clarify in other parts of the study the role, mandate and accomplishments of the UN in this respect. Most donors tried to assure adequacy of aid and relied on implementation partners to assure adequacy to beneficiaries. No means of ensuring the implementation partners' compliance are mentioned.

In addition, the definition of beneficiary is unclear. For some reason donors do not accord local authorities the status of beneficiary. The beneficiary is understood as the final recipient of aid, ignoring the role of local authorities or community representatives in the definition of needs and cultural determinants in an early phase of the response to a disaster. While in the case of India the leadership and capacity of local district authorities seems to have assured a coherence of the aid provided with local needs and cultural aspects, in other countries concerns about the adequacy of the relief have been already raised, especially in Indonesia, where the military were commanding the relief effort, and Sri Lanka, where local authorities seemed unable to provide leadership.<sup>35</sup>

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<sup>35</sup> Indirect evidence in reports and papers in the reliefweb; issue to be clarified by other themes of the TEC.

### **5.1.3 Promoting implementing agency good practices**

Regarding promoting implementing agency good practices, most donor countries favored channeling funds to well-known and good performing partners, with presence or knowledge of the field. Decision-making at the beginning was swift and in some cases supply driven, which might explain some shortcomings in terms of performance. Operations improvised or not properly planned are likely to suffer in efficiency and effectiveness, which will be seen when proper evaluation of the different operations takes place. The general assumption seems to have been that reconstruction needs would be huge enough to absorb all the allocated funding, even if primarily intended for HA.

### **5.1.4 Use of relevant guidelines and standards**

The use of relevant guidelines and standards seems accepted by most donors, but it is rarely a specific demand to partners. No consensus on the most adequate standards and guidelines seems to exist among donors. Australia has its own compulsory guidelines for partners (ACFID), as well as Germany. The Netherlands seems to prefer implementing partners to be self regulated.

### **5.1.5 Affirming the primary position of civilian organizations**

Regarding donors' stance towards affirming the primary position of civilian organizations in the relief effort, in general terms donors refer to the use of military assets as an integrated part of the aid effort under civilian management. This is the case of the UK,<sup>36</sup> Germany and Australia. This issue is difficult to evaluate, especially as bilateral agreements had to be reached with the military authorities in Indonesia. In some cases military assets were clearly supporting the general aid effort and providing frameworks for coordination, the US ship in Banda Aceh being an example, while in other cases they concentrated basically on providing logistical support for the airlift of goods from donor countries like the UK and the Netherlands. In some cases military intervention was part of a coordinated platform of the donor country, including other elements of the aid effort, such as the Ministry of Foreign Affairs and official cooperation bodies. Only in a few cases were military assets intended to provide purely humanitarian logistical support and were under the UN flag and command, as in the case of Denmark and Ireland.

The approach was not uniform in this respect and coordination does not seem to have been optimal. No decision was reached to place armies under a multilateral umbrella. Some donors refer to the leadership of the Indonesian army in coordinating the relief effort in Banda Aceh, something vaguely justified by the long-standing political conflict in the area but only assessed properly, it seems, by the US army.<sup>37</sup>

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<sup>36</sup> In the UK, DFID explicitly coordinated the tsunami response on the basis of humanitarian principles and vetoed MoD on more than one occasion for that reason.

<sup>37</sup> Conflict assessment was, according donors' reports, quite weak. Only the US appears to have evaluated the risks and measures implicit in an army deployment in a conflict area. Other armies seem to have simply followed the instructions of the Indonesian army. How this affected humanitarian principles is not addressed.

To what extent armies were part of a relief strategy or actually were defining the relief strategy of the civilian organizations is not clear from this side of the study. In some cases, reports describe armies actually intervening, providing services in areas where other civilian organizations were present with no evidence of the added value of the military involvement. The Hospital Zaidon Abidin, in Banda Aceh, is one of these cases where it seems that at one moment the German armed forces, the Australian armed forces, a number of civilian NGOs and AusAid were providing assistance.<sup>38</sup> In other cases, such as with Spain, the military component was actually the most significant contribution of the official aid. In the case of the Netherlands it's interesting to note that the cost involved in the military contribution, mostly air transport, will be paid by the relief budget, converting in this way a military contribution into a purely logistical one, giving the civil part of the relief the leverage of a contractor. In the rest of the cases, expenses incurred by military assets are counted as contributions of the respective MoD.

