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Médicos Sin Fronteras

TRENDS IN GLOBAL HUMANITARIAN FINANCING[1]

PHOTO:
Marvi, a woman affected by floods in Pakistan, returns to her village in the south of the country with emergency supplies.
PAKISTÁN @ ASIM HAFEEZ

Suzanna Nelson-Pollard,
Senior Policy & Engagement Advisor, Development Initiatives

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The articles reflect the the authors' opinions and do not necessarily necessarily represent the MSF or IECAH point of view

1
INTRODUCTION

In 2022, **the demand for humanitarian assistance grew larger than ever.** There were a growing number of complex, long-term crises, driven by system-wide shocks, including climate change and the war in Ukraine, as well as new and escalating crises, such as the devastating earthquakes in Türkiye and Syria, and worsening crises in Afghanistan and the Horn of Africa. There was an exceptional donor response to the unprecedented increase in the number of people in need. **Yet the scale of need meant the shortfall in humanitarian funding reached a record high**.

The imperative for significant change to humanitarian funding and response – and to better address the long-term root causes of, and recovery from, crises – is obvious and recognised but more pressing than ever.

In 2022, the demand for humanitarian assistance grew larger than ever: the number of people assessed to be in need of humanitarian assistance grew by a third

This chapter provides data-driven analysis of humanitarian need and crisis, funding, progress on reform, and how resources beyond humanitarian funding – such as climate finance – could be used to address cycles of crisis.

2
KEY TRENDS IN HUMANITARIAN NEEDS AND CRISES

The scale of global humanitarian crisis significantly worsened in 2022. **The number of people assessed to be in need of humanitarian assistance grew by a third, to an estimated 406.6 million people, living in 82 countries** – continuing a trend of consistent annual growth. New and ongoing conflicts (such as in Ukraine, Myanmar and Ethiopia), climate change-related disasters (such as in Pakistan and the Horn of Africa), and the ongoing socioeconomic fallout from the Covid-19 pandemic (such as in Sri Lanka) drove an increase in the number of countries in crisis.

The number of countries with high levels of humanitarian need grew in 2022. The largest increases in the numbers of people in need of humanitarian assistance were in Ukraine (increase of 14.3 million people to 17.7 million), Pakistan (increase of 12.6 million to 23.6 million) and Myanmar (increase of 10.7 million to 14.4 million). Only eight countries had a smaller number of people in need of humanitarian assistance compared to 2021.

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[1] This is an abridged version of the Global Humanitarian Assistance Report 2023. You can visit the full report, and also use our data tools to explore the data behind the charts. We would like to thank our donors: the GHA programme is funded by the governments of Canada, Denmark, the Netherlands. Content produced by Development Initiatives is licensed under a Creative Commons Attribution BY-NC-ND 4.0 International license.

Complex, protracted crises[2] are increasingly the norm. In 2022, the 44 countries experiencing protracted crisis accounted for 83% (339.3 million) of total people in need – an increase from 2021 when 74% (227.3 million) of people in need lived in a country facing protracted crisis.

Increasingly the main drivers of humanitarian crisis – conflict, CC and socioeconomic fragility – intersect and overlap, with most people in need of humanitarian assistance living in countries experiencing at least two of these risks. Three-quarters (75%, 306.9 million) of all people in need of humanitarian assistance in 2022 lived in countries facing at least two of these risk dimensions.

See figure 1

While the numbers of people in need of assistance rose significantly in 2022, the increase is part of a longer-term trend of rapidly accelerating humanitarian needs. Between 2018 and 2022, the number of people in need of humanitarian assistance doubled from 199.1 million to 406.6 million (Figure 1). Furthermore – although figures before and after 2018 are not directly comparable (due to a new data source providing improved needs assessments after 2018) – estimates show that **over the past decade the number of people in need of humanitarian assistance may have increased by four times**.

Between 2018 and 2022, the number of people in need of humanitarian assistance doubled

See figure 2

Despite increasing efforts over the past decade[3] to disaggregate data on people with humanitarian needs and provide greater clarity on the demographic profiles of populations in crisis settings, in 2022 **only a third of UN-coordinated appeals provided information on the proportions of women and children per crisis context.** This meant that data was available for just over half of all people in need, close to 186.6 million people (Figure 2).

According to data available from these appeals, **there is a relatively even split between men and women experiencing humanitarian crisis (though with differences between countries). This split is marginally different when just considering adults, with a slightly higher proportion of women affected by crisis** (53%) than men (47%). In general, children under the age of 18 are particularly affected by humanitarian crises compared to adults and the elderly: **half of all people in humanitarian need for whom data is available are children under the age of 18 (90.3 million children in total).** In contrast, 30% of the global population is estimated to be under the age of 18.[4]

2 'Protracted crises' countries are those that have had UN-coordinated country response plans or country components of regional response plans for at least five consecutive years in 2022

3 Care, Tufts Univ, UN Women, 2023. *Sex, age (and more) still matter: Data collection, analysis, and use in humanitarian practice*. Available at: https://reliefweb.int/report/world/sex-age-and-more-still-matter-data-collection-analysis-and-use-humanitarian-practice-0

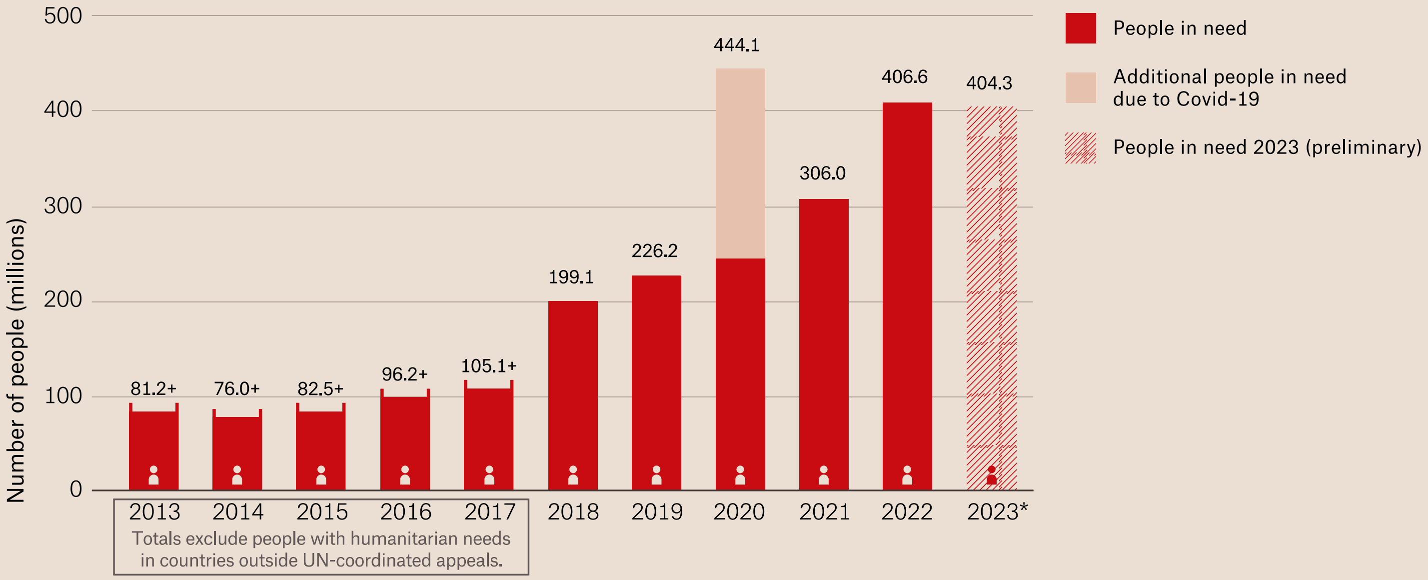
4 United Nations Department for Economic and Social Affairs, Population Division, 2022. World Population Prospects 2022. Available at: https://population.un.org/wpp/Download/Standard/Population/

f1

Trends in people in need over the last decade, 2013–2022 and 2023 (preliminary)

Source: Development Initiatives based on UN Office for the Coordination of Humanitarian Affairs (OCHA) Humanitarian Programme Cycle (HPC), ACAPS and historic people-in-need figures extracted from GHA and Global Humanitarian Overview (GHO) reports.

