



I N P R A C T I C E

Philanthropic Grantmaking for Disasters

*Lessons learned at the
Conrad N. Hilton Foundation*

Dr. William M. Paton

March 2012

Foreword

With a mandate from our founder to relieve the suffering of distressed and destitute people, the Conrad N. Hilton Foundation has placed a priority on responding to disasters.

Between 1989 and 2011, the Foundation awarded \$21.6 million to support relief and recovery programs across the United States and around the world. This includes responding to natural disasters (cyclones, earthquakes, fires, floods, hurricanes, tornadoes, and tsunamis) and other tragedies (the Oklahoma City bombing and the terrorist attacks of September 11, 2001).

Our approaches evolved during this period. While we have consistently favored grantmaking as a primary means of impact, the Foundation has explored the benefits of other means for helping people and communities in crisis—including making loans for disaster assistance and for micro-enterprise development following disaster. Our response to Hurricane Katrina in 2005 added to our experience, as we engaged on-the-ground consultants more extensively than ever to inform our grantmaking, and as we pursued new levels of partnership with other funders and agencies to promote community revitalization. In recent years, our board has approved policies that allow more timely authorization of disaster relief funds. At the same time, the Foundation is moving to deepen our work in disaster risk reduction as well as recovery efforts that extend beyond immediate relief.

We engaged Dr. William M. Paton, a respected leader in the humanitarian response arena, to apply an independent lens and help us study our work in the context of the international field of disaster response. We are sharing the results of his documentation and analysis of Hilton Foundation work and policies, as well as his recommendations for future practice, in hopes of contributing relevant knowledge that can benefit this field.

We thank Dr. Paton for this report, and we salute the NGOs, government agencies, donors, and others who make it their mission to relieve the suffering of those harmed through disaster.



Steven M. Hilton
President and CEO, The Conrad N. Hilton Foundation
March 2012

Between 1989 and 2011, the Foundation awarded more than \$21 million to support relief and recovery programs across the United States and around the world. Our approaches evolved during this period.

Contents

Executive Summary	3
Humanitarian Assistance and Disaster Aid	6
Principles, Best Practices and Codes of Conduct.....	10
The History and Current Practice of Grantmaking for Disasters at the Foundation.....	15
Lessons and Suggestions.....	25
ANNEX: Best Practice Checklist.....	28
ANNEX: Persons Interviewed	30

About the Author

William Paton Ph.D. is currently a consultant, and has served as Director of Country Programs at the Global Fund to Fight AIDS, TB and Malaria. Much of his career was spent as a leader and diplomat in numerous developing countries, including serving three times as United Nations Resident and Humanitarian Coordinator in the Republic of Congo, Tajikistan and Somalia. He is the author of a book entitled Labour Export Policy in the Development of Southern Africa, MacMillan UK, as well as articles on development and humanitarian assistance. Paton received his doctorate in Development Studies from the Institute of Social Studies in The Hague.

About the Conrad N. Hilton Foundation

The **Conrad N. Hilton Foundation** was created in 1944 by international business pioneer Conrad N. Hilton, who founded Hilton Hotels and left his fortune to help the world's disadvantaged and vulnerable people. The Foundation currently conducts strategic initiatives in five priority areas: providing safe water, ending chronic homelessness, preventing substance abuse, caring for vulnerable children, and extending Conrad Hilton's support for the work of Catholic Sisters. Following selection by an independent international jury, the Foundation annually awards the \$1.5 million Conrad N. Hilton Humanitarian Prize to a nonprofit organization doing extraordinary work to reduce human suffering. From its inception, the Foundation has awarded more than \$1 billion in grants, distributing more than \$100 million in 2010. The Foundation's current assets are approximately \$2 billion. For more information, please visit www.hiltonfoundation.org.

About In Practice

In Practice is a series of knowledge papers published by the Conrad N. Hilton Foundation. It reports on Foundation program strategies and partnerships, and seeks to help inform the practice of other funders and policymakers working in areas of great human need.

Executive Summary

The paper's first section situates today's giving for disasters by private foundations, such as the Conrad N. Hilton Foundation, in the larger context of humanitarian assistance worldwide, including its continuing evolution and challenges.

A description is given of the main actors in disaster aid and how they work together. There is much evolution in humanitarian assistance today, with many new, non-Western donors and southern non-governmental organizations (NGOs) based in developing countries. Private giving, such as by private foundations, is increasing and is an especially important share of financing for relief in sudden disasters. International responses can still be chaotic, despite improvements in humanitarian assistance coordination overall, and more needs to be done to improve coordination further. It is emphasized that disasters are often not at all natural, but rather result from vulnerabilities, largely in developing countries. More investment needs to be made in disaster risk reduction, in order to mitigate those vulnerabilities.

The next section reviews principles, best practices and codes of conduct for humanitarian assistance, including disasters. Private foundations, like other organizations involved in international disaster assistance, have lists of common principles and best practices, but they are less detailed than those of other types of actors. The section therefore scans the full spectrum of principles for humanitarian assistance, including for disasters, which are applied by the different types of organizations involved, including government donors, NGOs, the International Red Cross/Red Crescent Movement, and the UN and other international organizations. The conclusion of the section includes a call for further convergence on common principles.

The next section looks at the Conrad N. Hilton Foundation and its grantmaking for disasters. Following a brief description of its history and background, the work of the Foundation on disasters is described. From 1989 to 2011, the Hilton Foundation awarded grants worth \$21.6 million for relief and recovery following disasters, both in the United States and around the world. From the 1980s until Hurricane Katrina in 2005, the Foundation evolved policies over several iterations. Decisions of the Board to fund recovery as well as relief were not always easy to implement, nor were policies that favored loans for international disaster assistance, or which focused on micro-enterprise development. The policy continued to evolve in favor of grants, and with greater flexibility for the choice of sector.

Decisions of the Board to fund recovery as well as relief were not always easy to implement, nor were policies that favored loans for international disaster assistance, or which focused on micro-enterprise development.

Having a coherent strategy for its disaster grant giving—funding recovery consistently after relief—is one of the areas where the Foundation is a leader.

The biggest year for disaster assistance grants in the history of the Hilton Foundation occurred in 2005 when Hurricane Katrina struck New Orleans. For Katrina, the Foundation used consultants on the ground more extensively than ever before, to guide the Foundation's aid. Staff members were empowered to foster development of good program proposals, especially for the recovery stage, and investments were made in program development work, including small grants. This stimulated good practices such as participating in a joint effort with other foundations. It was also the first time the Foundation covered the spectrum of relief and recovery so systematically, in two clear stages.

The Board of Directors continued to improve the Foundation's policy in 2006, and in 2007 reached a major turning point, when it delegated authority to the Chairman and President to co-authorize grants totaling up to \$500,000 per disaster. From that point onward, the number of the Foundation's disaster grants increased, as did the share of international support. The Foundation's staff also grew, giving it the time and expertise to concentrate on each new disaster during the first weeks. The quality of grant selection improved, and the number of grants continued to grow in what was a period of overall professionalization.

Altogether, half of the value of domestic grants has been for relief, 44% for recovery and 6% for risk reduction. Internationally, 62% has been for relief and 38% for recovery. This paper calls for an even greater emphasis on recovery, compared to relief, and for investment in disaster risk reduction.

The Foundation's processes are briefly reviewed, for applications, approvals, monitoring, reporting, and evaluation, especially as they have been undergoing rapid change in recent years. The paper makes a number of suggestions, including systematic appending of 1-page tables of objectives, outcomes and outputs to grant agreements, with reporting based on the table. Regarding the timing of the Foundation's grantmaking in the early stages of a sudden disaster, the paper finds that the Foundation has it about right, especially the strategy of making initial relief grants within a week or two and then more patiently researching the funding of a second round for recovery. The paper concludes with lists of the lessons that the Hilton Foundation has learned from experience, and offers suggestions for improvement.

Lessons include how grantmaking for disasters took off in 2005 and how the Foundation strengthened international disaster grantmaking from 2007. Having a coherent strategy for its disaster grant giving—funding recovery consistently after relief—is one of the areas where the Foundation is a leader.

The Foundation's partners appreciate its flexibility, speedy decisions, simplicity, collaboration in preparing proposals, and quick disbursement.

Hurricane Katrina was an example of the benefits of small investments in program development and underlined the usefulness of working in concert with a group of like-minded private foundations.

Accountability has improved in recent years, especially regarding application of Board policy and choice of grantees and their activities. Investing in staff has paid off, building a Foundation that is able to conduct in-depth research and liaison.

Hurricane Katrina was an example of the benefits of small investments in program development and underlined the usefulness of working in concert with a group of like-minded private foundations. Katrina also demonstrated that the Foundation can choose to be influential, affecting public policy and thus catalytic.