#### **5.1.6 MCDA guidelines**

The way military assets were used is diverse, and there is little evidence that MCDA guidelines were widely applied. What becomes clear is that beneficiary countries tried to limit and define the scale of foreign military presence through bilateral agreements, and that a real assessment of logistic needs had to be addressed; coordination between different military contingents and adequate use and reinforcement of local resources was not performed; and contextual analysis was apparently limited. If the above is confirmed, it can be stated that a significant part of the supposed added value like quick and coordinated response and use of proportional means of military in emergency relief was lost. In general it can be concluded from the reports of the different countries that more work is needed at the international level to better coordinate and define the use of military assets within humanitarian relief actions. An increased role of the UN is invoked by some, which would allow for the military to be under control of (or legitimized by) multilateral civilian organizations.

It should be noted that the reference to support MCDA guidelines is only clearly stated by Japan, while the UK reports that its MoD assets were under DFID rule. Canada has its own guidelines on civil-military cooperation and humanitarian action. From the reports we can conclude that the implementation of Oslo MCDA guidelines should be jointly enforced by the host government, if the humanitarian community lacks the leverage or the necessary awareness to do so.

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<sup>38</sup> Information in Case of study on Germany's state funding flows, Federal Ministry for Economic Cooperation and Development.

#### Donors' humanitarian policies

- Pledges are the result of a political decision. It is not clear to what extent this initial determinant affects commitments and allocations.
- Donors rely almost completely on the assumption that implementing partners, including military forces, are coherent with humanitarian principles. There is a need to formalize donors' policy formulations of HA.
- The slow establishment of multilateral humanitarian coordination capacities allowed donors to make decisions on their own, making them vulnerable to non-humanitarian determinants.
- A system of consultation and decision-making based on humanitarian principles has to be reinforced.
- The issue of beneficiary involvement is an obvious weak point in the relief effort
- Military assets were not properly integrated with a humanitarian perspective of the whole effort. Foreign armies tended to reach bilateral agreements with host countries.

## 5.2 Funding mechanisms and practices.

### **5.2.1 Flexibility and timeliness**

A critical issue is the timeliness of the response to humanitarian crisis. As soon the level of the disaster was known in the donors' capitals, funds were generally made available soon and with enough flexibility so as to adaptable when needs were better known. In the case of the tsunami, an additional factor was the huge reaction from the general public, which to some extent obliged public donors to react proportionally. It is clear that the initial reaction in pledging was modest when compared with real needs, but donors reacted adequately as information was made available on the real dimension of the tragedy. As a collateral effect, public pressure and the high media profile probably enhanced a supply-driven reaction, overrunning humanitarian principles or needs-based approaches.

In some cases, governments had to put in place, due to social pressure, a system for matching general public donations ("matching funds" in Canada) that were made available mainly to NGOs. Undoubtedly this approach contributed to the build-up donors pledges, with little relation to Good Humanitarian Donorship. The UK partly withstood this pressure. While Tony Blair mentioned to the BBC that possibly hundreds of millions of pounds would be spent on the tsunami relief, GBP 75 m was the limit pledged for January. The public donated over GBP 400 m.

According HRR<sup>39</sup> recommendations, timeliness of funding can be measured against defined deadlines for disbursements. It is possible to monitor this in the case of commitments to appeals or support to multilateral organizations, but is more difficult to monitor in the case of funding to NGOs or other partners, where a complex process of submitting and appraising proposals will determine the speed for disbursement. (In this respect some special procedures to speed the

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<sup>39</sup> HRR, Humanitarian Response Review, August 2005.