Notes: 2023 data is preliminary as of April 2023. People-in-need figures for 2018–2023 are based on the maximum number as of UN OCHA HPC year-final per-country estimates, where available for humanitarian response plans and ACAPS year-maximum per-country estimates.



f2

Breakdown of people in need by sex and age, 2022

Source: Development Initiatives based on Office for the Coordination of Humanitarian Affairs (OCHA)'s Humanitarian Action data portal.

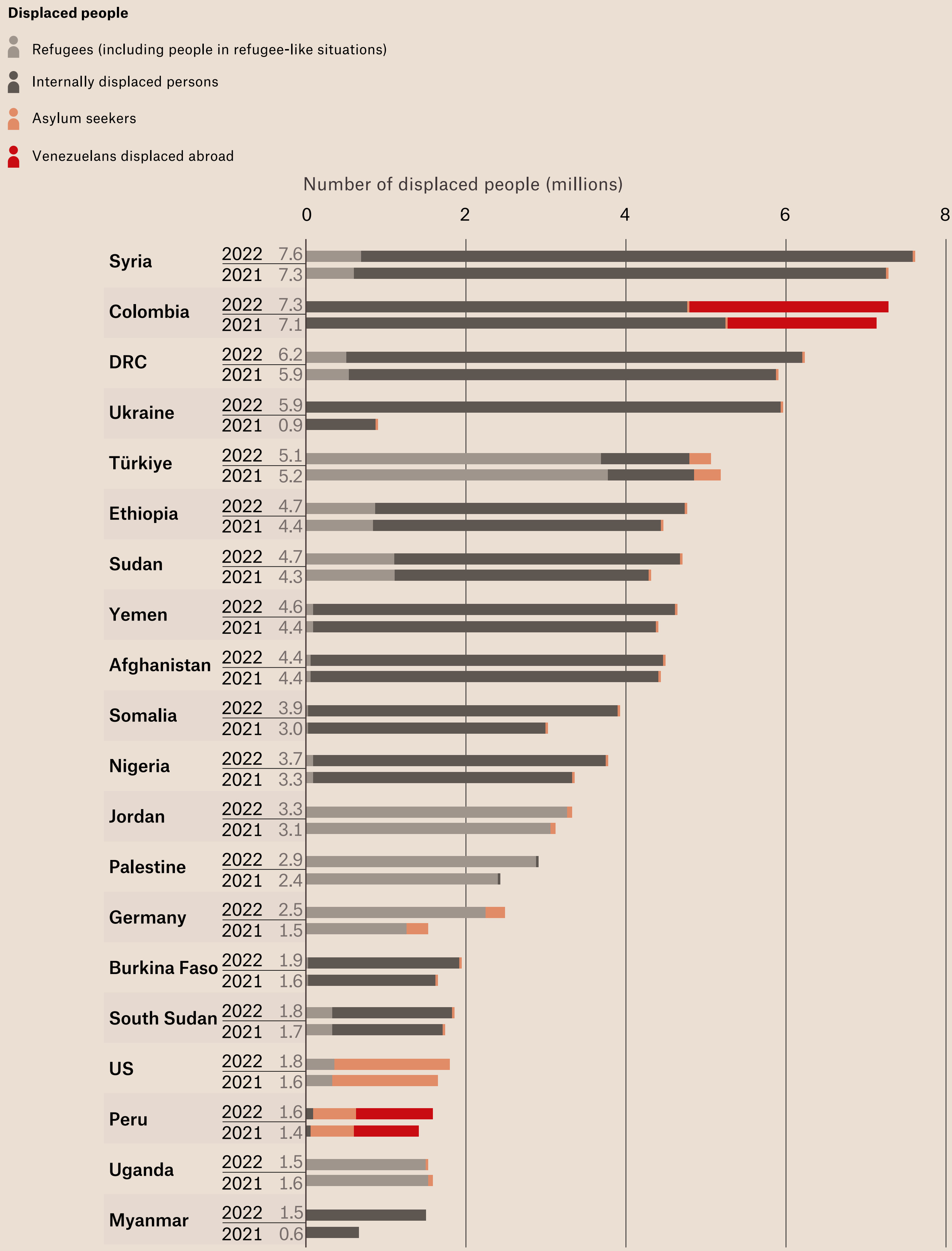
Notes: Figures are for the 18 humanitarian response plans and other appeals in 2022 with people-in-need data disaggregated by sex and age. This represents 55% out of all people in need covered by UN-coordinated appeals in 2022. The female/male split by age categories is an estimate based on the overall figure of people in need for the humanitarian response plans in Afghanistan, Sudan, Syria and Ukraine. Figures for Ukraine are before the Russian invasion in February 2022. For the humanitarian response plans in Ethiopia, Democratic Republic of the Congo and South Sudan, and for the Lebanon Emergency Response Plan 2022 and Pakistan Floods Response Plan 2022, figures are estimated based on the food security cluster people in need.

f3

20 countries with the largest forcibly displaced populations, 2021–2022

Source: Development Initiatives based on United Nations High Commissioner for Refugees (UNHCR), UN Relief Works Agency for Palestine Refugees in the Near East (UNRWA), Index For Risk Management (INFORM) and Internal Displacement Monitoring Centre (IDMC) data.

Notes: DRC = Democratic Republic of the Congo. The 20 countries are selected based on the size of displaced populations that were hosted in 2022. 'Displaced population' includes refugees and people in refugee-like situations, internally displaced persons (IDPs), asylum seekers and other displaced populations of concern to UNHCR. Other displaced populations of concern to UNHCR includes Venezuelans displaced abroad. IDP figures refer to those forcibly displaced by conflict and exclude those internally displaced due to climate or natural disaster. Data is organised according to UNHCR's definitions of country/territory of asylum. According to data provided by UNRWA, registered Palestine refugees are included as refugees for Jordan, Lebanon, Syria and Palestine. UNHCR data represents 2022 mid-year figures, and UNRWA data for 2022 is based on internal estimates.



See figure 3

The total numbers of people forcibly displaced internally and across borders have risen consistently over the past decade.[5] However, 2022 marked an even sharper rise in global displacement numbers, doubling the annual increases observed between 2019 and 2021. In 2022, the total number of displaced people increased to 107.5 million, an increase of 18.5% (16.5 million people) compared to 2021. Of this total, 59% were people forcibly displaced within their countries of residence (internally displaced persons, or IDPs) due to conflict and violence: a total of 62.5 million people (Figure 3).

The overall rise in the number of displaced persons was primarily driven by the invasion of Ukraine, as well as increases in internal displacement in Somalia and Myanmar. Long-term crises (and limited return) meant Syria, Afghanistan, South Sudan and Myanmar were among the largest five countries of origin for refugees – as they were in 2021 – joined in 2022 by Ukraine, following the Russian invasion. **A handful of countries continue to host the majority of forcibly displaced people, and these same countries face the highest amounts of humanitarian needs and financial requirements.** Almost half (44%) of all displaced people lived in just 10 countries, 7 of which are low-income countries. Sub-Saharan Africa remained the region hosting the largest numbers of displaced persons.