Suggestions made include making 'improving the quality of disaster grantmaking' the primary objective of the Foundation's disaster grants; giving no more than a third of support to each disaster for relief, at least a third for recovery, and then also funding disaster risk reduction each time; making small investments in program development and funding on-site coordination efforts; supporting unified planning; funding whatever sector is underfunded; and avoiding the supporting of donations of relief goods.

The Foundation might also invest more in building capacity of local organizations internationally, including 'determining equivalency to US charities' so as to fund them directly. Staff should continue their thorough research of possible grants and support the Board to focus on governance. One-page tables of objectives, outputs and outcomes should be annexed to every agreement, with reporting on this basis.

The New Orleans experience in hiring local consultants for major disasters could be replicated. The Foundation might also do a study of the need for long-range air freight of relief supplies. The last suggestion is to introduce an annual 'forgotten emergency' grant or grants and then hold a press conference to try and help the emergency be less forgotten.

A suggested 'Best Practice Checklist' for private foundations and disasters is then provided in an annex.

Humanitarian Assistance and Disaster Aid

This first section situates today's giving for disasters by private foundations, such as the Conrad N. Hilton Foundation, in the larger context of humanitarian assistance worldwide, including its continuing evolution and challenges.

Main actors in humanitarian assistance

When disasters strike, the government of the country—whose responsibility it is to take care of its citizens—sometimes lacks the necessary resources and capacity. In such cases, there is a complex system for the delivery of international assistance.

With so many organizations involved, governments long ago asked the UN to provide more coordination services.

Funding for international disaster response, recovery, and disaster risk reduction comes mostly from governments of developed Western countries including Japan; they are the members of the Organization for Economic Cooperation and Development (OECD). Most such aid is given through NGOs, multilateral (inter-governmental) organizations such as the United Nations, or through the International Red Cross/Red Crescent Movement.

OECD aid is often delivered through a country's own aid agency on the ground, such as the European Commission's 'ECHO' (their department for humanitarian aid and civil protection), or the USA's 'USAID'. Such donor agencies on the ground have the capacity to contract implementing agencies in more detail and include more local NGOs. Non-Western government donors usually channel most of their aid through the host country's government. However, this is changing; China recently gave \$17 million to the World Food Program (WFP) for the Horn of Africa.

Part of the work of any large delivering agency—whether UN or international NGO—is done by contracting smaller partners. For instance, half of aid in an emergency can be food, mostly brought in by WFP. They operate a global logistical system, with boats, port facilities, rail and truck transport, to bring food to a network of local warehouses inside each country. WFP then often relies on smaller partners to come to the local warehouse, pick up the food and deliver it to beneficiaries in communities or camps (with a WFP staff member on site to monitor distribution.)

With so many organizations involved, governments long ago asked the UN to provide more coordination services such as convening, information systems and joint planning/appealing mechanisms, to help not just UN agencies but many other organizations to all work together. Over two decades, a better and better system has evolved for the coordination of this aid delivery by so many actors, however coordination can still sometimes be poor.

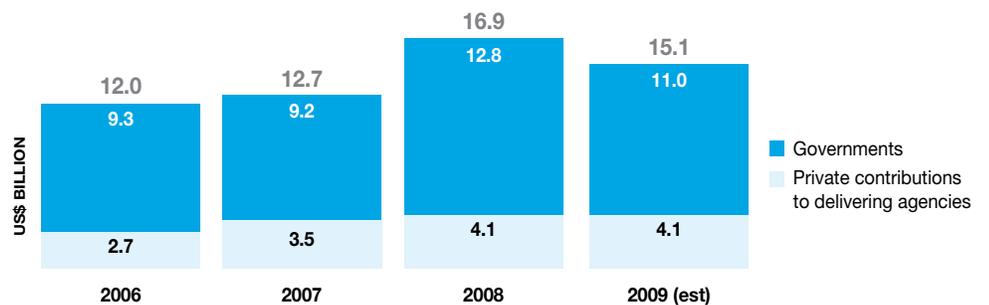
Aid donors and implementers are hard pressed to keep up with the pace of change.

Evolution in humanitarian assistance

In today's fast-globalizing world, aid donors and implementers—like most organizations—are hard pressed to keep up with the pace of change. Many are realizing there is an urgent need to address the evolving aid environment. For instance, non-OECD members such as China, Brazil, Russia—and soon India—have larger aid budgets than before.¹ There are many new NGOs from developing countries, more and more small expert NGOs, and more and more community groups.² Faith-based organizations are also growing, and have continued to improve their aid delivery, building stronger firewalls to separate their aid work from religious activities.

Private giving by individuals, private foundations and corporations is also growing, up by over 50% from \$2.7 billion in 2006 to \$4.1 billion in 2008 and 2009 (see Graph 1). While individual donations are the biggest share, private foundations are the second largest source of private giving.

Graph 1: Global Humanitarian Assistance 2006-2009 (\$ billions)



Reproduced from: *Global Humanitarian Assistance (2011)*,

<http://www.globalhumanitarianassistance.org/data-guides/graphs-charts?chartno=5>

These changes challenge aid coordination mechanisms, particularly as many of the new and non-Western organizations operate outside coordination systems.

Private foundations making grants in disasters

Private foundations like the Conrad N. Hilton Foundation are set up to channel private wealth to worthwhile causes. The largest 30 such private foundations, worldwide, had estimated assets of well over \$220 billion in 2007.³

In the United States 75,000 grantmaking foundations gave \$6.7 billion in 2009 for international work, and over \$20 billion more for domestic causes. Of international giving, 92% was from private foundations and 5% from corporations,⁴ especially for development, health and the environment, either globally or in Africa or Asia. Giving for disaster relief and recovery came from 408 foundations who granted a total of \$175 million.⁵

Large international disasters attract spikes in donations, including larger than usual contributions from private foundations and individuals. This private giving is a larger share

Private donations are concentrated on high profile disasters; aid per Tsunami victim was the highest at over \$3,000—compared to as little as \$120 for emergencies such as floods in Mozambique.

of total aid in such highly ‘mediatized’ disasters than it is for development assistance or humanitarian assistance in conflicts. For instance, over \$1.5 billion was given by individuals, private foundations and corporations in the USA to the Indian Ocean Tsunami.⁶ Private donations are concentrated on high profile disasters; aid per Tsunami victim was the highest at over \$3,000—compared to as little as \$120 for emergencies such as floods in Mozambique.⁷

Donations by private foundations and charitable donations in times of disaster are also remarkably quick. Over a third of private giving is done in less than the first four weeks of a sudden disaster—such as Haiti’s 2010 earthquake or the USA’s Hurricane Katrina in 2005—and two thirds within two months. However, this giving stops almost completely after five or six months.⁸

Quick disaster giving by private foundations often helps to jump start activities ahead of larger funding that comes later. However, there is such a thing as too quick. It takes a little time to be sure of the right avenue to assist. Additionally, most disasters are underfunded in the longer term, with larger amounts spent on immediate relief and less on rehabilitation and recovery. Many smaller, ‘slow onset disasters’ are not funded quickly, nor nearly enough, while ‘forgotten’ disasters can sometimes be barely funded at all.

Chaos in international disaster response

Many practitioners—including from private foundation backgrounds—feel more needs to be done to ensure better coordination in disaster response. In very large disasters, with a very significant international response, the aid that arrives can be enormously complex and difficult to use effectively.

In Haiti, the publicity, need and money that followed the 2010 earthquake is estimated to have created 5,000 new NGOs.⁹ Far too many new organizations arrived, overwhelming the badly hit leadership and coordination mechanisms. Not enough funding went to those organizations already in place, and the efforts made to coordinate such a huge effort were insufficient.

Paul Farmer, serving as UN Deputy Special Envoy to Haiti (Deputy to former President Bill Clinton), has written a book which describes in painful detail the kind of ineffectiveness that a ‘tsunami’ of billions of dollars in aid can result in if it is poorly coordinated and does not use existing capacity wherever possible. The book describes how little assistance was reaching people even one month after the earthquake and a situation of widespread confusion.¹⁰

Private giving can contribute to these problems, particularly as it is more likely to go to smaller organizations who do not have a presence or experience in that location. Every donor, of every kind, has a duty to ensure they avoid exacerbating difficult conditions, by strongly supporting coordination and by supporting experienced organizations which already have a capacity in a given place.

Unnatural disasters

Disasters are far less ‘natural’ than many think. Most deaths in disasters occur in the developing world (see table below), mainly because their populations are more vulnerable. Over 85% of those exposed to risks from earthquakes, cyclones, floods and droughts live in developing countries.¹¹

“If a cyclone of the same magnitude were to strike both Japan and the Philippines, mortality in the Philippines would be 17 times higher. Yet Japan has 1.4 times more people exposed to tropical cyclones than the Philippines. Indeed, the mortality risk for equal numbers of people exposed in low-income countries is nearly 200 times higher than in OECD countries.”—United Nations¹²

Investments in disaster risk reduction, preparedness and planning are among the most cost-effective investments in saving lives and infrastructure.

