



THE  
INTERNATIONAL  
**BUDGET**  
PROJECT

**Analyzing the UN Tsunami Relief Fund Expenditure  
Tracking Database: Can the UN be more transparent?**

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## **Executive Summary**

When it began its relief effort in response to the 2004 tsunami in South/Southeast Asia, the UN for the first time created a real-time database to track expenditures across countries, program sectors, and relief agencies. The database is intended to allow interested parties to learn where money donated to the UN's and some other agencies' relief effort is being directed and the rate at which it is being spent.

The International Budget Project (IBP) has used the information in the database to conduct an analysis of the UN's relief expenditures. After completing the analysis, IBP finds that much useful information is available in the database that raises important questions about the nature of the UN agencies' relief expenditures. However, the IBP has found that the form and content of the database itself prevent a full and thorough analysis from being completed.

In this paper, we describe the analysis we undertook and the conclusions we reached (which are more in the nature of questions needing further study than specific findings), the restrictions affecting the analysis, and the steps that we believe should be taken to put the UN's database (or any similar expenditure tracking database) in a form that lends itself to complete budget analysis.

## Section 1: Introduction

The December 2004 tsunami that struck South and South East Asia not only caused widespread death and destruction, but also captured world-wide media attention, and donations to support relief efforts poured in from across the globe. United Nations (UN) agencies, which have traditionally carried out relief and development operations in the wake of natural and man-made disasters in developing countries, began extensive relief efforts almost immediately.

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) provides frequently updated information on all tsunami relief aid through the financial tracking service it maintains on its website (<http://ocha.unog.ch/fts/index.aspx>). The website shows that by 31 March 2006, more than \$6,212 million had been committed and/or actually contributed towards all relief efforts, including efforts being undertaken by affected country governments, non-governmental relief agencies, and UN agencies.

In an effort to coordinate their responses and present a unified set of needs to donors, 40 UN agencies and private non-profit relief agencies jointly participated in a “Flash Appeal” funding plan issued in January 2005. This initial Flash Appeal covered the anticipated funding requirements of the participating agencies for six months and requested funding totaling \$978 million, or approximately 16 percent<sup>1</sup> of the entire amount that has now been given in support of all tsunami relief efforts from all sources.

The Flash Appeal plan was subsequently revised — as is common with UN emergency relief efforts — and a new Consolidated Appeal plan was issued by these 40 agencies in April 2005. This Appeal solicited funding to cover 12 months (extending from the original project period through December 2005). The Consolidated Appeal requested an additional \$328 million above the original request, raising the total amount requested by these 40 agencies to \$1,306 million.

As part of their commitment to increased transparency in international relief operations, the agencies of the United Nations are providing details of the sources and utilization of the aid funds they have raised for tsunami relief operations. The financial information provided by the UN agencies is being compiled into an expenditure tracking database maintained by the OCHA on its website <http://ocha.unog.ch/ets/Default.aspx>, which complements the information provided through the financial tracking service. The database is updated frequently (in some cases on a daily basis), though updates for individual expenditures are sometimes made as late as three months after the actual date of the expenditure. The database now provides information on 163 programs being undertaken by 19 agencies, most of them part of the UN.

The UN’s expenditure tracking database provides a unique opportunity for individuals, national governments, and civil society organizations to analyze financial information pertaining to the UN’s tsunami relief efforts and to hold the UN agencies accountable for their performance even as relief operations are being conducted.

This analysis, developed by the International Budget Project (IBP), examines 118 of the 152 programs<sup>2</sup> reported in the expenditure tracking database. These 118 programs are run by nine UN agencies and the

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<sup>1</sup> The OCHA website (available at <http://ocha.unog.ch/ets/Default.aspx?ContentType=FixedContent&ContentID=1#>) states that the Flash Appeal amounts to only 8 percent of the total funds pledged for relief, recovery, and reconstruction. Note that the difference between the OCHA calculation and our calculation is probably because IBP used the ratio of the flash appeal request (\$978 million) to the funds committed (\$6,212 million) while the OCHA appears to be using the ratio of the flash appeal request to the funds pledged, even if they have not necessarily been committed.

<sup>2</sup> We have not considered 11 programs run by nine agencies as IBP wanted to focus its analysis on programs run by the 10 relief agencies with the largest program budgets.