process are mentioned, as in ECHO and Sweden.) But taking the timeliness of contribution to appeals as an indicator, even if the response from donors was uneven, swift response was the rule. In-kind support and significant funds were made available within six weeks. For instance, the IFRC appeal of December 26, 2004, for an amount of US\$6.6 m was revised December 29 to US\$60 m, and it was fully covered by December 31, 2004. Most donors were able to disburse pledges before the end of January 2005. On the other hand the CAP covered 80% of its requirements by April 2005. Both examples can be taken as indicators of timeliness of donor commitments.<sup>40</sup> To be highlighted is the Netherlands' swift response that made available by December 30 US\$20 m to the UN resident representatives in Sri Lanka and Indonesia, only to realize the inadequacy of the channel and experience delays in capacity of disbursement. The Netherlands allocated 95% of its emergency funding within six weeks.

The six week disbursement criteria recommended by the HRR is still a difficult indicator to use for comparison, especially due to different administrative procedures and definitions. It was achieved by Canada, the Netherlands and Japan, while the US seems to show lower disbursement rates. In the latter case the lower disbursement rates were probably determined by the flexible allocation mechanisms in place, and would eventually reflect the fact that available private resources were coping with the emergency, allowing USAID to focus more funds on reconstruction, something possible with the instruments that the US had in place. The case of Germany reflects possibly the same paradigm: while the public provided huge sums for NGOs to act in the emergency, official aid, even if labeled as emergency or humanitarian, was used in a more structured way like in the "emergency oriented to reconstruction" German concept.

Donors tried to overcome internal procedural constraints and to match the pressing need to mobilize funds. Thus, in the Swedish case a double mechanism seems to have been put in place. On the one hand, the decision was made to increase total allocation of aid up to 1% of the GDP; on the other hand, 20% of the pledged funds were allocated for the tsunami in April 2005 from underspent budget lines. The extent to what the process has affected other contributions to CAP or different crisis is not known. Only a few countries recognize that allocations for the tsunami had actually dried up their emergency funding reserves, as in the case of Denmark.

Flexibility, in terms of untied aid and flexible allocation to match needs, is dependent on each donor's procedures. As a general rule some additional flexibility was allowed for this case, but some donors would not allow for retroactive funding (to cover expenditure incurred in the first phase before funding was made available). The fact is that funds were allocated in a way that was largely supply driven, and the fact that most NGOs had enough private contributions to cover the emergency phase distorts probably the evaluation of flexibility of funding from donors. It was actually not an issue due to the overwhelming availability of funding. The Netherlands, due to lack of demand, decided to turn away US\$9 m originally pledged for this

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<sup>40</sup> In-depth analyses of donor commitment and disbursement to CAPs, CHAPs and Flash Appeals will be found under part III of this TEC evaluation.

disaster towards other crisis, showing flexible procedures. Analysis of the level of untied and flexible funding to UN appeals will be addressed under part III of this evaluation.

### **5.2.2 Allocating funding in proportion to needs**

Regarding GHD principle 3, allocating funding in proportion to needs, the conclusion from the reports is that fund allocation was basically supply driven. It is clear that the initial reaction in pledging was modest when compared with real needs, and donors reacted swiftly as information was made available on the real dimension of the tragedy. From quite modest initial pledges, determined by available resources for emergency situations (up to US\$25 m for the US, US\$3 m for Japan and CAN\$1 to 4 m for Canada), donors evolved to full-fledged pledges once information from the field provided a dimension of the crisis, and public opinion pressure obliged politicians to react proportionally (or so as not to lose face in front of political rivals or because of perceived competition between donor countries).

However, even with the contextual pressures and excess of supply, the reaction of some of the main donors is reassuring: Japan, the US and Australia had previous presence in the area (covering a wide area in SE Asia and the Pacific) and experience with disaster preparedness programs and mitigation strategies. These donors as well have consolidated means of involving country representatives in the decision-making process, and have been able to mobilize assessment teams in hours. They actually played an initial coordination role, although we do not have evidence of the prominence of humanitarian principles, as discussed before.