YEAR	CAUSE OF DISASTER	PLACE	NO. KILLED
2004	Tsunami	Aceh, Indonesia	230,000
2005	Earthquake	Pakistan	80,000
2008	Cyclone	Myanmar/ Burma	100,000
2008	Earthquake	Sichuan, China	70,000
2010	Earthquake	Haiti	316,000
2011	Earthquake & Tsunami	Japan	21,000

Main Source: Mead Over (2011), Centre for Global Development, <http://www.cgdev.org>.

Disasters are ‘unnatural’ due to omissions. For example, schools are built in earthquake zones with slab-like layers of concrete floors and ceilings poised on top of walls—that can easily slip off and fall when shaken.¹³

Investments in disaster risk reduction, preparedness and planning are among the most cost-effective investments in saving lives and infrastructure. The World Bank estimates that two thirds of its annual \$6 billion school construction funding “is to replace classrooms that are literally falling down” due to poor construction and maintenance.¹⁴ Yet the cost of building disaster resistant infrastructure averages only three percent ‘extra’. It is, after all, not so difficult to attach those slab ceilings firmly to the wall.

The tragedy is that most donors are unwilling to invest in disaster risk reduction abroad, even if they do so at home. Governments in poorer countries face so many demands they feel they cannot afford to invest themselves in this additional area. Because international donors are guided by attention paid to disasters in the media, the quiet, unsung work of preventing the deaths and damage disasters cause continues to attract relatively paltry resources. As a result preventable disasters reoccur while disasters that could be smaller remain unmitigated.

Principles, Best Practices and Codes of Conduct

Private foundations—like other types of organizations involved in international disaster assistance—have lists of common principles and best practices, but they are less detailed than those of other types of actors. This section therefore scans the full spectrum of disaster principles applied by the different types of organizations involved, including government donors, non-governmental organizations, the International Red Cross/Red Crescent Movement, and the UN and other international organizations. Based on this review, a draft ‘Best Practice Checklist’ is suggested for use by private foundations to review their practices (see annex).

Private foundations—like other types of organizations involved in international disaster assistance—have lists of common principles and best practices, but they are less detailed than those of other types of actors.

General principles for private foundations

Each type of organization in disaster assistance has developed its own guidance. Private foundations have worked on their own principles and best practices through working groups of membership organizations. These principles provide general standards, especially Principles of Accountability for International Philanthropy¹⁵ developed jointly by the Council on Foundations and the European Foundation Centre which can be paraphrased as:

- Being truthful to your mission, values and competencies, and honest and transparent.
- Taking the time to research and understand the context, including existing expertise.
- Respecting diversity, local knowledge and accomplishments, and being modest.
- Listening carefully to your partners to respond to their needs.
- Being reasonable and flexible in what you require from your grantees.
- Recognizing that international work requires collaboration among funders and others.
- Assessing impact together with peers, grantees, and partners, planning for sustainability and committing to stay long enough to be effective.¹⁶

There are other such lists for foundations.¹⁷ There is also work by the Asia Pacific Philanthropy Consortium and the Mexican Centre for Philanthropy. A new China Center for Foundations has recently been set up while WINGS in Brazil has created a worldwide platform of support to philanthropy.¹⁸

Disasters are different in nature from most of the areas private foundations work in, and thus require specific principles and guidance.

Disasters are different in nature from most of the areas private foundations work in, and thus require specific principles and guidance. To address this, the European Foundation Centre and Council on Foundations produced a publication in 2001 to guide private foundations and corporations making grants for disasters.¹⁹ Updated in 2007, it gives eight principles:

1. Do no harm.
2. Stop, look and listen before taking action.
3. Don't act in isolation.
4. Think beyond the immediate crisis to the long term.
5. Bear in mind the expertise of local organizations.
6. Find out how prospective grantees operate.
7. Be accountable to those you are trying to help.
8. Communicate your work widely and use it as an educational tool.

“Good humanitarian donorship” principles

Although principles for disaster assistance are different from those for development assistance, the Paris Declaration of the Development Co-operation Directorate (DCD-DAC) of the OECD is essential background, as it guides the majority of aid worldwide.²⁰ The Declaration, along with the subsequent Accra Agenda for Action, is founded on five core principles with broad support: national ownership and leadership of the development strategy, donor alignment with it, donor in-country harmonization, results monitoring, and mutual accountability.

For practice in both disasters and conflicts, there is the Good Humanitarian Donorship (GHD) initiative—subscribed to strongly by the largest donors and organizations in 2003. OECD governments’ conduct peer reviews of each other’s work against these principles and practices. GHD thus guides the majority of international humanitarian assistance financing worldwide, including the following main points:

- Maintaining neutrality.
- Respecting international humanitarian law, refugee law and human rights.
- Respecting the primary responsibility of states for victims within their borders.
- Ensuring funding is in proportion to needs and based on assessments.
- Ensuring involvement of beneficiaries.
- Strengthening capacity of affected countries and communities.

In 1991, the UN General Assembly passed a landmark resolution, recognizing that UN agencies act in concert with many other humanitarian actors.

- Supporting transitions from relief to recovery.
- Supporting the role of the UN Secretariat in providing leadership and coordination.
- Supporting the specific roles of the International Committee of the Red Cross/Red Crescent, UN agencies and NGOs.
- Not forgetting ongoing emergencies when there are new ones.
- Sharing the burden of financing different appeals.
- Supporting single, common humanitarian action plans in each country.
- Supporting mechanisms for coordination, contingency planning, learning and accountability.²¹

United Nations Inter-Agency Standing Committee

In 1991, the UN General Assembly passed a landmark resolution on Strengthening of the Coordination of Humanitarian Emergency Assistance of the United Nations, recognizing that UN agencies act in concert with many other humanitarian actors. To enhance aid coordination, the UN decided to include observers from the Red Cross/Red Crescent Movement, other international organizations, and non-governmental organizations in a new Inter-Agency Standing Committee (IASC). Two decades of effort later, the IASC is the preeminent international coordinating body for humanitarian assistance, covering the majority of such aid.

An external review of the IASC in 2005 took up the question of including other additional observers (including possibly from private foundations) but decided to avoid the risk of opening a Pandora's Box of additional participants that might make the Committee unwieldy.²²

The IASC has provided a number of important standards in international guidelines, such as on internally displaced persons and on gender and violence.²³

The Hilton Foundation requires since 2009 that grantees demonstrate their ability to apply the Sphere Project's 'Humanitarian Charter and Minimum Standards in Disaster Response.'

Code of Conduct for International Red Cross/Red Crescent and NGOs in Disaster Relief

Another unavoidable reference for disaster practice is the Code of Conduct for International Red Cross and Red Crescent Movement and NGOs in Disaster Relief.²⁴ Signing became a requirement for membership in that key alliance in 1994 and today there are 492 members.²⁵ The 10 principle commitments reflect the priorities of those who deliver relief. To paraphrase the 10 points briefly:

- Put the humanitarian imperative first
- Give aid regardless of race, creed, nationality or any other factor other than need
- Do not use aid to further a particular political or religious standpoint
- Endeavor not to be used as an instrument of government foreign policy
- Respect culture and custom
- Attempt to build disaster response on local capacities
- Involve program beneficiaries in the management of relief aid
- Strive to reduce vulnerabilities to future disasters
- Be accountable to both those we assist and those who give us resources
- Recognize disaster victims as dignified human beings.

The Hilton Foundation requires since 2009 that grant recipients be a signatory to the Code.²⁶

Other NGO principles

There are too many other initiatives to mention them all. Perhaps the best known is the Sphere Project, but there is also the Humanitarian Accountability Partnership (HAP International), People In Aid, and the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP). Each has their strengths. Sphere, for example, is the most widespread²⁷ and produces a handbook in 20 languages of great interest to experts. The Hilton Foundation requires since 2009 that grantees demonstrate their ability to apply the Sphere Project's 'Humanitarian Charter and Minimum Standards in Disaster Response.'

The numbers of such initiatives risks being counter productive, while as noted above, many new organizations today are not subscribers to any of these standards. In mid-2011, a meeting hosted by the Steering Committee for Humanitarian Response (SCHR)—who wrote the Code of Conduct discussed earlier—brought together Sphere, HAP, and People in Aid—supported by ALNAP—to work on a more common vision adapted to today’s changing environment, and with more objective verification of adherence to principles and standards.²⁸ It is difficult, however, to represent the whole NGO community.

There are a good number of similarities among the different lists of best practices. Nonetheless, further convergence is needed.

Conclusions regarding principles and best practices

There has been a great deal of work in the last two decades on principles for disaster assistance. In some sectors, such as the OECD donors, there is strong adherence to a single set of common principles and an established system of peer review. Among NGOs, there are several good sets of such principles or codes, with efforts being made to converge and establish transparent review. Among private foundations, work on guiding principles in disasters also dates back a decade but is simpler, less aligned with other aid communities’ work, and lacks any established traditions for review.