44% of all displaced people lived in just 10 countries, 7 of which are low-income countries

Accelerating climate impacts, including shocks and slow-onset pressures are increasingly recognised as driving and contributing to humanitarian needs, including internal and cross-border displacement. At least 8.7 million people were estimated to be internally displaced due to disasters at the end of 2022, a 45% increase on the previous year, with 32.6 million people temporarily displaced by disasters over the course of the year.[6]

In 2022, the number of people experiencing severe food insecurity continued to grow, driven by a food crisis in the Horn of Africa and the Ukraine crisis. In 2022/23,[7] an estimated 265.7 million people were facing crisis-level acute food insecurity[8] across 60 countries. Compared to 2021/2022, this is an 8.0% increase (up from 246.1 million people), and over double the number of people who faced severe food insecurity before the Covid-19 pandemic (115.2 million people). Large numbers of people experiencing food insecurity were concentrated in just a few countries. The countries with the five largest populations facing food insecurity (the Democratic Republic of the Congo, Ethiopia, Afghanistan, Yemen and Nigeria) represented almost

5 UNHCR, 2022. Global Trends, Forced Displacement in 2021. Available at: https://www.unhcr.org/media/40152

6 Internal Displacement Monitoring Centre, 2023. Global Report on Internal Displacement, pp.9. Available at: https://www.internal-displacement.org/global-report/grid2023/

7 Data is taken from the most recent year available; some country food insecurity assessments span the end and beginning of consecutive years.

8 As measured by the Integrated Food Security Phase Classification (IPC) acute food insecurity Phases 1–5. The number of people at IPC Phases 3, 4 and 5 (crisis, emergency and catastrophe/famine) is a primary metric in tracking food insecurity and, along with other data sources such as humanitarian needs assessments, is used throughout this report as the definition of 'food insecurity'.

two-fifths (38%, 101.5 million people) of the people facing food insecurity in 2022/23.

3

KEY TRENDS IN HUMANITARIAN FUNDING

There was an unprecedented response from both public and private humanitarian donors in 2022, largely driven by support for Ukraine (Figure 4). **Total international humanitarian assistance increased by US$10.0 billion (27%)** to US$46.9 billion in 2022 – a sharp increase in the pace of growth from the previous year (13%). Funding from public donors – governments and EU institutions – grew by US$8.0 billion (27%) in 2022 (from US$30.1 billion in 2021 to US$38.1 billion). Similarly, private donors appear to have responded very strongly to the Ukraine crisis, with estimated contributions increasing by at least US$2.0 billion (29%) in 2022 (from US$6.8 billion in 2021 to US$8.8 billion).

Total international humanitarian assistance increased up to US$46.9 billion in 2022. However, the overall funding shortfall grew in absolute terms to US$22.1 billion – the highest volume recorded

See figure 4

In 2022, **the scale of the funding required to meet humanitarian needs globally jumped to a record high, though preliminary data for 2023 suggests this may be surpassed** (Figure 5). 2022 saw a total of US$52.4 billion requested through 46 UN-coordinated appeals. The systemic shock of the Covid-19 pandemic had already driven an unprecedented rise in funding requirements within humanitarian appeals in 2020 and 2021. Yet, funding requested through UN appeals in 2022 increased again by 37% from 2021 (an increase of US$14.0 billion). Since 2013, there has been a near fourfold rise, from US$13.2 billion to US$52.4 billion.

See figure 5

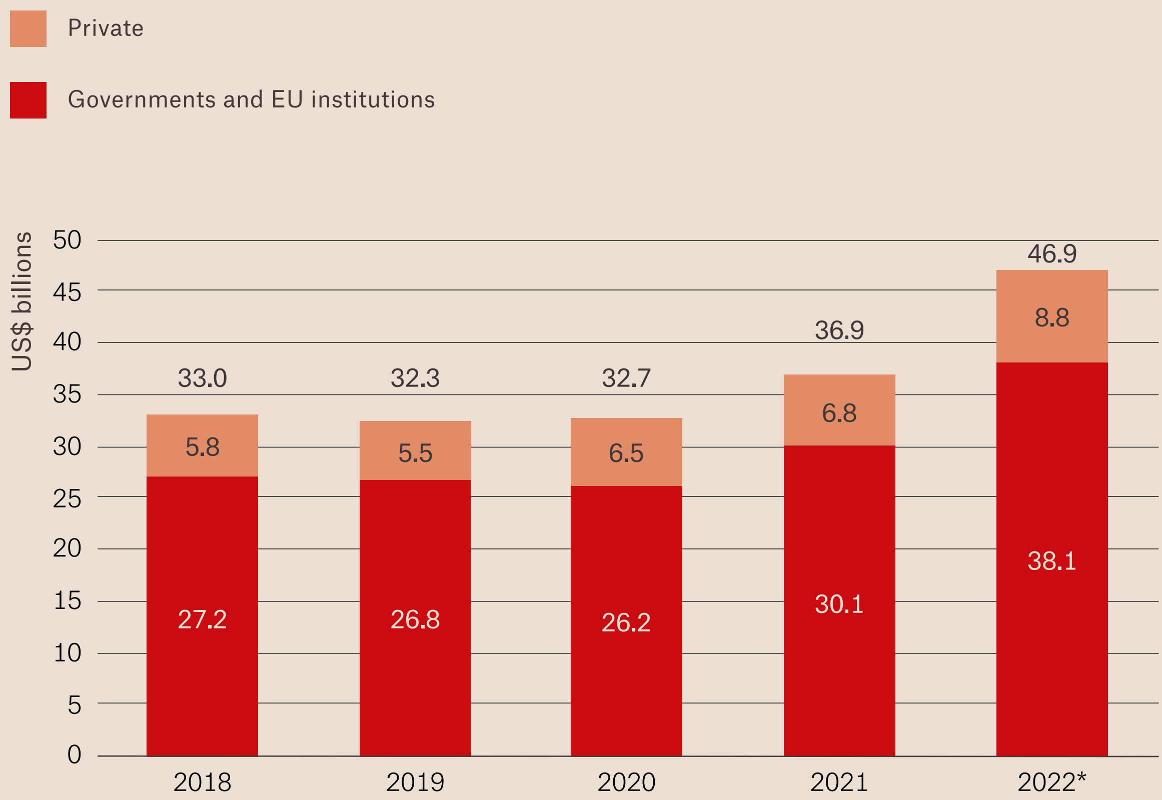
Donors provided a record US$30.3 billion of funding towards UN-coordinated appeals in 2022, an increase of more than 40% (US$8.9 billion). **While funding to appeals grew significantly, the scale of needs meant that the proportion of requirements met in 2022 only slightly increased compared to 2021, and the overall funding shortfall grew in absolute terms to US$22.1 billion** – the highest volume recorded – up from US$17.0 billion in 2021. This is an alarming increase compared to between 2013 and 2019 – before the Covid-19 pandemic – when the volume of unmet funding requirements stood on average at US$9.2 billion.

f4

Total international humanitarian assistance, 2018–2022

Source: Development Initiatives based on Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), UN Central Emergency Response Fund (CERF) and our unique dataset for private contributions.

Notes: Figures for 2022 are preliminary. Totals for previous years differ from those reported in previous Global Humanitarian Assistance reports due to deflation and updated data. Data is in constant 2021 prices.