International Organization for Migration (IOM) and have a combined budget of \$1,043 million, or approximately 80 percent of the total funding tracked in the database. Because the database does not archive data by quarter (instead, it is continuously updated, with each update replacing all previous data), the only way to compare funding or expenditure levels across time is to download information from the database at different points in time. For this IBP analysis, therefore, information on these 118 programs was downloaded on 26 June 2005,<sup>3</sup> 28 September 2005, 30 December 2005, and 23 March 2006.

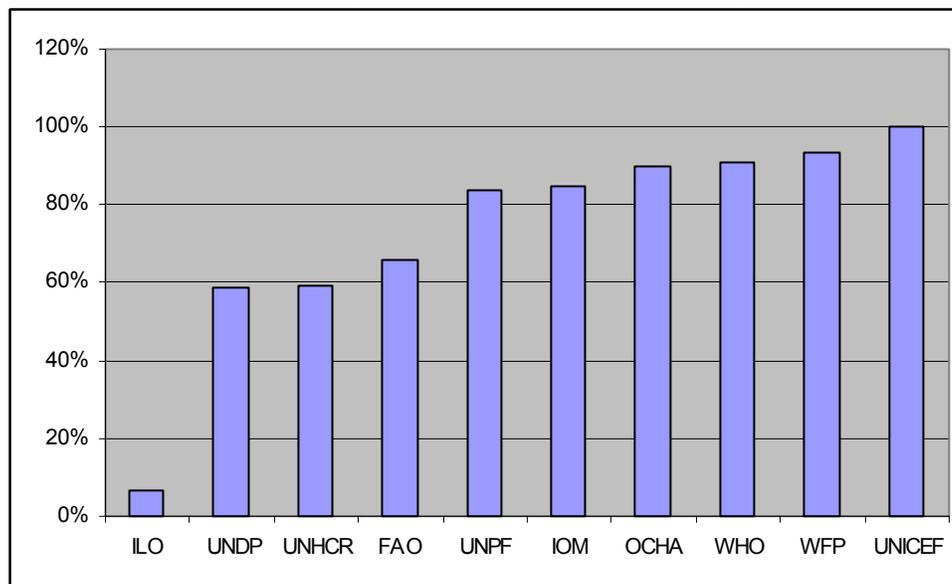
The remaining 34 programs reported in the database were excluded from this analysis because they have no recorded expenditure amounts or updated financial data are not available.

This analysis examines relief operations according to three categories: agency, region/country, and program sector. The next two sections analyze the funds received and spent by the agencies, highlighting variances in receipt and spending levels and other concerns. The final section identifies problems with the database itself and the data maintenance operations undertaken by OCHA; it also recommends measures to strengthen the database — as well as any similar database that may be developed in the future — to make data on receipts and expenditures easier for outside parties to analyze.

## Section 2: Funds Requested and Received

The ten agencies considered in this analysis have received \$900 million, or 86 percent of their total request of \$1,043 million. The United Nation’s Children’s Fund (UNICEF) has received the entire \$326 million it requested, while at the other end of the spectrum, the International Labour Organization (ILO) has received only around \$500,000 of its \$8 million request (see Chart 1).

**Chart 1: Funds Received as a Percentage of Funds Requested by Agency as of 23 March 2006**



(Source: Extracted from data provided by the OCHA on March 23, 2006)

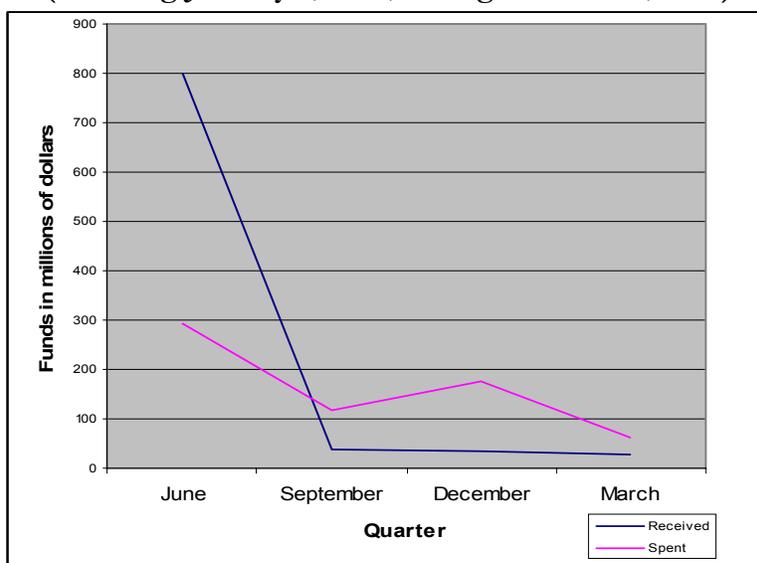
Donors responded with great enthusiasm immediately after the tsunami, giving more than three-fourths of the funds requested by the 118 programs considered in this analysis in just the first few months. After June 2005, though, funding dropped precipitously (see Chart 2). During the quarters ending in September