There are a good number of similarities among the different lists. For example, each emphasizes the importance of knowing what others are doing and coordination. Nonetheless, further convergence is needed. This paper has drafted a suggested ‘Best Practice Checklist’ for private foundations and disasters, drawing considerably on the preceding review (see annex on page 22).

The History and Current Practice of Grantmaking for Disasters at the Foundation

The Conrad N. Hilton Foundation

Conrad Hilton established the Conrad N. Hilton Foundation in 1944. When he died in 1979, he left nearly his entire estate to the Foundation “with a mandate to relieve the suffering of the distressed and the destitute without regard to race, religion, or country”.²⁹ By the end of 2009, the Foundation’s assets totaled approximately \$2 billion. Over \$1 billion has been given in grants, including over \$100 million in 2010. Barron Hilton, Conrad N. Hilton’s son, recently pledged 97% of his own fortune to the Foundation. Building on his father’s legacy, he will more than double the Foundation’s future size.

In the event of a natural disaster, the Foundation supports both immediate emergency relief efforts and medium- and long-term recovery.

The Foundation has 10 priority areas including five strategic initiatives: safe water, ending chronic homelessness, preventing substance abuse, caring for vulnerable children and supporting catholic sisters, plus five major programs: disaster relief and recovery, overcoming sight loss, preventing multiple sclerosis, nurturing catholic schools and educating students for the hospitality industry.

The Foundation usually initiates major projects with select partner organizations and then commits to a strategy of long-term support, welcoming involvement of additional funders.

In the event of a natural disaster, the Foundation supports both immediate emergency relief efforts and medium- and long-term recovery. In all of its disaster response work, the Foundation emphasizes the importance of following internationally accepted standards and best practices and strives to continuously improve its practices. The Foundation considers the following criteria when deciding whether to respond to a particular disaster:

- Number of deaths and injuries;
- Number of homes, offices, health facilities, and schools damaged;
- Amount of damage to infrastructure such as roads, airports, water systems and electricity;
- The capacity of the local government to provide immediate and longer-term assistance;
- The Foundation’s prioritization of helping populations with the greatest need, especially those in developing countries;
- Family and/or Board member interest.

In 1993, the Foundation wrote a new strategy that called for the Foundation to consider a broader approach to disasters, including not just relief but also prevention, mitigation, preparedness and recovery.

Disaster grantmaking before Katrina - 1982 to 2004

From 1989 to 2011, the Hilton Foundation awarded 97 grants³⁰ worth a total of \$21.6 million following disasters such as the earthquakes in Pakistan, 2005 and in Haiti, 2010, and the floods in New Orleans in 2005, supporting both relief and recovery. In special cases assistance is also given after tragedies such as the terrorist attacks in the USA of September 11, 2001. There are no geographical limitations on the Foundation's assistance.

The Foundation's 1982 'Statement of Purpose' indicates that "emphasis should be placed on the alleviation of suffering, the distressed, the destitute, and the protection of little children." No area addresses these better than disaster assistance.

The Mexico City earthquake in 1985—and the 1984/85 famine in Ethiopia—spurred the Foundation Board's interest in disasters. Steven M. Hilton (current Foundation President), wrote a paper the following year to help the Board define its disaster recovery program.³¹ The paper recommended that 'rather than [provide relief] ... we focus on ... longer-term development projects that address root causes', as well as pre-disaster planning. This was forward thinking at the time. The paper pointed to the greater suffering in international disasters, and recommended economic initiatives, the use of US headquartered grantees for international assistance, and loans instead of grants.

The support that followed, however, was mostly grants for relief such as \$250,000 for World Vision's response to the Bangladesh cyclone in 1991, or \$200,000 to the Turkish Red Crescent Society after Turkey's 1992 earthquake. There was also one good example of a recovery grant—for \$250,000—which was given in 1992 in the aftermath of a California firestorm.

In 1993, the Foundation wrote a new strategy that called for the Foundation to consider a broader approach to disasters, including not just relief but also prevention, mitigation, preparedness and recovery.³² The thinking of the day was reflected in Fred Cuny's work on linkages between disasters and development.³³ In 1994, the Board was presented with a paper on economic intervention in the aftermath of relief, which advocated stopping free relief distributions quickly and switching to economic development.³⁴

By 1995, the Board had endorsed a new disaster relief policy paper and a resolution regarding disaster relief funding that intended the creation of a \$1 million impress fund for 'natural disaster relief' which the President had the authority to disburse as needed.³⁵ An impress fund is of course money made available in advance but then replenished with repayments, thus mainly loans were foreseen for international assistance and also sometimes for domestic assistance. The Board was warned once again of the 'dangers of high profile relief' aid which addresses 'the symptoms rather than the causes', and of the need for more integrated programs. However, assistance for disasters was generally small for the rest of the 20th century³⁶ and continued the trend of funding mostly relief grants—for flooding in California, for the 1998 Papua New Guinea Tsunami or for Hurricane Mitch in Central America that same year.

The biggest year for disaster assistance grants in the history of the Hilton Foundation occurred in 2005, and marked a new beginning for the Foundation's disaster grantmaking.

In 2001, a memorandum from Steven Hilton—by this time President of the Foundation—pushed for clarity. The memo outlined how the impress account had never been needed, as there was limited use for loans, and asked the Board to rescind it. Secondly, post-disaster micro-enterprise development had also come into question and the Board was asked for more flexibility. Finally the Board was asked to permit more assistance to be given for international disasters. Maximum assistance remained \$250,000 per grantee.³⁷

That same year, the Foundation funded a response to 9/11, approving several grants and one loan to Helen Keller Worldwide (promptly repaid) to rebuild their offices which had been destroyed in the attack on the World Trade Center in New York. A grant of \$200,000 was also given to CARE in 2001 to establish an innovative business resource center in India as long-term recovery after the earthquake in Gujarat. This was clearly in keeping with the Foundation policy. Smaller grants were also made for international relief that year, such as for Afghan refugees.

An unexplained slump then followed. Only one small grant was given in 2002, and a non-earmarked contribution was made to the Los Angeles Red Cross in 2003. In 2004, there was again an upswing, though still mainly aimed at relief activities. For instance, \$185,000 went to CARE for emergency nutritional therapy in South Darfur and four more grants were given for relief work after Hurricane Charley.

A pattern emerges at this time of funding Luftfahrt ohne Grenzen (L.O.G) to fly in medical or nutritional relief supplies at the beginning of major emergencies such as in Bangladesh, Pakistan, Peru or the Indian Ocean Tsunami. Additionally, almost \$1 million was given to L.O.G to more effectively manage their operations. The Foundation was instrumental in encouraging L.O.G. to improve its practices, and avoid some of the most common pitfalls of sending international relief goods—such as ensuring that the goods are needed (not supply driven³⁸), and successfully delivered to the intended beneficiaries. Most practitioners today agree that flying in relief supplies on intercontinental flights is not generally cost effective, and is only rarely needed—such as during the first weeks of exceptionally severe, sudden disasters.

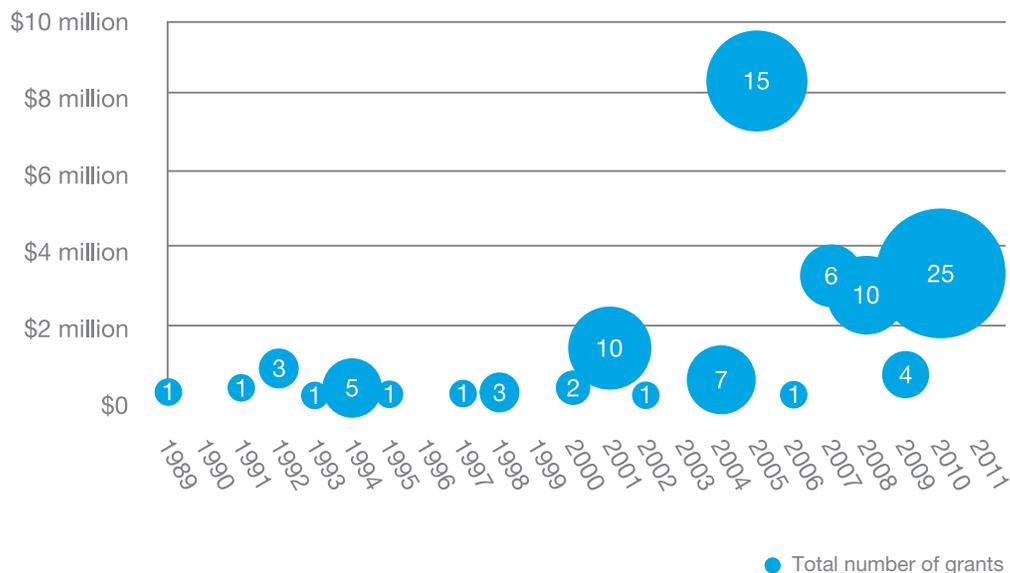
Disaster grantmaking really takes off

The biggest year for disaster assistance grants in the history of the Hilton Foundation then occurred in 2005, when Hurricane Katrina struck New Orleans, causing massive flooding with national political consequences. That year, 2005 marked a new beginning for the Foundation's grantmaking for disasters, but not only because of Katrina; it was also the year of a hugely destructive earthquake in Pakistan, and a record year for disasters worldwide—which absorbed much more than their usual share of humanitarian assistance.

