

Money Matters: How do we (try to) guard our Independence?

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UvP

IMPARTIALITY

NEEDS

(FINANCIAL)

INDEPENDENCE

MSF: Financial Independence

- 10% Institutional funds**
- 90% Private funds**

- Why and how did we get there?**

Institutional Funds

- ❑ **Restricted** (ex.:no training), often driven by **political interest** – bureaucracy?
- ❑ Increasing links between aid budgets and national **security agenda** - impact on our security
- ❑ In some countries undermine the **perception by locals of our neutrality** and independence in the field (Afghanistan, Pakistan, Iraq, Somalia...)
- ❑ No US funding, **no belligerents** – DFID funding is under discussion
- ❑ But: want to engage with inst donors for advocacy – therefore: **Diversification!** (ECHO, Norwegian/Dutch/Belgian govt....)

Private funds

- ❑ **Needs driven – ex.Tsunami** (we stopped accepting ear-marked money), **Haiti**
- ❑ **Humanitarian organisations need to have a free reserve to be reactive**
- ❑ **Preference for un-earmarked funds**
- ❑ **Almost no participation in collective emergency appeals (type „Deutschland Hilft“)**
- ❑ **4 million individual donors globally - growing**

Restrictive policy on Corporate FR and Foundations

- ❑ **No arms, pharma, tobacco...**
- ❑ **Pragmatic approach to Corporate FR**, it is not our role to promote Corporate Social Responsibility
- ❑ **Restrictive policy with Global Health Actors** (Gates, Global Fund...) to preserve independence

International figures from 2005 to 2009

Movement with satellites in €m	2005	2006	2007	2008	2009
Private Income	543,0	488,4	518,7	587,4	572,4
Public institutional income	90,3	61,8	54,2	67,7	77,9
Other income	15,7	18,5	19,8	20,3	15,1
Total Income	649,0	568,7	592,7	675,5	665,4
Programs	347,9	375,4	375,4	429,2	393,4
Headquarters program support	49,5	55,8	63,6	65,6	69,0
Total Operations	397,4	431,2	439,1	494,9	462,4
Témoignage / Awareness raising	16,0	18,0	19,4	24,7	21,7
Other humanitarian activities	8,0	7,9	9,1	7,2	6,4
Total Social mission	421,3	457,1	467,6	526,8	490,6
Fundraising	59,8	71,8	76,9	81,2	87,3
Management & administration	28,2	30,9	32,9	40,2	38,9
Other expenses	88,0	102,8	109,8	121,5	126,3
Total Expenditure	509,3	559,9	577,4	648,2	616,8
Net exchange gains/losses	4,1	-4,5	-3,2	-4,7	2,9
Surplus/(deficit) after exchange	143,8	4,3	12,1	22,5	51,5

Indicators – Social Mission

Movement with satellites	2005	2006	2007	2008	2009
Programs	68%	67%	65%	66%	64%
HQ program support	10%	10%	11%	10%	11%
Témoignage / Awareness raising	3%	3%	3%	4%	4%
Other humanitarian activities	2%	2%	2%	1%	1%
Total Social Mission	83%	82%	81%	81%	80%
Fundraising	12%	13%	13%	13%	14%
Management & general administratic	6%	5%	6%	6%	6%
Total other expenses	17%	18%	19%	19%	20%
<i>Total Expenditure</i>	100%	100%	100%	100%	100%

Indicators - Income

Movement with satellites	2005	2006	2007	2008	2009
Private Income	84%	86%	88%	87%	86%
Public Institutional Income	14%	11%	9%	10%	12%
Other Income	2%	3%	3%	3%	2%
Total Income	100%	100%	100%	100%	100%

Challenges and Concerns

- ❑ Further **diversification** of income – debate: stop institutional FR? But: advocacy – agenda setting
- ❑ Develop clear policies on corporates and foundations
- ❑ **Accountability** – many steps taken, still work to do – controlling of field missions often difficult
- ❑ What is **cost-effectiveness** - what is **quality**?
(medical-humanitarian)
- ❑ **Needs driven FR**: need to increase our capacity to forecast operational expenditure







Images from Rwanda/Zaire 1994

- ❑ Exodus after the genocide
- ❑ Led to systematic and widespread **abuse of humanitarian aid** in the refugee camps – aid used to buy arms to complete genocide
- ❑ Donor governments did not move, incl Germany
- ❑ They have a responsibility too!
- ❑ But all too often hum aid is used for political purposes – therefore be careful with govt money!