In such a crisis a reaction basically supply driven can be justified to some extent, as the dimension of the disaster indicated that all possible means had to be used, and reconstruction needs would absorb eventual remaining funds from the emergency reaction. But the evidence analyzed from the reports seem to underline that the reasons behind the operational allocations and the division of tasks between actors were, at least at the beginning, politically driven and not primarily based on humanitarian principles

### **5.2.3 Helping local communities to improve their capacity**

To what extent the current response is helping local communities to improve their capacity to cope with disasters and to coordinate will be addressed by other fields of the TEC. From the donors' side the commitment of some of them with regional interest in disaster preparedness and mitigation programs is to be highlighted. This is the case of Japan, the US and Australia. Some of the resources put in place seem to have been of use in the first phase of the needs assessments after the disaster, but in general terms the massive response to the tsunami does not seem to have enhanced those capacities.

### **5.2.4 Linking relief and development**

The issue of linking relief and development is a common challenge to all scenarios of post-conflict or post-disaster interventions. In this case the amount of resources available seem to advance the possibility of reaching a successful handover between emergency and rehabilitation. Sums pledged for rehabilitation are huge, and unallocated emergency funds are

likely to be used in bridging the processes. Some donors feel that it is their responsibility to address this second phase after the generous public support for the emergency. But in all there are still to be seen the mechanisms that donors will put in place for proper planning and coordination. Issues as preliminary as the ultimate fate of those displaced, equitable distribution of resources, and use and allocation of land for housing and infrastructure<sup>41</sup> have to be taken into account and will probably be addressed in other parts of this TEC evaluation, within the issue of adequacy and appropriateness of the relief in the field. As a matter of principle, and from the donor side of the response, it is crucial, and still unmatched, to define beforehand and foresee the impact of humanitarian interventions in order to properly progress towards rehabilitation and reconstruction. The establishments of trust funds is an option generally accepted for reconstruction, and the presence of main donors and beneficiary communities' representatives in the decision-making mechanisms can facilitate adequate planning and implementation, taking into account already implemented relief strategies.

### **5.2.5 Diversion of funds from other crises**

In general donors claim to have allocated new money (additional or unspent) towards the tsunami, not diverting funds from other crises. This assumption should be confronted with the response to appeals for the crisis of 2005, a particularly intense disaster period. Donors had to use provisional funds from unspent areas or other crises until the process of liberating new money could be completed by the different financial authorities (as in the case of the US and Canada). More exceptionally some donors like Denmark committed most of the yearly relief funding for this crisis, which puts at risk their capacity for reaction to new crises.<sup>42</sup> Sweden and the Netherlands count on absorbing the extra funds allocated within the global increases of aid budgets, indexed according their GDP.

### **5.2.6 Predictability and flexibility**

Regarding predictability and flexibility it seems that this issue is related to internal and particular arrangements between the donors and their usual partners. Some donors, anyhow, limit aspects of retroactivity or change of scope or activity, while others are more open. In some cases partnership agreements with multiyear funding facilitate predictability. In the case of the tsunami, though, the amount of private funds which most partners have assured makes the issue of predictability and flexibility of public funding less relevant. Following its traditional approach, the Netherlands has been the most oriented towards untied aid to the UN, allowing for predictability.

### **5.2.7 Support of the central role of the UN and RC mandates**

With respect to the support of the central role of the UN and RC mandates, as mentioned before, a core group of donors, Australia, Japan, India and the US, organized a first coordination and decision-making platform in the aftermath of the tsunami, and the UK,

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<sup>41</sup> Aspects mentioned by Mr. Johan Schaar, special representative of the Secretary General of IFRC for the Tsunami, San Remo, September 10, 2005.

<sup>42</sup> As of April 5, 2005, donor commitments for 10 of 17 CAP emergencies then current were each less than 5% of the CAP requirements (see HPN, Christopher Eldridge: *The tsunami, the internet and funding for forgotten emergencies*).

USAID and UN undertook an early evaluation in Sri Lanka, handing over coordination to the UNJLC, seconded as well by Sweden and Ireland. To what extent those ad-hoc platforms blocked or facilitated UN deployment is not known from the reports, although they eventually handed over coordination to the UN. Donors and agencies, generally, express disappointment of the role and capacity of the UN to coordinate the effort. However, some donors (Sweden, Denmark, the UK and the Netherlands) are very proactive in their support of the UN. IFRC is generally praised for its capacity to respond quickly and adequately to assist humanitarian needs throughout the region affected, and was readily supported by most donors.

