

JOINT FUNDING MECHANISMS FOR HUMANITARIAN RESPONSE

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WHAT DO WE KNOW?

Currently, several countries have operational coalitions or mechanisms for joint appeals for humanitarian response including Austria, Belgium, Canada, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland and the United Kingdom. Some mechanisms have been operational for over 50 years, whilst others have only been recently established.

The most recently initiated was the Global Emergency Response Coalition in the United States launched on 17 July 2017. In recent years, several other countries including Australia, have examined the possibility of establishing joint appeal mechanisms for humanitarian response.

Together, the majority of existing joint appeal mechanisms come under a global partnership – the Emergency Appeals Alliance. This Alliance, established in 2013, aims to further the objectives of the national mechanisms through sharing of information, knowledge and resources to enable members to increase funds raised for emergencies and promote effectiveness. The Alliance has also outlined the potential for creation of a unified reporting protocol for members and simultaneous appeals for greater field coverage and complementarity in humanitarian response for national appeal mechanisms in the future.¹

¹ <http://www.emergency-appeals-alliance.org/about/about-emergency-appeals-alliance/>



Emergency Appeals Alliance



At the World Humanitarian Summit in May 2016, over 30 major donors and aid agencies including Australia, committed to realising a package of humanitarian financing commitments aimed at transforming the current system, known as the **Grand Bargain**. Discussion on the creation of a joint mechanism has also focused on the opportunity to implement commitments under the relevant work streams, including work stream four *Reduce duplication and management costs*.²

HOW DO JOINT APPEAL MECHANISMS OPERATE?

National joint appeals organisations or mechanisms are generally an alliance of humanitarian actors that conduct joint public appeals for humanitarian response.

National joint appeal mechanisms

National joint appeal mechanisms usually have three common characteristics:



Participation of experienced global humanitarian organisations



Inter-agency agreement to launch collective appeals in emergency contexts



Partnerships with national media and the private sector



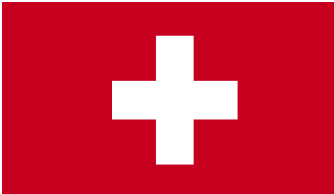






Other common characteristics include pre-established processes for the allocation of funding, joint monitoring and evaluation, and reporting amongst members.

Context determines differences between national joint appeal mechanisms. They are located on a continuum from close collaboration and coordination to a more singular focus on appeals and fundraising. Elements such as size of membership, membership criteria, governance, allocation of funding, monitoring and evaluation, joint reporting, partnerships and appeals processes tend to vary somewhat across contexts.

² At the recent Grand Bargain Annual meeting in Geneva in June 2017, participants agreed to consolidate the existing 10 workstreams, into two areas. The implications of this for commitment activities has not yet been mapped out.

COMPARING MODELS

Outline of approaches

	Canadian Humanitarian Coalition	Disasters Emergency Committee (DEC) - United Kingdom	Swiss Solidarity
			
 19 Years of operation	2005-present	1963-present	1946-present
 Members	5 agencies	13 agencies	25 agencies
 Appeal funding allocation	Allocated to agencies with a capacity to act rapidly in the affected area, following a pre-approved formula based on a 3-year average of each member agency's humanitarian program expenditures, as well as annual fundraising results.	Allocated to agencies using an 'Indicator of Capacity' formula that is based on how much each member spends on emergency relief and recovery work overseas, and their UK fundraising capacity. No single agency receives more than 20% of the funds available and none receive less than 3%.	Via a project proposal process submitted by member agencies. Successful proposals are funded up to a maximum of 80%, and agencies may claim 10% internal operational costs.
 Funds raised over lifetime	CAD 39 million	GBP 1.4 billion	CHF 1.7 billion
 Operating costs	A minimum of 85% of appeal funds is required to be allocated to programs.	Average operational costs over lifetime of 5.9% of total appeal funds raised.	Derived from interest on finance raised that is not spent immediately, and invested to cover operational costs where possible. A majority of 5 per cent funds raised can be used to cover additional operational costs if required.
 Corporate partners/sponsors	12 private sector and media partners including Canadian Business for Social Responsibility, PayPal and CBC/Radio Canada	Rapid Response Network (10 media partners including the BBC); technology partners for managing donation process (4 partners including PayPal); finance partners (6 including the British Banking Association) and; retail partners (4 including EBay)	Swisscom, Keystone and Private Radios for Swiss Solidarity Network