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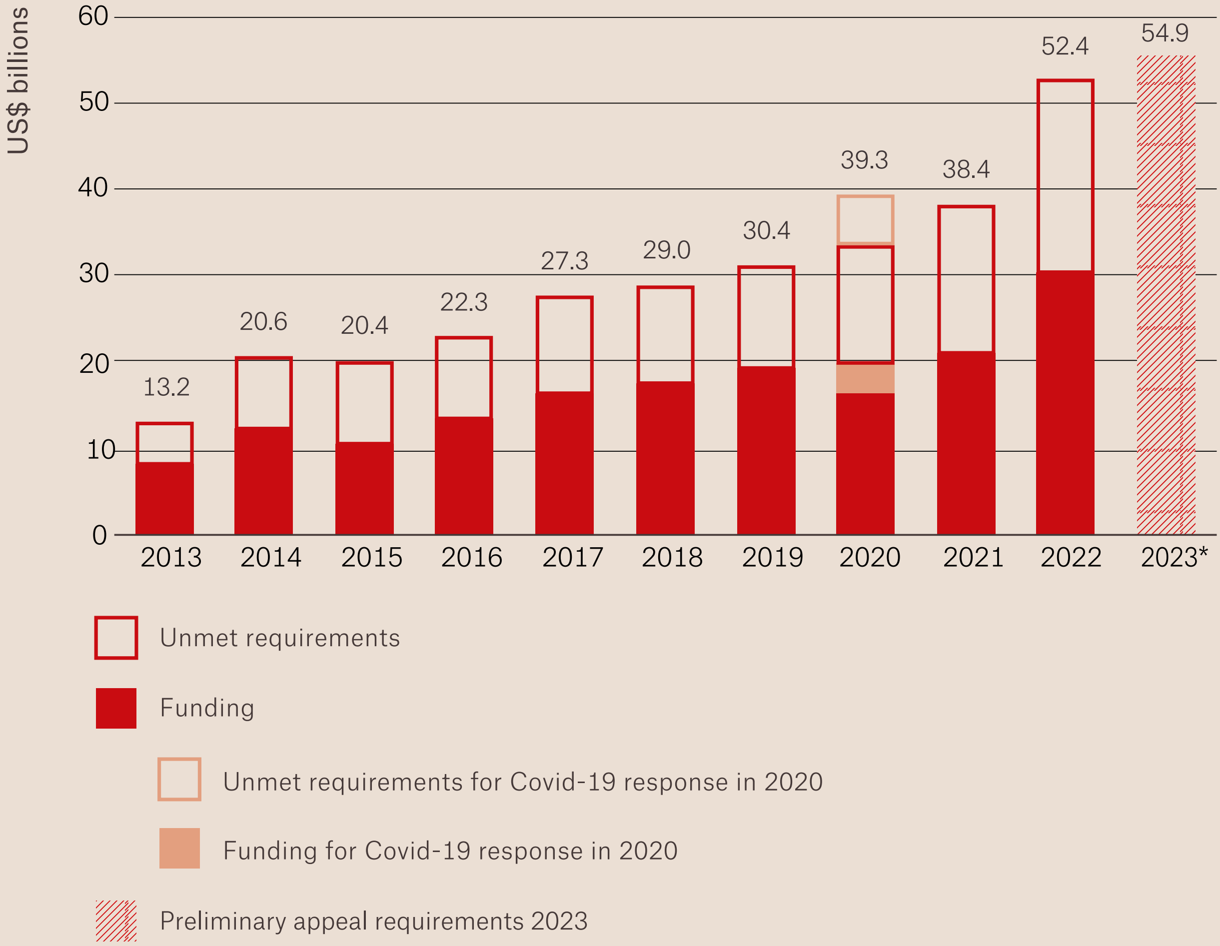
Funding and unmet requirements, UN-coordinated appeals, 2013–2023

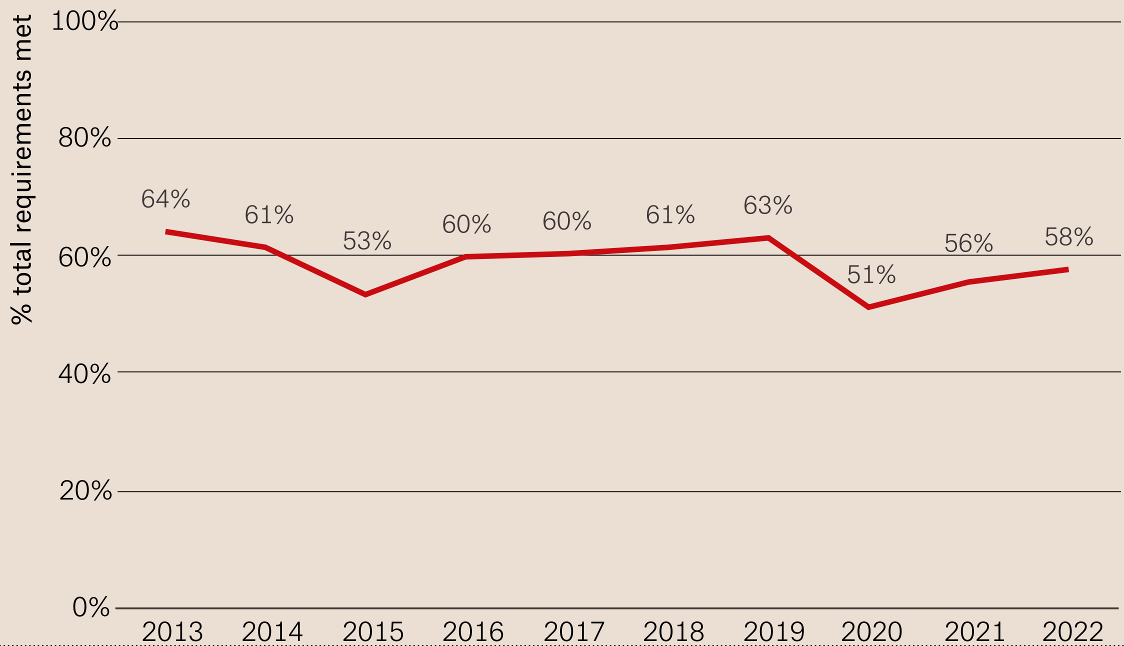
Source: Development Initiatives based on UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), UN High Commissioner for Refugees (UNHCR) and Syria 3RP financial dashboard data.

Notes: Data is in current prices. 2023 data is preliminary in terms of total requirements as of April 2023. Figures for the breakdown of funding and requirements in 2023 to date are not visualised because the funding data is partial and continuously changing at the time of writing. Up-to-date information on funding and requirements of UN-coordinated response plans in 2023 tracked by FTS is available at: https://fts.unocha.org/appeals/overview/2023 The percentage of requirements met in 2020 includes all funding, for Covid-19 and other responses, against all requirements that year..

Volumes of funding compared to requirements



Percentage of total requirements met



58% of funding requirements globally were met in 2022. Yet about a third of appeals received 50% or less of their requested funding. The appeals that received the highest volume of funding were the Ukraine Flash Appeal (US$3.7 billion, 85%), the Afghanistan HRP (US$3.2 billion, 73%) and the Syria 3RP (US$2.4 billion, 39%).

See figure 6

Nearly all (18) of the top 20 public donors of international humanitarian assistance increased their contributions in 2022 from 2021 (Figure 6). **The top 20 donors accounted for nearly all public funding, representing 97% (US$37.2 billion) of total public resources**, a similar share as in 2021 (98%). The three largest public donors – US, Germany and EU institutions – together accounted for 64% of total international humanitarian assistance from public donors, with the US alone accounting for 39% of total assistance from public donors. There is a need to both diversify the number of funding sources and move towards greater responsibility-sharing.

There is a need to both diversify the number of funding sources and move towards greater responsibility-sharing

In 2022, most donors increased the proportion of GNI provided as humanitarian assistance in line with overall increases in volume, but the share of GNI continues to vary greatly among donors. Six government donors allocated 0.1% or more of their GNI to humanitarian responses in 2022: Luxembourg, 0.22%; Sweden, 0.17%; Norway, 0.16%; Germany, 0.12%; Denmark, 0.11%; and the United Arab Emirates, 0.10%.

3.1. Largest recipients of humanitarian funding

Despite there being 46 UN-coordinated humanitarian responses in 2022, **10 crises received nearly two-thirds of all international humanitarian assistance** (Figure 7). Just 13 countries have featured in the top 10 recipients of international humanitarian assistance between 2018–2022, with seven – South Sudan, Somalia, Syria, Lebanon, Ethiopia, Yemen, and the Democratic Republic of Congo – appearing every year. The vast majority of funding in 2022, 92% (US$32.8 billion) went to countries experiencing protracted crisis, an increase from 88% (US$24.8 billion) in 2021.