### 5.2.8 Contribution to Flash Appeals and CAP

Regardless of support for the UN, Flash Appeals and CAP related to the tsunami received high proportion of funds requested. IFRC has covered 67% of a 590 million CHF appeal; contribution for the CAP in April amounted to 80% of requirements and up to 92% by November 2005. Donors within this study contributed to appeals for this crisis, with the exception of Spain. The accumulated contribution of these donors to the Flash Appeal has been 57% of the total, as shown in figure 22. Donors in general supported a role for the UN in the coordination effort, even if they shared the general opinion that UN coordination was deployed late and that the information disseminated by UN in the aftermath of the disaster for decision-making by donors was of little relevance.

**Figure 22: Donor contributions to the UN Flash Appeal**

<b>Committed/contributed up to November 2005 (USD)</b>	
Japan	228,900,000
Germany	69,603,605
ECHO	63,081,662
UK	59,962,659
USA	48,059,388
Canada	33,521,376
Netherlands	27,807,519
Australia	21,255,508
Sweden	21,222,435
EC	18,995,929
Denmark	14,009,754
Ireland	9,998,755
<b>Total</b>	<b>616,418,590</b>
%	57.20%

### 5.2.9 Contingency mechanisms

In many cases donors were able to trigger contingency mechanisms, such as quick mobilization of funds from different sources and rapid mobilization of in-kind help at short notice. This happened sometimes from regional warehouses as in the cases of Japan and Australia, logistic support like airfreight in hours and multidepartmental interventions. Ministers of defense, agriculture, interior and others were quickly involved in the effort. The tsunami response seems



to have demanded contingent capacity from donors, some of them providing direct relief action.

#### **Funding mechanisms and practices**

- Funds were made available in a timely manner and covered a high proportion of multilateral appeals.
- Donors with previous presence in the area, and with active cooperation programs, were better placed to assess needs, contact beneficiaries and coordinate response (Japan, US, Australia).
- Donors claim that most of the funding for the tsunami relief was “new” or “unused,” and did not impair reaction to other crises or funds to ongoing programs.
- Some donors seemed to focus on the rehabilitation phase, leaving room for NGOs with their own funds to cater to the relief phase.
- The tsunami response offers a case study on “relief oriented to development concept,” as needs for reconstruction were assumed from the beginning. Most donors have reconstruction strategies.
- Weak planning and poor needs assessment can jeopardise reconstruction efforts, and challenges in coordination and in addressing preliminary issues, including protection and civil rights, must be solved in order to boost the reconstruction phase.
- Funds committed for the tsunami catastrophe will in general not be diverted from other crises.
- Donors contributed to the CAP in spite of their criticism of slow reaction and poor early performance of UN agencies.

### 5.3 Learning and accountability

#### **5.3.1 Regular evaluations and supporting learning initiatives**

Regarding undertaking regular evaluations and supporting learning initiatives, all donor countries studied are familiar with the TEC and in a way or another support the initiative. For most of them evaluation is a powerful tool for learning and accountability, and they are actively promoting internal and external evaluations. The weakest case seems to be Spain, which has never carried out an evaluation in the field of humanitarian aid, nor does it plan to review its action in the context of the tsunami. Spain is not participating in the TEC and does not participate within ALNAP. Spain is, however, an observer of the GHD Initiative process.