<sup>3</sup> Expenditures reported on 26 June 2005 cover the period from 4 January 2005 (when the ten agencies began raising funds for tsunami relief) through 25 June 2005.

2005, December 2005, and March 2006, donors provided just 3 percent, 4 percent, and 2 percent, respectively, of the total funds requested by the Consolidated Appeal in April 2005. While donor interest is likely to wane over time after any natural disaster, it is nonetheless striking that even though the project period is now technically over, more than \$143 million has not yet been received by the ten agencies discussed here. This shortfall occurs mostly in programs being run by FAO, UNDP, and UNHCR.

Unfortunately, the database does not show the impact of this shortfall on these agencies' ability to execute their programs. Nor does it explain the rationale for allocating funds to multiple agencies and programs that may duplicate one another's efforts, rather than focusing on the single agency with the greatest expertise in each program sector (such as health, shelter, and economic recovery). This is particularly important issue because, as discussed below, many agencies that operated programs in multiple sectors had very different spending rates in those different sectors.

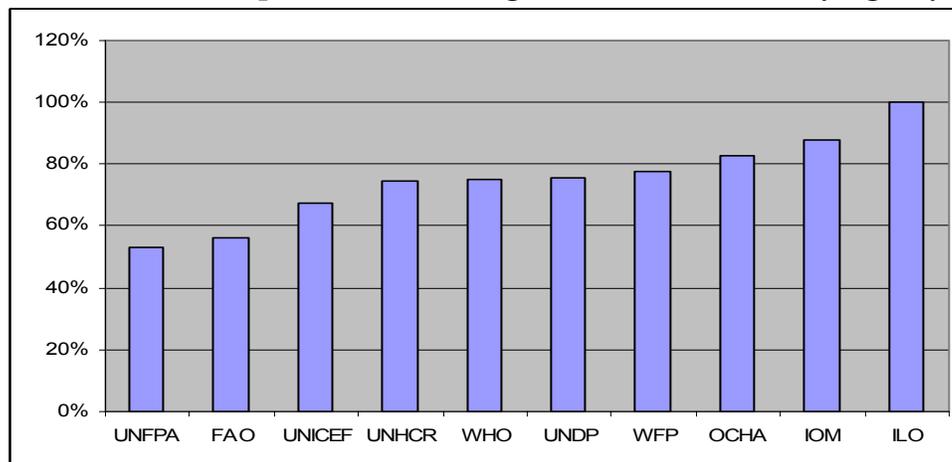
**Chart 2: Funds Received and Spent by Agencies over Four Quarters (Covering January 4, 2005, through March 23, 2006)**



(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

### Section 3: Funds Expended

**Chart 3: Funds Spent as a Percentage of Funds Received by Agency**



(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

As of March 23, 2006, the ten agencies considered in this analysis had spent less than three-fourths (72 percent) of the funds they received. This is in spite of the fact that the official project period (the period for which funds were raised) ended on 31 December 2005. As Chart 3 shows, only the ILO spent its entire program receipts, and these totaled only \$500,000. Tables 1 to 4 compare spending levels by agency, sector, and region.