Following the Russian invasion of **Ukraine, the country became the largest recipient of international humanitarian assistance in 2022**, receiving US$4.4 billion. Afghanistan was the second-largest recipient in 2022, receiving US$3.9 billion, an increase of 85.5% from 2021 (US$2.1 billion), and almost five times the funding received in 2020 (US$780 million). Funding dropped for both Yemen and Syria, the two largest recipients in 2021.

See figure 7

f6

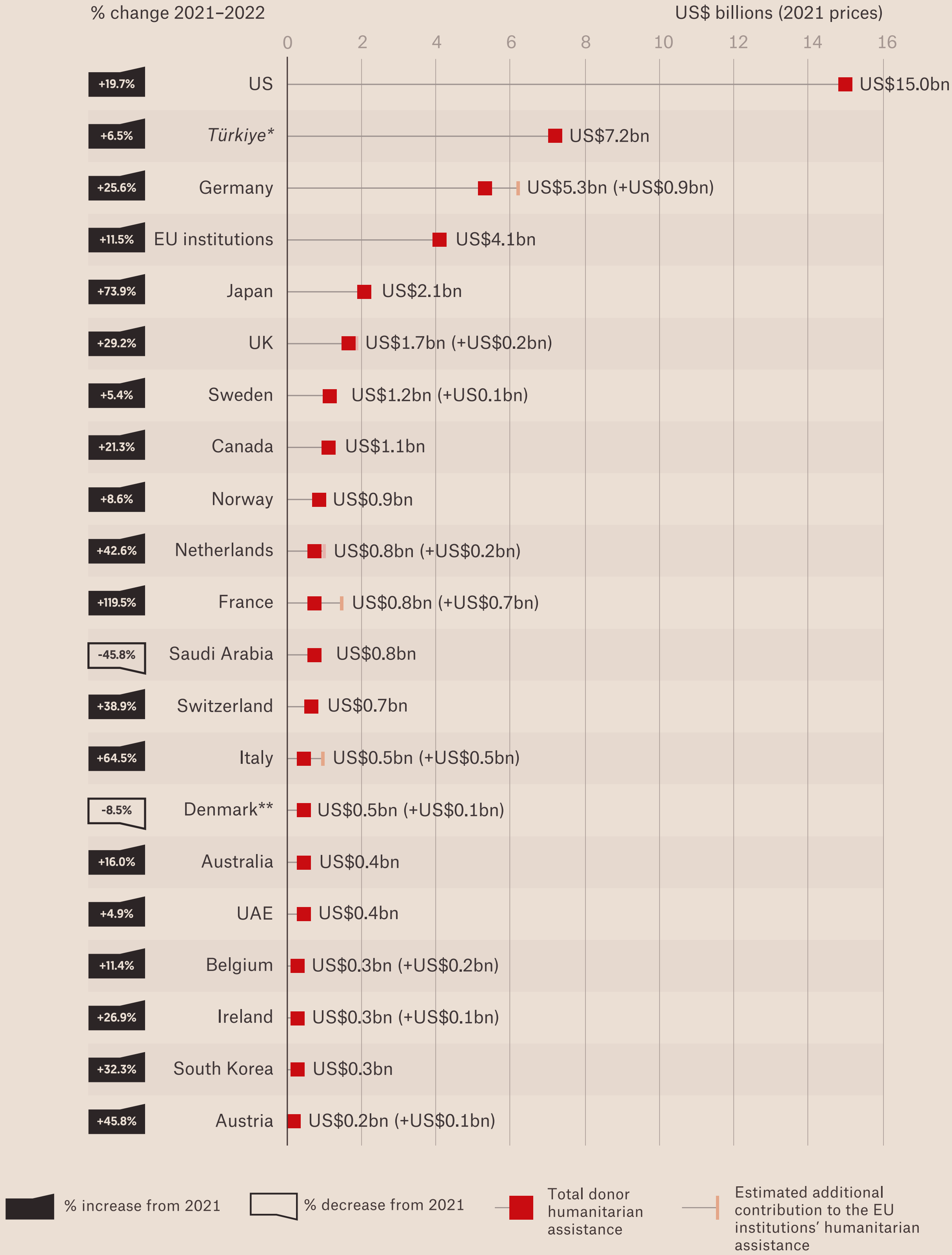
20 largest public donors of humanitarian assistance in 2022 and change from 2021

Source: Development Initiatives based on Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS), UN Central Emergency Response Fund (CERF), and Turkish Cooperation and Coordination Agency (TIKA).

Notes: UAE = United Arab Emirates. 2022 data is preliminary. Data is in constant 2021 prices. 'Public donors' refers to governments and EU institutions. Contributions of current and former EU member states to EU institutions' international humanitarian assistance is shown separately (see the methodology and definitions chapter of the Global Humanitarian Assistance Report 2023). Percentage change excludes EU contributions and compares for donors with 2022 volumes based on only FTS data with 2021 volumes from the same source and according to the same methodology.

*Türkiye is shaded differently because the humanitarian assistance it voluntarily reports to the DAC is largely expenditure on hosting Syrian refugees within Türkiye, and so not strictly comparable with the international humanitarian assistance from other donors in this figure.

** Preliminary 2022 figures for Denmark have only been partially reported and are likely to be revised upwards in final reporting at the end of 2023. 2021 figures differ from the GHA Report 2022 due to final reported international humanitarian assistance data.



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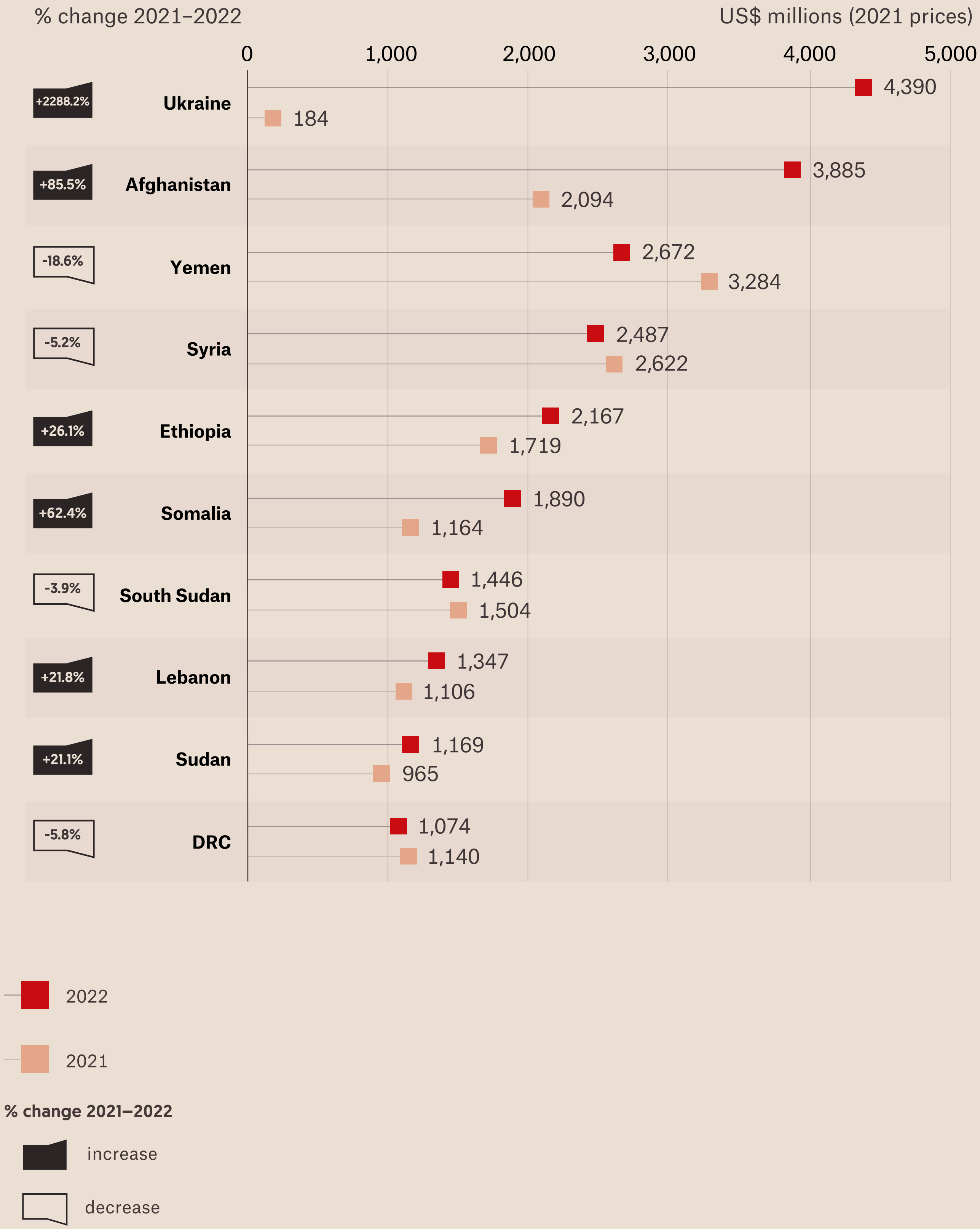
10 largest recipient countries of international humanitarian assistance