IS THERE EVIDENCE FOR EFFECTIVENESS? IT DEPENDS

Evidence for the effectiveness and efficiency of joint mechanisms differs on a country to country basis. Country level evidence includes: amount of funding raised for individual appeals; increased diversity and number of donors; establishment of new financial, retail, corporate and media partners; increased advertising space; increased ability to influence public support for aid; and reduced administrative costs. There is less systematic evidence available that shows cumulative or collective impact of joint appeals mechanisms across responses, countries and time.

Potential benefits

A broad scoping of joint appeal mechanisms shows that there is a common understanding of the potential benefits.

- **Generating revenue** - Globally, humanitarian response currently faces a funding gap of an estimated US\$15 billion.³ Joint appeals mechanisms provide an opportunity to raise substantially increased funding for humanitarian crises. For example, the DEC has run 69 appeals and raised more than £1.4 billion since 1963.⁴
- **Increasing visibility to public** - Joint appeal mechanisms provide coherency of messaging on humanitarian crises to the public, increasing visibility and awareness. Members can communicate with one voice and provide direct access to response information. In the Nepal earthquake joint appeal, the DEC media team reported reaching up to 40 million people through TV, radio, print and online news.
- **Acting as a 'one-stop-shop' for public and donor engagement** - Joint appeals mechanisms provide a unified platform for engagement and fundraising rather than multiple agencies simultaneously running individual appeals. This includes coordinating spokespersons and sharing resources, including a single phone centre, website and communications team.
- **Reducing fundraising and administrative costs** - Member agencies can collectively allocate a greater percentage of donated funds to relief activities. This increases efficiency and effectiveness of programming - the DEC and the Belgium consortiums both have an average operating cost of under 6 per cent.⁵
- **Increasing diversity and size of donor base** - New donors are responding to joint appeals. In 2016, the Canadian coalition reported that up to 75% of donors to the coalition were new donors, and not previously listed on individual member agency databases.⁶
- **Reducing media and advertising costs** - Through key partnerships with broadcasters and media networks such as the Rapid Response Network in Canada set up to facilitate joint appeals, these mechanisms reduce advertising costs and increase visibility across multiple media partners.
- **Garnering government support through matching of public funds** - Joint appeal mechanisms offer an attractive opportunity for government to match or contribute to a percentage of publically raised funds. In 2017, the British public raised £50 million over a period of just three weeks for the East Africa crisis. This included a £10 million aid match by DFID.

3 High-Level Panel on Humanitarian Financing (2016) Too Important to Fail - Addressing the Humanitarian Financing Gap.

4 'Our global impact,' www.dec.org.uk

5 'Transparency', www.1212.be/transparantie/ and 'How we spend and allocate your money,' www.dec.org.uk/how-we-work

6 Nicolas Moyer, *Together, saving more lives: joint appeals and the experience of Canada's Humanitarian Coalition*, Grotius International, mars 2016, <http://www.grotius.fr/together-saving-more-lives-joint-appeals-and-the-experience-of-canadas-humanitarian-coalition/>

- **Improving public perception** - The Emergency Appeals Alliance presents evidence from a number of national joint mechanisms that the public, as well as key broadcasters, regard collective efforts to work together in a positive light.
- **Enhancing opportunities for private sector partnerships** - The Emergency Appeals Alliance reports that members believe it is more appealing for corporate partners to work with a unified organisation representing an entire sector with a strong national 'brand.' In the Nepal earthquake response, the DEC raised over £6.4 million pounds from high value and corporate partnerships.⁷
- **Increasing visibility for addressing smaller emergencies** - Offers an opportunity for member agencies to address smaller and underfunded disasters and emergencies that often have lower profile through the creation of new funding streams and innovative funding mechanisms such as the Canadian Humanitarian Assistance Fund (CHAF).
- **Maximising the impact of working together** - In 2010 the combined annual turnover of the aid agencies represented by the eight member organisations of the Emergency Appeals Alliance was €3 billion.