**Table 1: Agency Expenditure Rates by Program Sector as a Portion of Total Funds Received for Each Program Sector**

Agency	Total program expenditures >90% of funds received	Total program expenditures between 89%-75% of funds received	Total program expenditures between 74%-50% of funds received	Total program expenditures <49% of funds received
UNDP		Coordination	Econ Recovery & Infrastructure	
		Shelter & Non-food	Agriculture	
FAO			Agriculture	
			Econ Recovery & Infrastructure	
UNICEF	Health	Econ Recovery & Infrastructure	Protection	Education
	Shelter & Non-food	Coordination		
	Multi-sector			
	Water & Sanitation			
WFP		Coordination		
			Food	
IOM	Shelter & Non-food	Coordination	Multi-sector	Protection
			Econ Recovery & Infrastructure	
OCHA		Coordination		
ILO	Econ Recovery & Infrastructure			
UNHCR		Shelter & Non-food	Multi-sector	
WHO		Health	Water & Sanitation	
UNFPA	Coordination		Multi-sector	Health
				Protection

(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

**Table 2: Program Sector Data Categorized by Funds Spent by Agencies as a Portion of Funds Received by Agencies**

<b>Sector</b>	<b>Total program expenditures &gt;90% of funds received</b>	<b>Total program expenditures between 89%-75% of funds received</b>	<b>Total program expenditures between 74%-50% of funds received</b>	<b>Total program expenditures &lt;49% of funds received</b>
Agriculture			FAO	
Coordination & support services	UNFPA	IOM, OCHA UNDP, UNICEF, WFP		
Economic Recovery & Infrastructure	ILO	UNICEF	FAO, IOM, UNDP	
Education				UNICEF
Family shelter & Non-food items	IOM, UNICEF	UNDP, UNHCR		
Food		WFP		
Health	UNICEF	WHO		UNFPA
Multi-sector	UNICEF		IOM, UNPF, UNHCR	
Protection/human-rights/rule of law			UNICEF	IOM, UNFPA
Water & Sanitation	UNICEF		WHO	

(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

**Table 3: Regional Data Categorized by Funds Spent in each Region as a Portion of Funds Received for each Region**

<b>Country</b>	<b>Total program expenditures &gt;90% of funds received</b>	<b>Total program expenditures between 89%-75% of funds received</b>	<b>Total program expenditures between 74%-50% of funds received</b>	<b>Total program expenditures &lt;49% of funds received</b>
Indonesia	IOM, OCHA	UNHCR	FAO, UNICEF, WHO	
Sri Lanka	ILO, OCHA, UNDP, UNICEF	WHO	FAO, IOM, UNHCR	UNFPA
Maldives		OCHA, UNDP, UNICEF	FAO, WHO	UNFPA
Thailand	UNDP	FAO	IOM, UNFPA, UNICEF	
Regional	UNHCR, UNICEF	WHO, WFP	FAO, OCHA	UNDP, UNFPA
Somalia	UNHCR		FAO	OCHA, WHO
Seychelles			FAO	

(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

**Table 4: Funds Spent by Each Agency as a Portion of Funds Received by Each Agency**

Agency	Total program expenditures >90% of funds received	Total program expenditures between 89%-75% of funds received	Total program expenditures between 74%-50% of funds received	Total program expenditures <49% of funds received
UNDP	Sri Lanka	Maldives		Region
	Thailand			
FAO		Thailand	Indonesia	
		Region	Maldives	
			Seychelles	
			Somalia	
			Sri Lanka	
UNICEF	Sri Lanka	Maldives	Indonesia	
	Region		Thailand	
WFP		Region		
IOM	Indonesia		Sri Lanka	
OCHA	Indonesia	Maldives	Region	Somalia
	Sri Lanka			
ILO	Sri Lanka			
UNHCR	Somalia	Indonesia	Sri Lanka	
	Region			
WHO		Sri Lanka	Indonesia	Somalia
		Region	Maldives	
UNFPA	Indonesia		Thailand	Maldives
				Sri Lanka

(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

The information in these tables raises several important questions:

- Why has UNICEF, the only agency conducting programs in the education sector, spent only a small portion of the funds it received for education programs in Indonesia, when UNICEF received more education program funding for Indonesia than for any other country? This issue is of particular concern given the fact that Indonesia was among the countries hardest hit by the tsunami.
- Why have agencies spent a higher portion of the funds they received for programs in Sri Lanka, the Maldives, and at the regional level than the funds they received for programs in Indonesia, Somalia, Thailand, and Seychelles? Are there constraints to program execution in some countries that could have been anticipated?
- In health-sector programs, why has UNICEF spent so much more of its program budget than the World Health Organization (WHO) and the United Nations Population Fund (UNFPA)? If