Until this time the Hilton Foundation’s historical emphasis was on domestic grants and this was reinforced by Katrina. Of the total given by the Foundation for disasters since 1989, nearly 70% was domestic, and only 30% for international needs.³⁹ Of the 10 largest sums given for disasters since 1989—from \$2,500,000 to \$500,000—eight were domestic, of which seven were for Katrina. Another \$1,000,000 went to construction of a new Sri Lankan village for orphans after the Indian Ocean Tsunami, and there was also the \$500,000 loan given to Helen Keller in 2001.

The Foundation provided a \$500,000 grant for the 2005 Pakistan earthquake to the aid organization Islamic Relief. This was an interesting and non-traditional grant for several reasons. Occurring just a few years after the 9/11 terrorist attacks, the earthquake in Pakistan did not attract much U.S. donor funding. As a non-U.S. NGO with which the Hilton Foundation wasn’t previously familiar, it posed due diligence challenges. The Foundation’s staff nevertheless thoroughly verified the quality of the organization, including asking a retired U.S. Ambassador to check it out with the Department of State. The grant even inspired a subsequent surprise visit to the Foundation by the FBI, who reviewed the grant documentation and complimented the Foundation on its very thorough due diligence process.

Graph 2: Annual number and sum value of 97 disaster grants, 1989—2010⁴⁰



Hurricane Katrina and increased domestic grantmaking for disasters

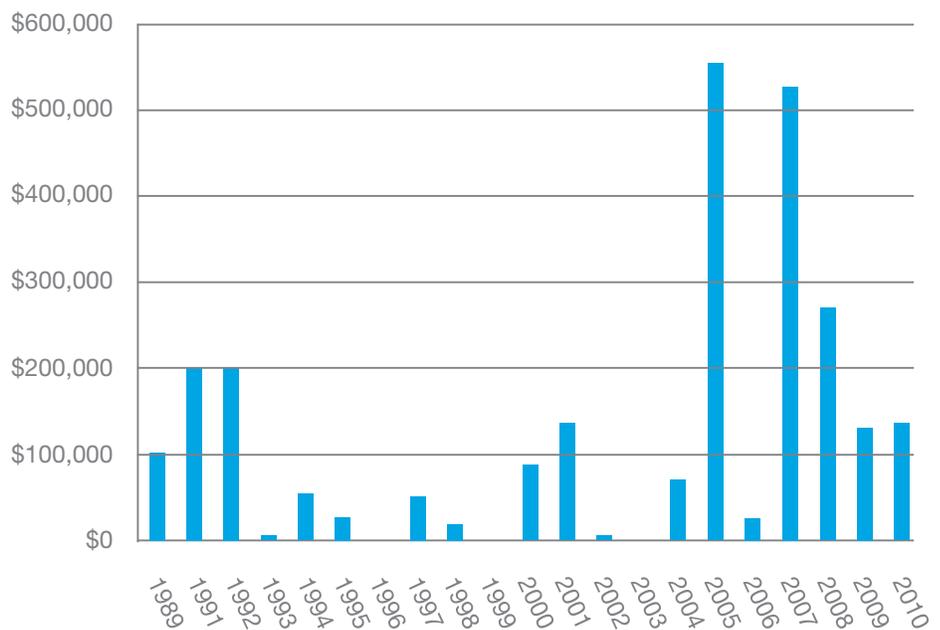
A recent study was made by the Foundation of its grants for Hurricane Katrina.⁴¹ After Katrina struck, the Board almost immediately approved an unprecedented \$6 million for relief and recovery, and went on to give \$5 million more for extended recovery work, sending a signal about funder follow-through.

Katrina used consultants on the ground more extensively than ever before, to guide the Foundation's aid. Staff members were empowered to foster good program proposals, especially for the recovery phase. This stimulated good practices such as participating in a joint effort with other foundations—Gates, Kellogg, Ford, Rockefeller, Kresge and others—to solicit a five-year, \$2.5 million proposal for strengthening community development.

This was also the first time that the Foundation covered the spectrum of relief and recovery so systematically, placing more emphasis on recovery than had been the Foundation's historical trend. The leadership of the President, who had pushed for this for years, was key. The Foundation also contributed to a unified plan for rehabilitating New Orleans, another best practice for work in any country.

There were of course weaknesses. For instance, the Salvation Army and American Red Cross both allocated one-half of their Hilton Foundation grants to regular operations outside of the region—clearly not what the Foundation had in mind. Another weakness was the lack of investment in future risk mitigation.

Graph 3: Average size of the Foundation's disaster grants, per year



Perhaps the most important new practice overall was the substantial staff time and resources invested in program development work, which clearly led to better programs. The resulting grants influenced public policy, on affordable housing for instance, thus ‘catalyzing’ other contributions so that the Foundation ‘punched above its weight’.

Delegation of authority and increased international grantmaking for disasters

Following this bumper crop of disaster grants in 2005 (see Graph 2), new guidance was drafted on Disaster Response.⁴² This was a clearer-than-ever statement of the Foundation’s Disaster Policy, upholding a 2001 recommendation to mainly support long-term recovery, but with some short-term relief. International grants were to focus on water, housing, microenterprises and infrastructure. Domestic grants were to rebuild the non-profit sector. The strategy was thought at that time to be awarding up to \$1 million per disaster, to two to four recipients, for perhaps three disasters per year, based on: 1) significant loss of life or infrastructure; 2) the opportunity to ‘make a difference’; 3) location of emergency ‘(either of strategic interest and/or areas of greatest need)’; and 4) demonstration of Board interest. Although the mention of ‘strategic interest’ referred to protection of the Foundation’s existing grant work in other sectors, such as in Ethiopia, it sounded awkward—as if in conflict with the principle of allocating relief based on need alone—and the term disappeared in the next version.

Box 1: Foundation Grants After Hurricane Katrina

INITIAL FUNDING

\$2.5 million to Salvation Army for short- and long-term relief and recovery
 \$1.0 million to American Red Cross for short-term relief
 \$1.5 million to Baton Rouge Area Foundation to target long-term needs
 \$1.0 million to Foundation for the Mid-South for rebuilding non-profit social service sector (Barron Hilton’s personal gift of \$1 million contributed to this grant)

FURTHER FUNDING

\$2.5 million to Greater New Orleans Foundation for community revitalization
 \$1.3 million to United Way for Greater New Orleans child care rebuilding
 <\$0.1 million for other interested ‘program development grants’ for:

- a. a convening for developing micro-enterprise work
- b. a fund-raising consultant for UNITY
- c. planning for the child care rebuilding work that was funded (above).

TOTAL: \$9.9 MILLION

Staff members today generate proposals that accurately reflect the Board's disaster strategy—a blend of relief and recovery support.

A major turning point was reached in 2007, when the Board delegated authority to the Chairman and President to co-authorize grants totaling up to \$500,000 per disaster.⁴³ The number and sophistication of the Foundation's disaster grants increased from that point onward, as did the share of international support. A total of 45 grants were approved following delegation over 2007-2010, compared to just 52 grants over the previous 18 years, 1989 to 2006 (See Graph 2). International grants also rose to 45% of the total by value—compared to only 20% on average before delegation. Indeed, 70% of the Foundation's total grant giving for international disaster-related work since 1989 was given in those four years and about 45% of the Foundation's historical giving for disasters overall.

A short new Policy Paper followed in late 2008.⁴⁴ Approved by the Board, it suggested that international grants be for water, sanitation and hygiene (WASH)—when appropriate—as well as for disaster risk reduction. Domestic grants were to continue to be for community foundations, preferably, to address long-term recovery by rebuilding non-profit organizations and encouraging broad-based collaboration. Disaster preparedness and local capacity building were emphasized for California. The policy also contained the first description of the grantmaking process, wherein staff members use a range of sources of information to prepare and recommend grants. It was also required, for the first time, that grantees adhere to the Sphere Humanitarian Charter and Minimum Standards in Disaster Response and the ICRC/NGO Code of Conduct in Disaster Relief (discussed in the Principles, Best Practices and Codes of Conduct section).⁴⁵

The Foundation then grew quickly, more than doubling its complement of staff focused on programs, from five in 2005 to 12 in 2011, and a total of 35 staff members overall.⁴⁶ More dedicated staff members meant enough staff time and expertise to concentrate on a disaster after it occurred. Staff members could now afford the time to phone around after a sudden onset disaster struck, talk to eight to ten key people—with big NGOs for instance with experience on the ground in that particular place—and get their views on how best to proceed. Improvement of key internet websites has also helped, especially ReliefWeb.⁴⁷ The Foundation's ratio of grants per year per staff member is still quite lean compared to most other private foundations and grantmaking organizations with staff.