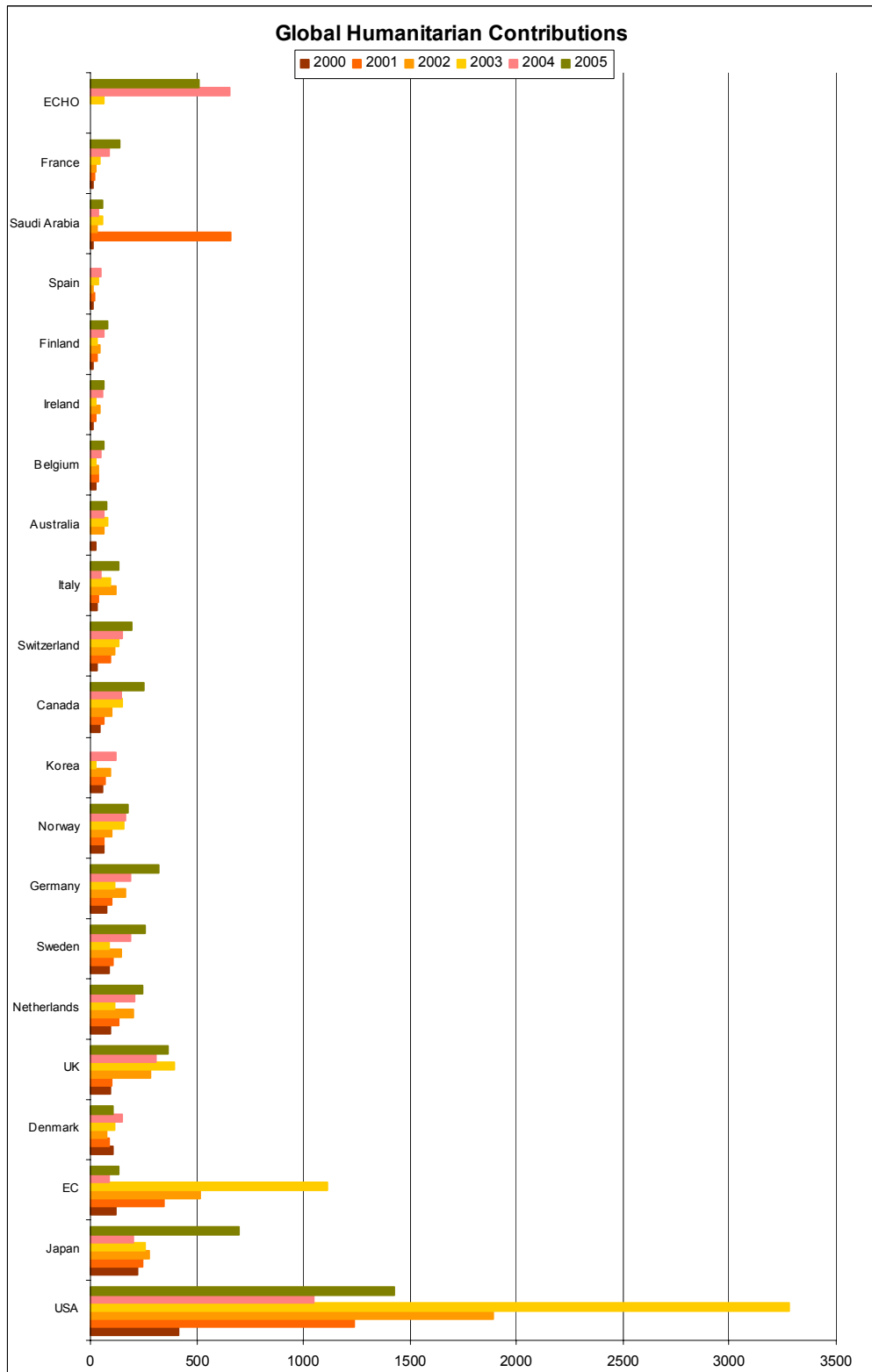
#### **5.3.2 Transparency of information and timely reporting**

Regarding transparency of information and timely reporting, the study reflects the diverse variety of reporting systems and administrative processes of the different donors. It becomes extremely complex and difficult to analyze and define indicators with the information available. While most of countries analyzed are reporting to FTS the result is a partial and not very up-to-date overview of donor commitments and disbursements. The good news is that some donors and OCHA are really committed to improving the tool, and the tsunami exercise can provide some improvements in the transparency of the reporting system.