Source: *Development Initiatives* based on UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS).

Notes: DRC = Democratic Republic of Congo. Data is in constant 2021 prices. Totals for previous years differ from those reported in previous GHA reports due to deflation and updated data.



4
A BETTER HUMANITARIAN SYSTEM – LOCALLY LED ACTION

In 2022 **public donors increasingly relied on UN agencies to deliver humanitarian programming**, with 61% (US$22.8 billion) of total public funding channelled to multilateral organisations, up from 52% in 2021. NGOs continue to be the second-largest recipients of international humanitarian assistance, receiving around US$6.4 billion in 2022 (17% of total direct funding), followed by Red Cross and Red Crescent organisations (6.6%, US$2.5 billion) and pooled funds (6.3%, US$2.3 billion). Nearly all of this funding to NGOs was channelled to INGOs, with only 0.2% (US$80 million) of direct funding being channelled to local and national NGOs.

Efforts to increase the volumes of funding available for local and national actors continued to fall short

Despite sustained advocacy from local and national actors and allies, increasing commitments from top donors, and momentum generated through the Grand Bargain,[9] efforts to increase the volumes of funding available for local and national actors continued to fall short (Figure 8). In 2022, just 1.2% of overall international humanitarian assistance was directly provided to local and national actors, representing a rise in volume from US$377 million in 2021 to US$485 million.

See figure 8

Despite limited improvements in the reporting of funding that passes through one or more intermediary organisation, monitoring the Grand Bargain commitment of providing 25% of global humanitarian funding 'as directly as possible' to local and national actors remains impossible.

Shifts in practice on equitable access to funding for non-project costs (i.e., overheads) are occurring and some momentum for change is building, for instance through recent Inter-Agency Standing Committee (IASC) guidance on overhead practice for UN agencies and international NGOs. [10]

In 2022, the volumes of funding allocated through UN Office for the Coordination of Humanitarian Affairs (OCHA)'s country based pooled funds (CBPFs) and the Central Emergency Response Fund (CERF) were the largest ever reported, growing to a record US$1.9 billion. However, collectively these pooled funds received a smaller share of total international humanitarian assistance from public donors, decreasing from a five-year high of 7.6% in 2019 to 5.4% in 2022.

CBPFs set a high standard on transparency of funding flows within the humanitarian system by providing data on these allocations and sub-grants in close to real time. **The volume of**

9 Inter-Agency Standing Committee, 2023. Caucus on funding for localisation – Endorsement of the three recommendations by the caucus members and outcome document – March 2023. Available at: https://interagencystandingcommittee.org/grand-bargain-official-website/caucus-funding-localisation-endorsement-three-recommendations-caucus-members-and-outcome-document

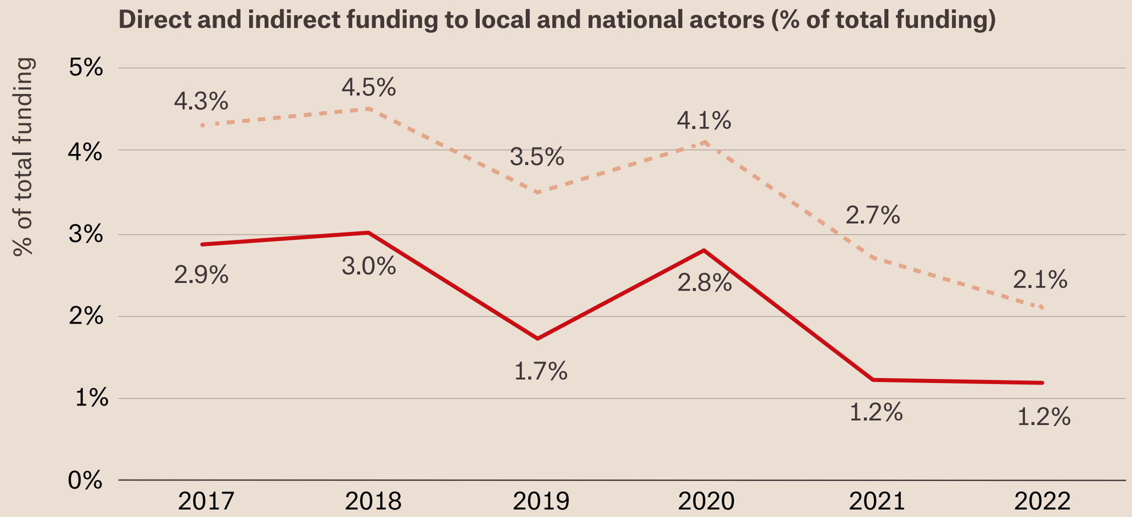
10 See, https://interagencystandingcommittee.org/humanitarian-financing/iasc-guidance-provision-overheads-local-and-national-partners