Funds raised through appeals

Appeal results in 2013 for national joint appeal organisations of the global Emergency Appeals Alliance⁸

Country	Population (million)	Joint appeal organisation/mechanism	2013 Appeal funding (in million euros)
Belgium	10.8	Consortium 12-12	7,722,000
Canada	34.7	Humanitarian Coalition	5,427,000
Germany	82.0	Aktion Deutschland Hilft	81,987,651
Italy	61.0	Agire	438,584
The Netherlands	16.7	Giro555	41,211,909
Sweden	9.5	Radiohjälpen	18,000,000
Switzerland	7.7	Swiss Solidarity	43,637,000
United Kingdom	62.8	Disaster Emergencies Committee	129,781,869

⁷ DEC, *Nepal Earthquake Appeal One Year On*, April 2016.

⁸ Data from the Emergency Appeals Alliance, <http://www.emergency-appeals-alliance.org/about/history/>

POTENTIAL CHALLENGES

Joint appeals mechanisms also present potential challenges. These have been less well documented as they are perceived or theorised risks rather than realised outcomes. They are context specific and may include:

- **Negative impact on individual agency donor relations** – There is the potential for individual agencies to experience a reduction in agency revenue, even in the context of increased revenue for a broader consortium.
- **Partial buy-in** – Joint appeal mechanisms may fail in a competitive environment where large humanitarian agencies have chosen not to participate. The Canadian Humanitarian Coalition's former Executive Director has outlined this as the biggest future challenge for the coalition, where donors continue to have the choice between multiple organisations.⁹
- **Private partnerships are unable to be accessed** – Private sector partners may continue to invest in bilateral partnerships rather than investing in a joint funding mechanism.
- **Interagency coordination undermined** – Joint funding mechanisms require high levels of trust and cooperation. The process of allocating fair market share of financial resources may undermine interagency coordination.
- **Decrease in visibility of individual member agency branding in appeals** – Joint funding mechanisms will take time to build up visibility and in the meantime agencies may fear a decrease in individual agency branding.
- **Challenges in structuring and implementing program accountability and reporting for member agencies** – Joint funding mechanisms have reported challenges

in implementing joint reporting and accountability processes for funds in previous appeals.

IMPLICATIONS FOR AN AUSTRALIAN MODEL – WHERE TO?

Australia discussed the potential for a joint mechanism in 2013, however the proposal for a trial process ultimately did not go forward. The discussions going forward need to focus on whether the factors that led to this decision have changed. If they have changed, and the timing is appropriate to re-look at the potential for a joint funding mechanism, what information is needed to move the discussion forward?

The following provides an outline of potential next steps, and key questions to consider to understand if, and how, a model of joint appeals mechanism may be useful and relevant in the Australian context.

1. **Undertaking a market analysis for the Australian context** – This would include mapping out potential models, private sector and media interest, donor interest, undertaking a financial analysis and implications of models, including cost efficiency. This piece of work would need to answer the key financial question for each agency: What does this potentially mean for my agency's revenue in 2, 5 and 10 years' time?
2. **Defining what a successful joint appeals mechanism looks like in the Australian context** – This piece of work would need to answer the key enabling questions: What are the critical enablers and barriers? What constitutes success and how will it be measured?

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⁹ Nicolas Moyer, *Together, saving more lives: joint appeals and the experience of Canada's Humanitarian Coalition*, Grotius International, mars 2016, <http://www.grotius.fr/together-saving-more-lives-joint-appeals-and-the-experience-of-canada-humanitarian-coalition/>