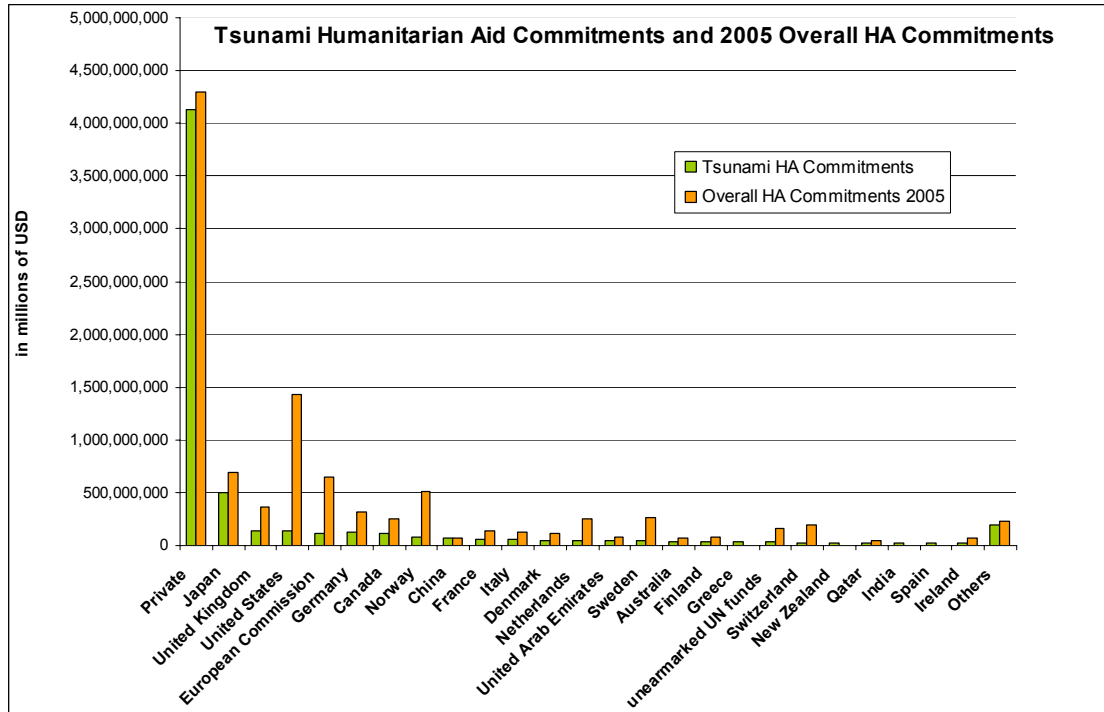
Donors show a high degree of transparency in the reporting and dissemination of commitments, even if not properly reflected in the reporting system. The weakest case might be Spain, the strongest, the UK.

FTS and measurements of Good Donorship seem tailored to monitor donors' contribution dynamics to UN appeals. The wider spectrum of donors that the tsunami response has been able to mobilize will need adequate and agreed-upon reporting tools, constituting a new challenge for the accountability and transparency of HA.

## Annex 1: Global humanitarian contributions



**Annex 2: Tsunami humanitarian aid commitments and overall humanitarian aid commitments 2005**



### **Annex 3: Principles and Good Practice of Humanitarian Donorship**

Endorsed in Stockholm, June 17, 2003, by Germany, Australia, Belgium, Canada, the European Commission, Denmark, the United States, Finland, France, Ireland, Japan, Luxembourg, Norway, the Netherlands, the United Kingdom, Sweden and Switzerland.

#### **Objectives and definition of humanitarian action**

1. The objectives of humanitarian action are to save lives, alleviate suffering and maintain human dignity during and in the aftermath of man-made crises and natural disasters, as well as to prevent and strengthen preparedness for the occurrence of such situations.
2. Humanitarian action should be guided by the humanitarian principles of *humanity*, meaning the centrality of saving human lives and alleviating suffering wherever it is found; *impartiality*, meaning the implementation of actions solely on the basis of need, without discrimination between or within affected populations; *neutrality*, meaning that humanitarian action must not favor any side in an armed conflict or other dispute where such action is carried out; and *independence*, meaning the autonomy of humanitarian objectives from the political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented.
3. Humanitarian action includes the protection of civilians and those no longer taking part in hostilities, and the provision of food, water and sanitation, shelter, health services and other items of assistance, undertaken for the benefit of affected people and to facilitate the return to normal lives and livelihoods.