Staff members today generate proposals that accurately reflect the Board's disaster strategy—a blend of relief and recovery support. The files reveal overall improved accountability since 2007, with more rigor in grant management and monitoring. Nonetheless, the Foundation places an impressive degree of trust in its grantees.

Three domestic grants made in the period 2009, 2010 and early 2011 were highly consistent with the Policy Paper, rebuilding the non-profit sector in communities in New Orleans. The 31 international grants in that period were also highly consistent with the policy of a balanced spectrum of assistance (though still placing slightly more emphasis

In some best examples in the last few years, staff made succinct, one page summaries of the objectives, intended outcomes, and expected outputs of a grant.

on relief than on recovery). For Haiti 2010, for instance, there are funds for relief and for support to post-earthquake recovery for vulnerable children. Only five of the 31 grants were for WASH but the less-than-intended focus on WASH is understandable as the Foundation's sector of interest should be wherever the need is greatest.

It is however unfortunate that a greater investment is not being made in reducing the risk of future disaster, as decided at the 2008 Board Retreat and as mentioned at the Board as early as 1993.⁴⁸ None of the 31 international grants were primarily for disaster risk reduction, although \$500,000 was given domestically to the Los Angeles Red Cross to support earthquake preparation and risk mitigation, similar to \$250,000 in 1994.

Half of the value of domestic grants has been for relief, 44% for recovery and 6% for risk reduction. Internationally, 62% has been for relief and 38% for recovery. Looking at just the last four years, slightly over half of all grants have been for relief and the Foundation may want to continue shifting the emphasis a little further in favor of funding recovery.

Overall, since 2005—and especially since 2007—there has been a good deal of professionalization at the Foundation, especially through the hiring of more program staff with disaster-relevant experience and expertise.

The Foundation's disaster grant management process

This sub-section looks at the Foundation's processes for applications, approvals, monitoring, reporting, and evaluation, especially as they have been undergoing rapid change in recent years.

There is no call for proposals at the Foundation, as it does not accept unsolicited applications. Instead, staff members reach out to partners they know and trust, probing to identify greatest needs and opportunities. Board members also generate proposals based on established relationships.

The Foundation today approaches each disaster with a strategy, usually to finance an initial round of relief followed by a second round for recovery. There is a case for adding a third round each time—for disaster risk reduction. Potential grantees are asked to make a simple request in a brief format. Key documentation is partly prepared by Foundation staff rather than grantees.

The reluctance of the Foundation to burden applicants is admirable. However, it would be understandable to insist more systematically on high quality objectives and expected outcomes. In some best examples in the last few years, staff made succinct, one page summaries of the objectives, intended outcomes, and expected outputs of a grant. This practice should be made universal—still in a one-page format with that 'lightness'—and then attached to every grant agreement.

Aid agencies of course do appreciate the flexibility of the Foundation offering to contribute to their general operation expenses. However, there is such a thing as ‘too general’ and the tables of objectives, outcomes and outputs (‘the three O’s’) would help solve this.

Information about other funders’ contributions is also sought, as the policy is to seek opportunities where the Foundation’s funding is leveraged with funding from others, as well as to identify disasters that are not receiving sufficient funds. This is good practice as it ensures appreciation by more than one donor for the work and keeps players working together.

Grant approval is swift, especially with the delegated authority since 2007, allowing a decision to usually be made and communicated within days of a staff member recommending a grant. Speed is useful, as private contributions are generally faster in sudden onset emergencies, and help get things going. However, there is no need to rush and the Foundation has it about right—taking a week or two after a sudden onset disaster to figure out where to put its first relief allocations.

One important issue is the US tax code. Private foundations wishing to make cross-border (international) grants have to choose among three options:

- a. choosing a grantee registered with the USA Internal Revenue Service as a public charity
- b. determining that the grantee is ‘equivalent’ to such a USA-registered charity
- c. taking ‘expenditure responsibility’ for actual use of the funds by the grantee.⁴⁹

The Foundation determines equivalency for a number of its development grantees. This is more common today; fully a third of USA private foundations’ international grants go to cross-border recipients.⁵⁰ The Foundation also often determines equivalency in advance for candidates for its annual Humanitarian Prize. However, for disaster grants this is rare. The process requires submission of financial data on the organization from previous years, along with its governing statutes.

Some bigger southern NGOs, such as BRAC from Bangladesh, have registered in the USA making it easier to fund them. The Foundation has also ‘gone the extra mile’ at times to fund non-USA registered organizations including Islamic Relief or the Turkish Red Crescent Society. It is unfortunate not to fund more such organizations directly, especially the many NGOs from developing countries that deliver aid very cost effectively. In most cases the cost of determining equivalency would be less than the savings, while funding locally based organizations is an investment in local capacity.

Once a grant is awarded, disbursement is usually made for the entire amount within a matter of days.

Once a grant is awarded, disbursement is usually made for the entire amount within a matter of days. Monitoring by program staff aims to track the activities funded. In many cases the organization funded is so reputable that there is little doubt. In effect, the Foundation takes responsibility itself for checking on progress and problems rather than imposing specified monitoring burdens on the grantee. This sort of monitoring is adequate for most situations, particularly as it has improved in the last few years.

Reporting requirements are also mercifully light. Occasionally, however, the report on file appears inadequate. The Foundation should ask all grantees to report against the three O's—on their success with the expected objectives, outcomes and outputs of the work. Just as this framework should be a one-page table, the report can also be just one or two pages. Financial reporting also needs to contain enough detail to confirm how the money was spent. Again, this is usually the case but there have been exceptions.

Evaluation is not usually required although the Foundation is itself relatively self-evaluative. Indeed, evaluation requirements shouldn't be heavy, or too specific to a particular source of funds. However, many feel the 'feedback loop' for improving humanitarian delivery is too weak and improvement unacceptably slow. More needs to be done to ensure that the results of evaluations are actually used to improve performance.⁵¹ The Foundation need only ensure that the grantee partner:

- a. has quantitative measures, in particular
- b. uses them to evaluate their performance, and
- c. applies the lessons applied.

The ALNAP guidelines are a good guide to best learning practices.⁵²

Lessons and Suggestions

In conclusion to the paper, this section looks at lessons already learned at the Foundation and lists additional suggestions for further improvement, some of which were mentioned in the text. The Foundation is relatively advanced among private foundations, particularly for making grants for disasters in a systematic fashion. The goal should be to improve further and thus move the Foundation to the very cutting edge of private philanthropy for disasters.

Lessons

- The Foundation's grantmaking for disasters really took off in 2005 with the response to Hurricane Katrina in the USA.
- The Foundation noticeably strengthened international disaster grantmaking in 2007—giving 70% of its total international disaster funding from 1989 to 2010 in the four years from 2007.
- The Foundation is a leader for developing a coherent strategy to its disaster grant giving.
- The Foundation has also been a leader for persisting with its commitment to fund recovery after relief.
- Flexibility is another characteristic appreciated by the Hilton Foundation's partners.
- Speedy decisions and disbursement by the Foundation of relief grants is also appreciated. The Foundation, however, avoids rushing things on its second round of 'recovery' grants.
- The Foundation has learned that pre-selecting sectors such as micro-enterprises or WASH is challenging, because each disaster has different sectors of greatest need.
- Simplicity and collaboration are also noted by partners. For instance, a good part of the responsibility of proposal development is borne by the Foundation's staff.
- Accountability has improved in recent years, especially application of Board policy and choice of grantees.
- Investing in more staff has paid off, building a Foundation able to pursue best practices, including in-depth research and liaison.
- Hurricane Katrina demonstrated the benefits of small investments in program development, contributing to a strategic second round of recovery grants.
- Katrina also underlined the usefulness of working in concert with a group of like-minded private foundations.
- Katrina demonstrated that the Foundation can be influential, affecting public policy and thus catalyzing expenditure by others.