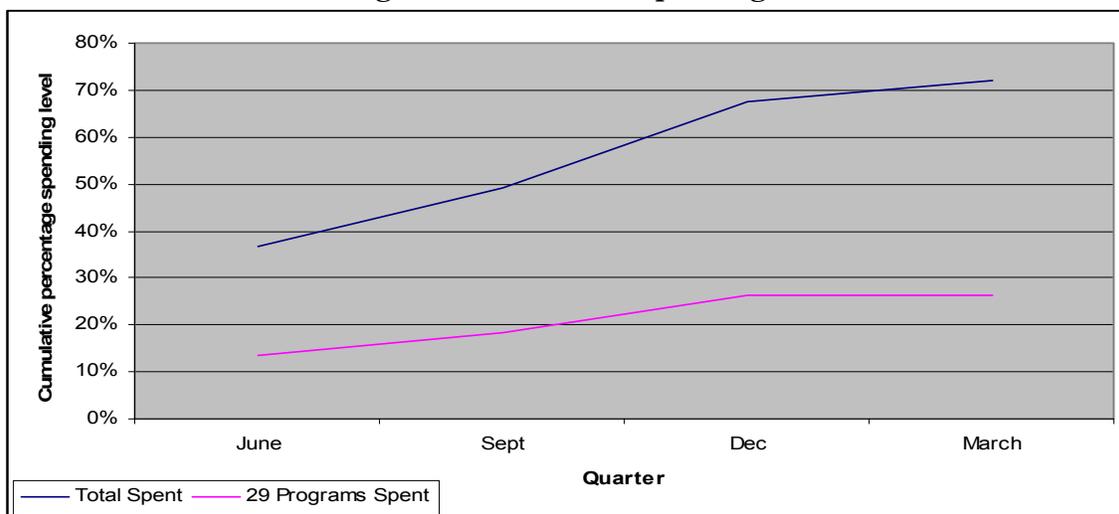
UNICEF is more efficient in undertaking disaster health programming, should all health programming have been consolidated in that agency?

- Why do the expenditure rates for UNICEF, the IOM, and the UNFPA vary drastically across the different program sectors for which they received funds?
- Why do the expenditure rates for different agencies often vary within the same country? For example, why have the IOM and OCHA spent more than 90 percent of the funds they received for programs in Indonesia, while the FAO, UNICEF, and WHO have spent less than 75 percent of the funds they received for programs in that country?
- Why do the expenditure rates for individual agencies vary drastically between countries? For example, why has OCHA spent more than 90 percent of the funds it received for programs in Indonesia and Sri Lanka, less than 75 percent of the funds it received for programs at the regional level, and less than 50 percent of funds it received for programs in Somalia?

As of March 23, 2006, \$650 million (72 percent) had been expended of the \$900 million received by that date. Spending rates fell sharply over time: in the first half of 2005 (January through June), 33 percent of the total funds received were spent, but in the subsequent three quarters, the spending rate dropped to 13 percent, 19 percent, and 7 percent, respectively. The database does not explain this decline — or the fact that even though the project period was extended by six months and is now over, more than \$350 million remains unspent.

While some agencies spent all or nearly all of their budget, 29 programs had expenditure rates below 50 percent, and many of these were below 33 percent, even though most of the funds for these programs were received during the first months after the tsunami struck. Chart 4 illustrates the gap in spending levels between these 29 programs and all of the 118 programs considered in this analysis.

**Chart 4: Cumulative Rate of Expenditures over Four Quarters for All programs and 29 Programs with Lowest Spending Rates**



(Source: Extracted from data provided by the UN-OCHA on March 23, 2006)

Examples of the 29 programs with the lowest expenditure rates include:

- a UNICEF program to provide emergency support for basic education in Indonesia, which spent only 7 percent of the funds received;
- a Food and Agricultural Organization program to help rehabilitate marine fisheries and agricultural infrastructure in the Maldives, which spent only 8 percent of the funds received;
- a UNFPA program to reestablish reproductive health services in the tsunami-affected areas of Nanggroe Aceh Darussalam and North Sumatra, which spent less than 50 percent of the funds received;
- a WHO program in Indonesia to restore essential health services, including the establishment of blood banks, which spent less than 40 percent (\$1.7 million) of the funds received; and
- a UNDP program to build the capacity of tsunami-affected countries for sustainable recovery and risk reduction, which spent less than 5 percent (\$0.11 million) of the funds received.

