

**INTER-AGENCY STANDING COMMITTEE WORKING GROUP
61 st MEETING**

22-23 June 2005

IOM (Geneva)

Consolidated Appeals Process (CAP):

Funding for Consolidated Appeals in 2005: Has the Tsunami diverted funds?(revised)

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- **Severe under-funding in 2005?** As of 10 June 2005, the 2005 flash appeals and consolidated appeals are 47% funded. However, excluding the Indian Ocean Flash Appeal, funding drops to 36%. Eight of twenty-one appeals are less than 30% funded.
- **Worse than 2004?** No. At the same time last year, flash and consolidated appeals were 24% funded. (They ended the year 65% funded.) So the current situation is actually a marked improvement, although the percentage response is still low and there remains a late donor response to appeals launched the previous November. Excluding the Tsunami, there is considerably more money for humanitarian action this year, \$1.35 billion, compared to the \$697 million available at this time in 2004. However, nearly half of this year's recorded non-Tsunami CAP funding is for Sudan, leaving \$726 million for other emergencies. About one quarter of the appeals, i.e. Central African Republic, Chad, DRC, and West Africa, are worse funded in terms of percentage response, than at the same time last year. People there are, arguably, worse off than they were one year ago.
- **Diverted by the Tsunami?** The notion that the Indian Ocean disaster diverted funding from other crises suggests a zero-sum situation wherein money committed for the Tsunami means less money for other crises. The situation is more complex than this: several donors, for example, have shown that Tsunami funding is extra money and that their spending in other crises has actually increased when compared to last year. Nonetheless, conversations with donors and agencies reveal three ways in which the Tsunami may have diverted or delayed funding for other crises:
 - Over the past months donors have focussed on the Tsunami, and, given that their staff levels have been steady, many donors have therefore been unable to pay the same attention to other crises. One result is that commitments, i.e. funding contracts based on proposals, for non-Tsunami crises are being concluded later.
 - Despite statements by most donors that Tsunami funding would be additional, in practice many donors funded Tsunami response using, as a short-cut, existing humanitarian aid allocations originally intended for other emergencies. Replenishing those allocations often requires legislative action, thus incurring delays. (At least one government has an established aid budget for this year and has stated that it will not increase. Accordingly, money used for the Tsunami in such cases means less money available for other crises.)
 - Because of the Tsunami workload, some aid agencies may be slower in preparing their non-Tsunami funding proposals for donors. (One donor has stated that the number of proposals received for countries in Africa this year is down, compared to the same time last year.)

First background paper on agenda item: CAP (**revised**)

- **How to hold donors to account?** This year marks the second of ‘Good Humanitarian Donorship’, a concerted effort by donor governments to adhere to their own twenty-three principles and good practices. One of these suggests that money will be made available more immediately after appeals are issued. It may be difficult to criticise donors after their commendable Tsunami response, but the humanitarian system does need to respond to more than one major crisis at a time and on time.

Proposed Actions by the IASC WG

1. Aid agencies must bring the consequences of under-funding and late funding to donors’ and the public’s attention. Facts and figures that describe the consequences for people of humanitarian programmes starting late, or not starting at all, are required – and can come only from agencies. The WG members agree to develop, make known, and use such facts and figures in key meetings such as the Mid-Year Review and ECOSOC.
2. Governments stating that ‘Tsunami money is new and extra and will have no bearing on other programmes’ must show this to be the case. Legislatures and finance ministries must act now to replenish humanitarian budgets. The WG agrees to ensure that IASC Principals, and IASC members’ donor and external relations staff, call on donors to ensure more funding becomes available for all crises, now.
3. The analysis in this paper is based on information on the new web site of the Financial Tracking Service (FTS). IASC WG members recognise the advances made on the FTS and agree to a short briefing on what FTS at the next WG meeting.