Suggestions

1. Make ‘improving the quality of disaster grantmaking, response and mitigation’ the primary objective of the Foundation’s disaster grantmaking—so that every dollar spent catalyzes wider improvement in private foundation grantmaking.
2. Further emphasize the present good practice or standard pattern of funding disaster response in two parts (for both short term relief and longer term recovery)⁵³, by shifting to a ‘no more than one third for relief’ rule of thumb.
3. Add a third part to the standard pattern of support—for disaster risk reduction.
4. Make accompanying small investments in program development beyond relief.
5. Give mini grants to support better on-site coordination (as recommended by the Council on Foundations and European Foundation Centre)⁵⁴. A \$25,000 grant can catalyze greater synergy of millions.
6. Re-state the preference for a specific sector to be not just WASH but whatever sector is underfunded. Use <http://fts.unocha.org>—the only tracker of the majority of disaster assistance—to judge needs and relative funding.
7. Avoid supporting donations of relief goods in kind (as recommended by the Council on Foundations and European Foundation Centre).⁵⁵
8. Make no distinction between domestic and international needs, awarding amounts purely on the basis of need, thus likely further increasing international support.
9. Consider if relief grants will help to jump start something larger, because greater funding is on the way, making the contribution more catalytic than just a ‘contribution to the pot’.
10. Be strongly supportive of common planning done by the aid community (as done in New Orleans), encouraging a cohesive overall effort in every situation.
11. Make active cooperation (and not just co-funding) a key criterion, such as making grants to two organizations working together.
12. Invest more in building the capacity of local organizations internationally,⁵⁶ ‘determining equivalency’ with USA-registered charities more often, so as to fund more NGOs which are based in developing countries.
13. Annex 1-page tables of objectives, outputs and outcomes—the ‘three O’s’—to all grant agreements and ask grantees to report against this table.
14. Refine selection criteria so that the rationale for choosing a particular grantee above all others is clear; document this and evaluate regularly how well the criteria are applied.

15. Hire a local consultant to be the Foundation's eyes and ears on the ground in big disasters, for just 10-20 days local work the first year or so (and not to represent it).
16. Commission a study of needs and modalities for long-range air freight of relief supplies if the Foundation is to continue to invest in this.
17. Require in all grant agreements both that grantees demonstrate their ability to apply the Sphere Humanitarian Charter and Minimum Standards in Disaster Response, and that they be signatory to the ICRC and NGOs' Code of Conduct.⁵⁷
18. Require in all grant agreements that grantees outline their evaluation policy. Ask for quantitative measures (in the three O's table), how they use them to evaluate performance, and how they ensure lessons are applied. Encourage following the ALNAP guidelines.
19. Increase transparency further, such as by simply posting the documents for all grants on the Foundation's website ... this will spur performance.
20. Introduce an annual 'forgotten emergency' grant or grants, similar to the Humanitarian Prize. Call a press conference each time, together with partners, and explain why the Foundation chose that emergency, to help it be a little less forgotten...

Annex: Best Practice Checklist for private foundations making grants in disasters⁵⁸

Transparency

1. Be truthful to your mission, values, vision and competencies, and honest and transparent.
2. Ensure reporting of your contributions in aid tracking systems.

Knowledge

3. Research and understand the context for your philanthropy, using existing expertise.
4. Listen carefully to your partners to respond to their needs, including by adjusting your own.
5. Support learning for effective and efficient implementation.
6. Be prepared to take risks and accept some failures.

Respect

7. Respect cultural differences and diversity, and local knowledge and accomplishments.
8. Be modest about what you know and can accomplish.
9. Build long term relationships with your partners, thus understanding and trust.
10. Be reasonable in your requirements from your grantees, proportionate to your support and mindful of their capacity.
11. Ensure your grantees adequately involve beneficiaries in design, management, monitoring and evaluation and that they portray them with dignity.

Cooperation and coordination

12. Recognize that international work calls for strong collaboration among funders and with many other actors, to maximize synergies and creativity.
13. Recognize and support coordination so that the entire effort acts in concert.
14. Respect the mandate of the International Committee of the Red Cross/Red Crescent, and the UN's role in providing leadership and coordination of international humanitarian action.
15. Make fair choices between implementing agencies, between northern NGOs and southern civil society organizations.
16. Ensure timely funding and ensure that funding in high profile crises is not at the expense of 'forgotten' ones.

Accountability

17. Be seen by your peers in private philanthropy as accountable to the standards of the sector as a whole.
18. Require your grantees to abide by accounting standards accepted in their own country or internationally, spell out how your resources will be used and report simply afterwards how they were used, seeking to clarify—or even correct misuse—when necessary.
19. Ensure your grantees adhere to recognized good practice and promote accountability, efficiency and effectiveness.
20. Assess your impact together with your peers, grantees and partners.
21. Plan for sustainability and commit for long enough to be effective. Consider three stages: relief, recovery and disaster risk reduction.

Respecting humanitarian principles

22. Support objectives of humanitarian action that are defined by the government of the country.
23. Ensure respect for international humanitarian law, including the four Geneva Conventions of 1949 and their two Additional Protocols of 1977.
24. Ensure that the humanitarian imperative comes first and that core humanitarian principles of humanity and impartiality are respected—giving aid regardless of race, creed, nationality or any adverse distinction, on the basis of need alone.
25. Affirm the primary position of civilian organizations in implementing humanitarian action.
26. Avoid the use of disaster relief to further a particular political, religious or other standpoint that is not about relief itself, maintaining neutrality in relation to local conflicts or disputes.

Recovery and prevention

27. Attempt to build disaster response on local capacities.
28. Address recovery, return of sustainable livelihoods and transitions from humanitarian relief to recovery and development activities.
29. Invest in disaster risk reduction to prevent or reduce the extent of future disasters.

Annex: Persons Interviewed

Conrad N. Hilton Foundation

Steven M. HILTON, President and CEO
Edmund J. CAIN, Vice President, Grant Programs
Shaheen KASSIM-LAKHA, Director of International Programs
Bill PITKIN, Director of Domestic Programs
Gregory ANDERSON, Program Officer, International Programs
Brad MYERS, Program Officer, Domestic Programs
Casey ROGERS, former staff member
Rose M. ARNOLD, Grants Manager
Marge G. BROWNSTEIN, Executive Assistant, Special Projects
Taryn LEE, Human Resources Manager
Meghan MORALES, Administrative Assistant

Other interviews

Michael BALAOING, Vice-President, Entertainment Industry Foundation
Frank FRANKE, President/CEO/Founder, Luftfahrt ohne Grenzen (L.O.G)
John HARVEY, Managing Director of Global Philanthropy, Council on Foundations
Dr. Arthur KELLERMAN, Director of Rand Health, Rand Corporation
Juliet PAGE, Philanthropy Consultant
Gerry SALOLE, Chief Executive, European Foundation Center
Brad SMITH, President, Foundation Center
Shannon TORONTO, COO, The Philanthropy Roundtable
Rudy VON BERMUTH, Head of Disaster Response, Save the Children USA
Regine WEBSTER, Principal, Regine A Webster Philanthropic Advisory Services
Senior officials, United Nations Office for the Coordination of Humanitarian Assistance, Geneva and New York

Endnotes

- ¹ The Economist (Aug 13, 2011), New sources of aid: Charity begins abroad—Big developing countries are shaking up the world of aid, <http://www.economist.com/node/21525836>. China reportedly gave \$25 billion in aid in 2007 by one count, which includes highly concessionary loans. Brazil gives about \$4 billion per year. India plans a new budget of \$11.7 billion for the coming five or more years, and Russia is reportedly giving \$0.4 billion per year to countries such as Tajikistan.
- ² See press release of Geneva, 5 August 2011: QUALITY AND ACCOUNTABILITY INITIATIVES STRENGTHEN COLLABORATION. Steering Committee for Humanitarian Response (SCHR). <http://www.sphereproject.org/dmdocuments/Quality-and-Accountability-initiatives-statement.pdf>.
- ³ http://en.wikipedia.org/wiki/List_of_wealthiest_charitable_foundations.
- ⁴ LAWRENCE, Steven and MUKAI, Rena (2010), International Grantmaking Update: A Snapshot of U.S. Foundation Trends, Prepared in cooperation with the Council on Foundations, New York: Foundation Centre. http://foundationcenter.org/gainknowledge/research/pdf/intl_update_2010.pdf.
- ⁵ Foundation Center (2010), Grants for Disaster Relief & Recovery: U.S. & International - 2011 Digital Edition, Washington. http://foundationcenter.org/marketplace/catalog/product_downloadablemult.jhtml?id=prod3230007&navCount=1&navAction=push.
- ⁶ FREDERICK, Heidi (2006), Disaster Giving [presentation], Centre on Philanthropy at Indiana University, <http://www.philanthropy.iupui.edu>.
- ⁷ See ReliefWeb for overall information of this nature.
- ⁸ See <http://www.philanthropy.iupui.edu/research/disaster.aspx> and FREDERICK, Heidi (2006), cited above.
- ⁹ COLLIER, Paul (2011), Haiti's Rise From the Rubble: The Quest to Recover From Disaster, in Foreign Affairs September/October 2011, Vol. 90, No. 5, pages 150-155. This is a lengthy review essay of FARMER, Paul (2011), Haiti: After the Earthquake, Public Affairs.
- ¹⁰ FARMER, Paul (2011), Haiti After the Earthquake, Public Affairs.
- ¹¹ United Nations International Strategy for Disaster Risk Reduction (UNISDR) (2011), Disaster Risk Reduction—an Instrument for Achieving the Millennium Development Goals, Advocacy Kit for Parliamentarians.
- ¹² UNISDR (2009), Global assessment report on disaster risk reduction, Geneva: UN.
- ¹³ See World Bank & Global Facility for Disaster Reduction and Recovery (GFDRR) (2010), Safer Homes, Stronger Communities, Washington: World Bank.
- ¹⁴ World Bank/GFDRR, UNISDR, INEE (2009), The Inter-Agency Network for Education in Emergencies and the Global Facility for Disaster Risk Reduction and Recovery at the World Bank. Guidance Notes on Safer School Construction.
- ¹⁵ Council on Foundations and European Foundation Centre (2007), Principles of Accountability for International Philanthropy: An Aspirational Tool for International Donors. http://www.cof.org/files/Documents/International_Programs/2007Publications/PrinciplesAccountability.pdf.
- ¹⁶ European Foundation Centre (2007), European Foundation Centre Principles of Good Practice, <http://www.efc.be/Legal/Documents/EFCEPrinciplesGoodPractice.pdf>