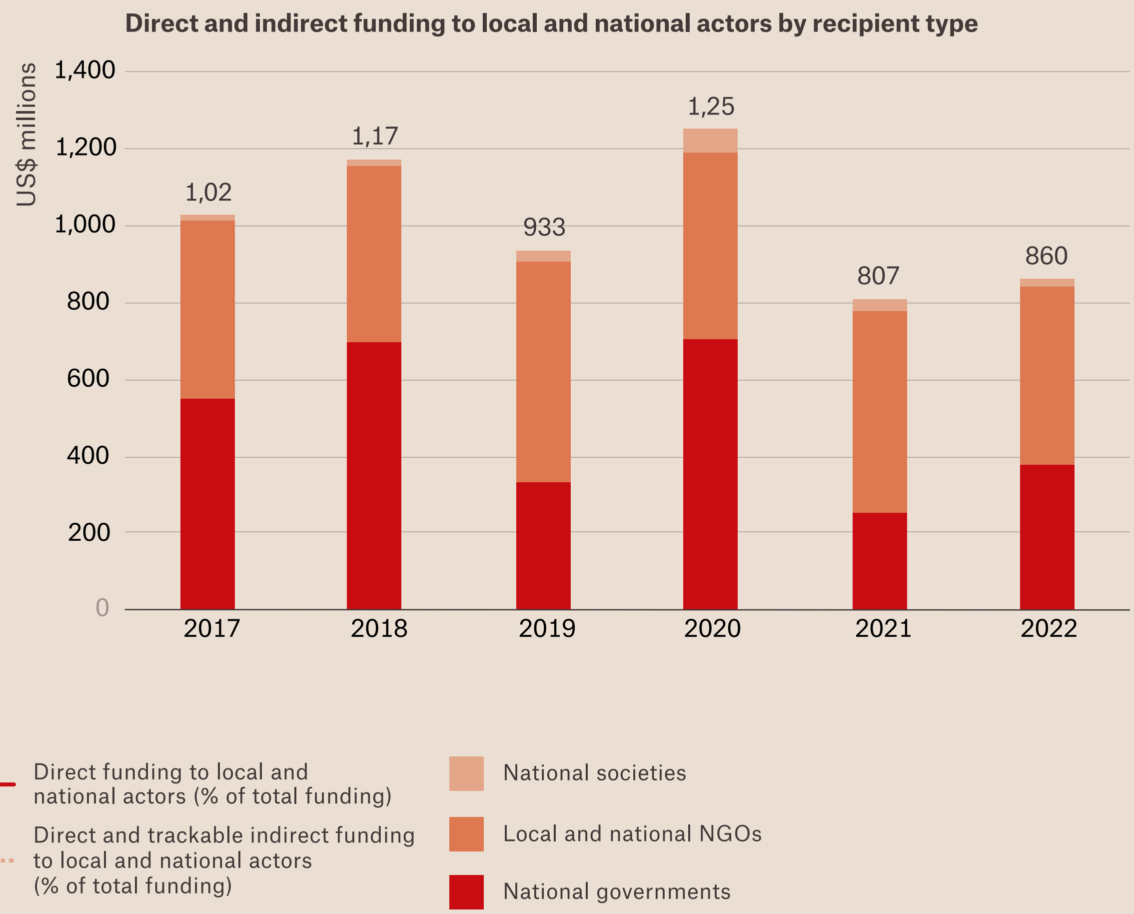
f8

Percentage and total volumes of direct and indirect funding to local and national actors, 2017-2022

Fuente:Source: Development Initiatives based on UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) and pooled funds for Country-Based Pooled Funds (CBPF)

Notes: Local and national actors include all local, national or local/national NGOs, determined by internal organisation coding. Southern international NGOs, which receive funding to operate within the country they are headquartered in, are included as national actors. Red Cross Red Crescent (RCRC) national societies that received international humanitarian assistance to respond to domestic crises are included in local and national actors. Similarly, international funding to national governments is considered as funding to national actors only when contributing to the domestic crisis response. Funding is shown only for flows that reported with information on the recipient organisation. Data is in constant 2021 prices.





funding allocated to local and national actors through CBPFs has steadily increased over recent years, and in 2022 it was the largest by volume and as a share of total allocations, with 28% (US$337 million) of CBPF allocations going to local and national actors. A preliminary 18% (US$80 million) of CERF allocations were sub-granted to local and national actors in 2021.

With consistent growth in the volumes provided over the past six years, the increased use of cash and voucher assistance (CVA) is commonly cited as a successful example of humanitarian system reform.[11] In 2022, **the use of CVA accelerated in response to the war in Ukraine and the rising levels of food insecurity globally.** Preliminary data on global humanitarian CVA shows that the volume transferred to people affected by crises rose to US$7.9 billion in 2022, an increase of 40% from 2021 (Figure 9). This seventh consecutive year-on-year increase was the largest on record.

CVA made up an estimated 20% of international humanitarian assistance in 2022

CVA made up an estimated 20% of international humanitarian assistance in 2022. Recent research suggests that according to implementing organisations' own CVA targets, there is potential for at least 30%, and perhaps up to 50%, of all international humanitarian assistance to be delivered through CVA.[12]

See figure 9

[11] ODI, 2022. The Grand Bargain in 2021: An independent review. Available at: https://odi.org/en/publications/the-grand-bargain-in-2021-an-independent-review/

[12] Humanitarian Outcomes, Development Initiatives and CALP Network, 2022. Increasing the use of humanitarian cash and voucher assistance. Available at: https://www.calpnetwork.org/publication/increasing-the-use-of-humanitarian-cash-and-voucher-assistance/

5
BEYOND HUMANITARIAN FUNDING – ADDRESSING CYCLES OF CRISES

In long-term, protracted crisis situations,[13] the complex and interrelated risks posed by conflict, socioeconomic fragility and climate change often lead to increased humanitarian need. They also make it challenging to recover from crisis and build resilience.

Examining official development assistance (ODA) shows a reduction in the amount of development assistance received by countries facing long-term crisis. Between 2017 and 2021, the volume and proportion of development assistance received by those countries reduced (by US$0.6 billion; from 50% to 48% of the total ODA received by these countries). **However, the volume and proportion of total aid received as humanitarian assistance increased** – reaching 41% of ODA in 2021 (compared to an average of 37% over the past five years). This suggests an increased reliance on humanitarian assistance.

Spent on in-country refugee hosting costs grew to a record US$30.1 billion

Some public donors also allocated significantly more of their ODA budgets to cover the costs of hosting refugees. In 2022, the preliminary reported ODA spent on in-country refugee hosting costs by the Organisation for Economic Co-operation and Development's Development Assistance Committee members grew to a record US$30.1 billion, up from US$12.8 billion in 2021 (an increase of 134%).[14]

Funding requirements linked to extreme weather are as much as eight times higher than they were 20 years ago.[15] The targeting of ODA allocated for climate finance and funding for disaster risk reduction (DRR) can be critical in supporting response, recovery and resilience-building to a crisis (preserving development gains and reducing overall vulnerability to successive humanitarian impacts).

Current data informing our understanding of climate finance flows is limited and in some cases possibly misleading,[16] however it is evident the US$100 billion annual international commitment in the 2015 Paris Agreement – to help the countries most

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13 'Protracted crises' refer to countries which have had UN-coordinated country response plans or country components of regional response plans for at least five consecutive years in 2022.

14 The OECD DAC directives on reporting in-donor refugee costs issued in 2017 laid out the following criteria for this funding to be counted as ODA: costs are only eligible to be counted as ODA for up to 12 months from the date of application for asylum or of entry; only specific cost categories qualify as ODA, mostly relating to temporary sustenance and education. See: OECD, 2017. Clarifications to the statistical reporting directives on in-donor refugee costs. Available at: https://www.oecd.org/dac/financing-sustainable-development/refugee-costs-oda.htm

15 Oxfam, 2022. Footing the Bill: Fair finance for loss and damage in an era of escalating climate impacts. Available at: https://www.oxfam.org/en/research/footing-bill-fair-finance-loss-and-damage-e ra-escalating-climate-impacts

16 Development Initiatives, 2022. Climate finance: Accounting and accountability. Available at: https://devinit.org/resources/climate-finance-accounting-and-accountability/

vulnerable to climate change impacts[17]– has yet to be met, and overall climate finance remains insufficient.[18]

Multilateral funds including the Green Climate Fund, which serves as the primary multilateral mechanism for climate finance, have provided very low levels of per capita climate finance since 2003.

See figure 10

Per capita, countries that are both experiencing protracted crisis and also highly vulnerable to climate change receive less multilateral climate finance than other highly vulnerable countries (Figure 10). In fact, over the last 20 years (since 2003), people in the most climate-vulnerable, protracted crisis countries have received a total of around US$1 per person of country-allocable funding from multilateral climate funds. Conversely, people in the countries that are most climate-vulnerable but not experiencing protracted crisis have received almost five times this amount of country-allocable multilateral climate finance (US$4.88 per person).

Climate adaptation finance is particularly critical in helping to reduce the impacts of crisis

Climate adaptation finance is particularly critical in helping to reduce the impacts of crisis by preparing communities to withstand the shocks associated with climatic changes, such as through ecosystem-based adaptations or innovative, resilience-building finance mechanisms.[19] **Current adaptation finance is estimated to fall at least 5–10 times short of what is needed to prepare low-income countries for accelerating climate impacts.** On average, countries experiencing protracted crisis do not receive a significantly higher proportion of adaptation or mitigation finance than others.

With an increased focus on anticipatory action,[20] international finance for DRR is a critical component in ensuring that development gains are preserved and the impacts from a disaster do not worsen vulnerability or compound existing crises. International DRR finance is provided by bilateral and multilateral donors, either as grants or loans. Multilateral donors contributed 31% (US$943 million) of the ODA for the purpose of DRR in 2021, nearly half of which (46%, US$438 million) was from the World Bank.