#### **Section 4: Database Problems and Recommendations**

The OCHA database does not provide all of the information that is required to conduct a thorough analysis of the tsunami relief funding and to answer the questions that we have raised in the earlier two sections. In this section, we discuss the limitations of the database and offer a set of recommendations that could help improve the database. Among our recommendations, we suggest that OCHA provide information not currently provided in the database; we also suggest methods for maintaining the database that would enhance the usefulness of the data captured in it.

To enable database users to begin to understand whether tsunami relief efforts have been effective, detailed information should be provided on each program's monthly or quarterly spending targets, the actual targets the program achieved, and the targets achieved by similar programs in other natural disasters. Currently, the expenditure tracking database contains a column labeled "Additional Information" along with each project entry; however, individual "additional information" links are not provided with each entry and there is no consistency in the type of "additional information" provided for each project or for projects conducted by different agencies.

For example, the UNDP provides links next to each project entry that open project documents that deal broadly with this agency's tsunami relief programs. However, these documents do not deal with each specific project listed in the database; instead, they are general overviews of the agency's entire tsunami relief effort or of some individual projects conducted by the agency. On the other hand, OCHA provides a breakdown of its program budgets — but does not provide information on project descriptions in the way that the UNDP does.

Although the OCHA provides some standardized sub-program details for the relief projects it is undertaking, the OCHA database itself does not provide standardized sub-program details for each program such as operational and capital costs, non-financial information such as the number of beneficiaries targeted and the number of beneficiaries served, and other qualitative and quantitative information on the program's outputs and outcomes.

The OCHA database also does not provide adequate information on the status of a program once it has been executed and is nearing completion; such information is needed for users of the database to make a general assessment of the program's performance. To make such an assessment possible, agencies should submit a proposal for each project that lists the project's objectives. In addition, agencies should submit periodic performance reports so that funding amounts received and amounts spent can be tied to the program's implementation. Audit reports also need to be completed annually for each program to confirm the efficacy of the program and ensure that all program funds are spent in accordance with the agency's regulations and the program's proposal. Such reports may already exist for each program, but they should be made available with the database so they can be analyzed to determine actual program performance. Such periodic performance reports should also include information on any political and operational constraints faced by the project – such as lack of cooperation by host governments or evidence of corruption – as these factors could have a significant impact on a project's success.

There are also a number of limitations on the usefulness of the data in the OCHA database that arise because of the manner in which the database is maintained. For example, the database does not keep an archive of previous data entries. Instead, as data are updated, data for the previous quarter are simply replaced — and therefore lost. The present analysis could be conducted only because IBP saved quarterly data independently of the database.

The database is frequently updated (in some cases on a daily basis), which is laudable. However, because data on different programs are updated on different dates, meaningful analysis of spending patterns over time is not possible. For example, when IBP first saved information from the database on 26 June 2005, we found that some programs had been updated as recently as 8 June, other programs had not been updated since 30 April, and still others had been updated at various points between those two dates.

Thus, although the UN is taking impressive strides to bring increased transparency to the management of its donor funding, it should move to provide such data in a manner that permits independent analysis of spending patterns.

## **Section 5: Conclusion**

The 2004 tsunami was extraordinary both in its scale of destruction and in the immensity of the international community's response. The UN's decision to create a database to track the receipt and expenditure of relief donations was a landmark effort to increase transparency regarding the finances of UN entities; the OCHA expenditure tracking database is to be applauded as marking a new chapter in the UN's on-going efforts<sup>4</sup> to demonstrate its commitment to improved governance. As a "real-time" database, updated as programs are implemented, it has the potential to provide a high degree of assurance to international donors that relief aid is indeed being used for purposes for which it was provided.

As a next step, however, OCHA should seriously consider strengthening the database by including additional information (examples of which have been highlighted in this report) that enables a user to develop a more comprehensive picture of the relief programs and that will serve as a credible model for the transparent accounting of relief aid.

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<sup>4</sup> The UN Secretary General Secretary-General Kofi Annan presented his vision to strengthen management, oversight, and accountability in the UN in a report titled "Investing in the United Nations: for a stronger Organization worldwide," which was released to UN member states in March 2006. In the report, he states that the organization's rules, systems and culture need significant retooling and investment if the UN is to fulfill growing expectations and demands placed on it by the international community: refer <http://www.un.org/reform/report.html> (April 9, 2006).