#### **General principles**

4. Respect and promote the implementation of international humanitarian law, refugee law and human rights.
5. While reaffirming the primary responsibility of states for the victims of humanitarian emergencies within their own borders, strive to ensure flexible and timely funding, on the basis of the collective obligation of striving to meet humanitarian needs.
6. Allocate humanitarian funding in proportion to needs and on the basis of needs assessments.
7. Request implementing humanitarian organizations to ensure, to the greatest possible extent, adequate involvement of beneficiaries in the design, implementation, monitoring and evaluation of humanitarian response.
8. Strengthen the capacity of affected countries and local communities to prevent, prepare for, mitigate and respond to humanitarian crises, with the goal of ensuring that governments and local communities are better able to meet their responsibilities and co-ordinate effectively with humanitarian partners.
9. Provide humanitarian assistance in ways that are supportive of recovery and long-term development, striving to ensure support, where appropriate, to the maintenance and return of sustainable livelihoods and transitions from humanitarian relief to recovery and development activities.
10. Support and promote the central and unique role of the United Nations in providing leadership and coordination of international humanitarian action, the special role of the International Committee of the Red Cross, and the vital role of the United Nations, the International Red Cross and Red Crescent Movement and non-governmental organizations in implementing humanitarian action.

#### **Good practices in donor financing, management and accountability**

##### **(a) Funding**

11. Strive to ensure that funding of humanitarian action in new crises does not adversely affect the meeting of needs in ongoing crises.
12. Recognizing the necessity of dynamic and flexible response to changing needs in humanitarian crises, strive to ensure predictability and flexibility in funding to United Nations agencies, funds and programs and to other key humanitarian organizations.

13. While stressing the importance of transparent and strategic priority-setting and financial planning by implementing organizations, explore the possibility of reducing, or enhancing the flexibility of, earmarking, and of introducing longer-term funding arrangements.
14. Contribute responsibly, and on the basis of burden-sharing, to United Nations Consolidated Inter-Agency Appeals and to International Red Cross and Red Crescent Movement appeals, and actively support the formulation of Common Humanitarian Action Plans (CHAP) as the primary instrument for strategic planning, prioritization and coordination in complex emergencies.

***(b) Promoting standards and enhancing implementation***

15. Request that implementing humanitarian organizations fully adhere to good practice and are committed to promoting accountability, efficiency and effectiveness in implementing humanitarian action.
16. Promote the use of Inter-Agency Standing Committee guidelines and principles on humanitarian activities, the Guiding Principles on Internal Displacement and the 1994 Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations (NGOs) in Disaster Relief.
17. Maintain readiness to offer support to the implementation of humanitarian action, including the facilitation of safe humanitarian access.
18. Support mechanisms for contingency planning by humanitarian organizations, including, as appropriate, allocation of funding, to strengthen capacities for response.
19. Affirm the primary position of civilian organizations in implementing humanitarian action, particularly in areas affected by armed conflict. In situations where military capacity and assets are used to support the implementation of humanitarian action, ensure that such use is in conformity with international humanitarian law and humanitarian principles, and recognizes the leading role of humanitarian organizations.
20. Support the implementation of the 1994 Guidelines on the Use of Military and Civil Defense Assets in Disaster Relief and the 2003 Guidelines on the Use of Military and Civil Defense Assets to Support United Nations Humanitarian Activities in Complex Emergencies.

***(c) Learning and accountability***

21. Support learning and accountability initiatives for the effective and efficient implementation of humanitarian action.
22. Encourage regular evaluations of international responses to humanitarian crises, including assessments of donor performance.
23. Ensure a high degree of accuracy, timeliness, and transparency in donor reporting on official humanitarian assistance spending, and encourage the development of standardized formats for such reporting.