There has been a total of US$13.2 billion in DRR-related finance provided since 2017, when reporting against the Sendai

[17] For a classification of parties and their obligations to UNFCCC agreements, see: United Nations Climate Change. Parties & Observers. Available at: https://unfccc.int/parties-observers

[18] Oxfam, 2022. Climate Finance Short-changed: The real value of the $100 billion commitment in 2019-2020 Available at: https://policy-practice.oxfam.org/resources/climate-finance-short-changed-the-real-value-of-the-100-billion-commitment-in-2-621426/

[19] UN Environment Programme. Climate adaptation. Available at: https://www.unep.org/explore-topics/climate-action/what-we-do/climate-adaptation (accessed 15 May 2023)

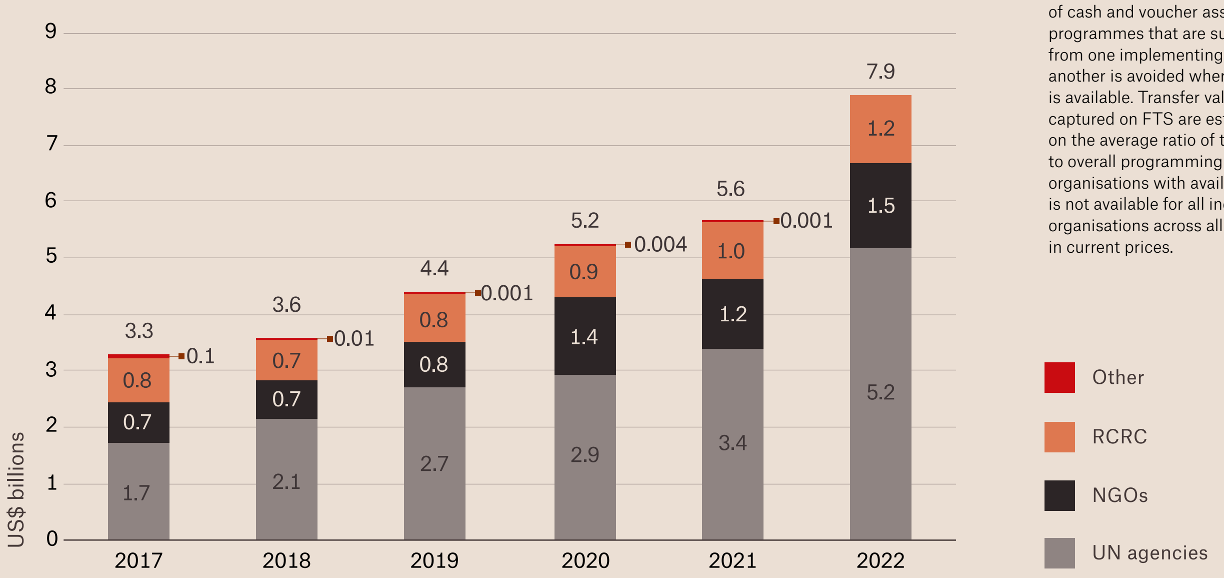
[20] See, for instance, Mark Lowcock's (former United Nations Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator) Casement Lecture: https://reliefweb.int/report/world/under-secretary-general-humanitarian-affairs-and-emergency-relief-coordinator-mark-0

f9

Total humanitarian cash and voucher assistance transfer values, 2017–2022

Source: Development Initiatives based on data collected by the CALP Network from implementing partners and supplemented with UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) data.

Notes: RCRC = Red Cross and Red Crescent Movement. Data for 2022 is preliminary as data for some organisations has not yet been provided or is partial. Double counting of cash and voucher assistance programmes that are sub-granted from one implementing partner to another is avoided where data on this is available. Transfer values for funding captured on FTS are estimates based on the average ratio of transfer values to overall programming costs for organisations with available data. Data is not available for all included organisations across all years. Data is in current prices.

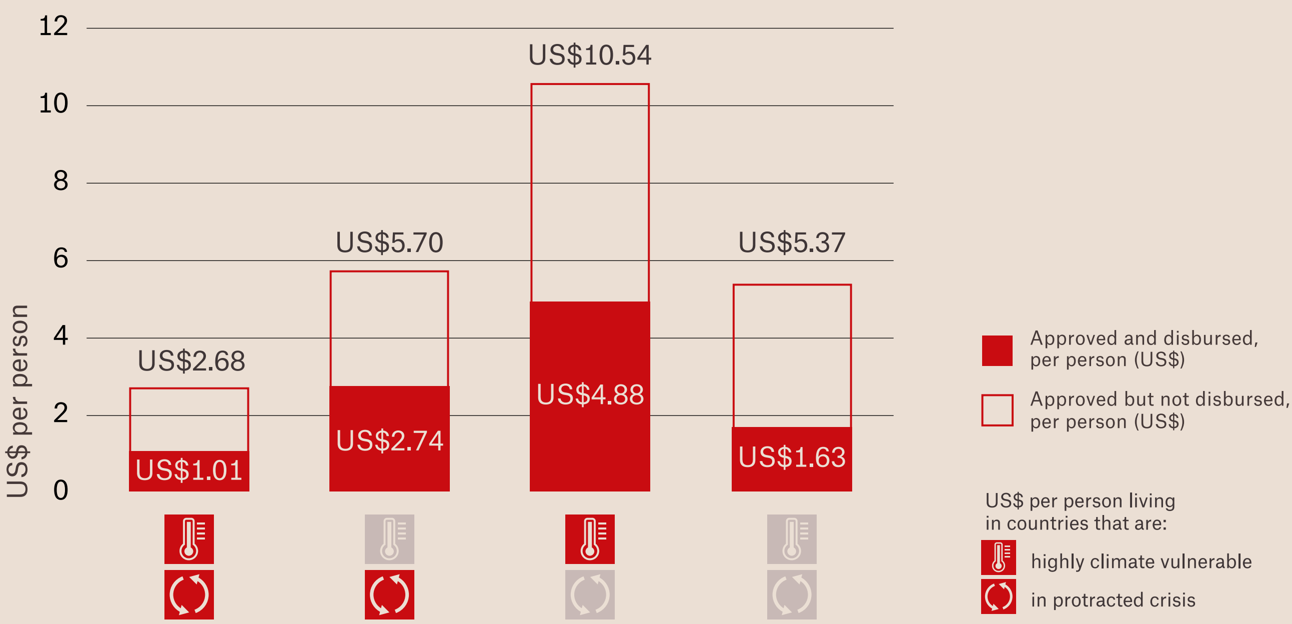


f10

Multilateral per capita climate finance to countries experiencing protracted crisis and/or high vulnerability climate impacts

Source: Development Initiatives based on Climate Funds Update, UN Office for the Coordination of Humanitarian Affairs (OCHA) Humanitarian Programme Cycle (HPC), UN High Commissioner for Refugees (UNHCR) and UN World Population Prospects.

Notes: Data is in constant 2021 prices. Only country-allocable funding is included.



Framework began. Between 2018 and 2020 there were steady rises in DRR ODA, but in 2021 (the most recent year for which data is available) there was a fall of 5% to US$3.0 billion.[21] Of this total, 43% (US$1.3 billion) was provided as loans.

6
CONCLUSION

Reform efforts remain slow, and the structure of the humanitarian system remains static

The chapter paints a picture of a system under immense pressure to keep up with ever-growing demands. Reform efforts remain slow, and the structure of the humanitarian system remains static. Significant investment is needed to ensure that climate finance is complementary to humanitarian efforts, and that it adequately targets countries most in need.

21 Bilateral and multilateral donor ODA reported to the OECD DAC Creditor Reporting System.

PHOTO:
Sudanese women refugees in the Adré camp (Chad) collect water at a distribution point installed by Doctors Without Borders .

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