Endnotes

- ¹⁷ A good example is: Arabella Philanthropic Advisors, a consulting firm, has a useful set of 7 general principles and benefits from the inputs of many senior philanthropy thinkers. See <http://www.arabellaadvisors.com/images/handbook/Arabella7Questions.pdf>.
- ¹⁸ See www.wingsweb.org.
- ¹⁹ European Foundation Centre and the Council on Foundations (2007), DISASTER GRANTMAKING: A Practical Guide for Foundations and Corporations, Report of a Joint Working Group of the European Foundation Centre and the Council on Foundations. http://www.philanthropy.iupui.edu/summit2009/docs/disasterguide_COF.pdf
- ²⁰ http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html
- ²¹ The principles were endorsed in Stockholm, 17 June 2003, by Germany, Australia, Belgium, Canada, the European Commission, Denmark, the USA, Finland, France, Ireland, Japan, Luxemburg, Norway, the Netherlands, the UK, Sweden and Switzerland.
- ²² United Nations Office for the Coordination of Humanitarian Affairs (2003). External Review of the Inter-Agency Standing Committee, Dr. Bruce Jones & Abby Stoddard, Center on International Cooperation, New York University. http://ochanet.unocha.org/p/Documents/Review_of_the_IASC_Dec_03.pdf
- ²³ <http://www.humanitarianinfo.org/iasc>
- ²⁴ <http://www.ifrc.org/Docs/idrl/I259EN.pdf>
- ²⁵ http://www.ifrc.org/Global/Publications/disasters/code-of-conduct/codeconduct_signatories.pdf
- ²⁶ Policy Paper Governing Disaster Relief and Recovery Grants, presented at the meeting of the Board of Directors held in November 2008
- ²⁷ A study in 2003 found reference to Sphere almost 'ritualistic'. See United Nations Office for the Coordination of Humanitarian Affairs (2003). Cited above.
- ²⁸ Press release of Geneva, 5 August 2011: QUALITY AND ACCOUNTABILITY INITIATIVES STRENGTHEN COLLABORATION. Steering Committee for Humanitarian Response (SCHR). <http://www.sphereproject.org/dmdocuments/Quality-and-Accountability-initiatives-statement.pdf>
- ²⁹ Conrad N. Hilton Foundation 2009, Annual Report. <http://www.hiltonfoundation.org/images/stories/Downloads/2009.pdf>
- ³⁰ Breakdown of 97 grants: Board-approved, 51; President's discretionary, 26; employee matching, 10; Directors matching, 5; and GIG discretionary, 5.
- ³¹ HILTON, Steven M. (1986), International Disaster Relief and Development" A Short Preliminary Investigation, Hilton Foundation.
- ³² Conrad N. Hilton Foundation (1993), Responding to Disasters: A Strategy for the Hilton Foundation.
- ³³ To really gain perspective on how many decades we have know some lessons, see Cuny's 'Evaluation of Humanitarian Assistance', in Disasters, Vol. 1, pages 37-42, Great Britain: Pergammon Press. <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-7717.1979.tb00196.x/abstract>

- ³⁴ HILL, Richard B. (1994), Economic Intervention: A Paper Prepared For the Hilton Foundation, Texas: Intertext.
- ³⁵ HAYES, Dyanne M. (1995), "DISASTER-RELATED FUNDING: Suggested Funding Responses In A Post, Natural Disaster Recovery Situation In The United States As Well As Internationally".
- ³⁶ An average of one per year or \$51,000 per year over 1996 to 2000.
- ³⁷ HILTON, Steven M. to Board of Directors, the Foundation, Disaster Relief Policy (May 31, 2001) and the Foundation Disaster Related Response (Sept. 28, 2001)
- ³⁸ One of the clearest guides on donations of in-kind relief goods can be found in UNOCHA (2011) Guide to Humanitarian Giving.
<http://ochanet.unocha.org/p/Documents/OCHA-Guide%20to%20Humanitarian%20Giving%20%28Jan%202011%29.pdf>
- ³⁹ The totals are: 1989-2005—\$8,948,400 domestically and \$2,697,666 internationally. In 2006 only one grant was awarded for disasters for \$25,000. From 2007 to 2010, the totals were \$5,640,000 domestically and \$4,249,100 internationally. Thus of \$21.6 million given for disasters 1989 to 2010, \$9.9 million has been given in the last four years.
- ⁴⁰ This is a total of 97 grants, including a few loans. Five 2011 grants are not included or the total would be 103 as of August 2011.
- ⁴¹ PAGE, Juliet (2011), A Shared Narrative on the Conrad N. Hilton Foundation's Grantmaking after Hurricane Katrina [precise title uncertain].
- ⁴² Memorandum from Casey Rogers and Regine Webster to the Board of Directors, February 16, 2006, 'Disaster Response'.
- ⁴³ Resolution approved by Board of Directors November 2007.
- ⁴⁴ Policy Paper Covering Disaster Relief and Recovery Grants, presented by Ed Cain, Vice-President for Grantmaking to the Board of Directors at the November 2008 Board Meeting.
- ⁴⁵ Both cited above.
- ⁴⁶ There are also others who work for a separate organization for the Conrad N. Hilton Fund for Sisters.
- ⁴⁷ <http://reliefweb.int>
- ⁴⁸ Memorandum from CAIN, Ed, to Board of Directors, Strategy Update, November 18, 2008.
- ⁴⁹ See the excellent website on this of the Council on Foundations, <http://www.usig.org>
- ⁵⁰ For 2009. See LAWRENCE, Steven and MUKAI, Rena (2010), International Grantmaking Update: A Snapshot of U.S. Foundation Trends, Prepared in cooperation with the Council on Foundations, New York: Foundation Centre. http://foundationcenter.org/gainknowledge/research/pdf/intl_update_2010.pdf
- ⁵¹ HALLAM Alistair (2011), Harnessing the Power of Evaluation in Humanitarian Action: An initiative to improve understanding and use of evaluation.
- ⁵² In addition to ALNAP (see www.alnap.org), see also Center for Global Development (2006), Evaluation of Impact. Produced for Bill & Melinda Gates Foundation, William and Flora Hewlett Foundation, John D. and Catherine T. MacArthur Foundation, and Rockefeller Foundation <http://www.arabellaadvisors.com/CGDreport/CGDWeb.pdf>

- ⁵³ This two part approach is a recommendation of the European Foundation Centre and the Council on Foundations (2007), 'Tips', page 13, cited above. 'Consider splitting your grant, so that part is given for immediate relief and part is held back to fill critical gaps in the recovery process a few weeks or months after the emergency has passed.'
- ⁵⁴ European Foundation Centre and the Council on Foundations (2007), 'Tips', page 18, cited above. 'Consider making a grant to support a temporary or ongoing coordinating body for operational agencies working on the ground in response to a specific emergency. This type of coordination is extremely valuable, even though funds are often not available for it.'
- ⁵⁵ European Foundation Centre and the Council on Foundations (2007), 'Tips', page 14, cited above. 'Cash assistance is nearly always preferable to donated goods, because it allows for maximum flexibility to meet the highest priority needs and can be used to purchase required items in the disaster-affected area, thereby boosting the local economy while minimizing transport costs.'
- ⁵⁶ The loan of \$500,000 made to Helen Keller Worldwide to help them re-establish their offices after they were destroyed by the 9/11 attacks is a truly exceptional case where assisting the capacity re-building of an aid organization based in a developed country was truly justified—due to truly exceptional circumstances—but it is 'the exception that proves the rule' .
- ⁵⁷ This is already a stated requirement in the Foundation's Policy Paper, as is signatory status with the ICRC and NGO code. The Sphere requirement should be changed soon to point to the outcome of the current work of the Steering Committee for Humanitarian Response (which includes Sphere).
- ⁵⁸ As mentioned above, this checklist is heavily indebted to the principles and guidance of others reviewed in Section C).