

RESEARCH BRIEFING

Transparent Fund Allocation in Humanitarian Aid:

Standards, Mechanisms, Challenges, and Emerging Solutions

Author: Dr. Shaun Jones, MBBS, MBA, CHPS, Disaster Resilience Coordination Institute

Research Compilation Date: December 2025

Document Classification: Working Paper / Research Briefing

EXECUTIVE SUMMARY

Transparent fund allocation in humanitarian aid represents one of the most critical challenges facing the international humanitarian system. With global humanitarian needs exceeding \$45 billion annually and a persistent funding gap that has grown to unprecedented levels, ensuring that limited resources reach intended beneficiaries efficiently and accountably has never been more urgent. This research briefing examines the current state of transparency mechanisms, accountability frameworks, challenges, and emerging technological and institutional solutions in humanitarian fund allocation.

Key Findings

- **Widening Funding Gap:** The humanitarian funding gap reached \$24.2 billion in 2024, with total international humanitarian assistance declining by nearly \$5 billion—the largest funding drop ever recorded. Projections for 2025 indicate further decreases of 34-45% from peak 2023 levels.
- **Transparency Standards Evolution:** The International Aid Transparency Initiative (IATI) has become the global standard for aid transparency, with over 1,500 organizations now publishing data on approximately one million development and humanitarian activities.
- **Grand Bargain Progress:** Since 2016, the Grand Bargain has driven reforms including increased cash programming (doubling to \$5.6 billion by 2019), improved needs assessments, and commitments to channel 25% of funding to local and national responders—though implementation remains uneven.
- **Core Humanitarian Standard:** The updated CHS 2024, developed through consultation with 4,000+ contributors across 90 countries, establishes nine commitments for quality and accountability, placing affected communities at the center of humanitarian action.

- **Persistent Accountability Gaps:** Research identifies ongoing challenges including data silos between donation and coordination systems, weak beneficiary feedback mechanisms, corruption risks in fragile contexts, and the exclusion of affected populations from decision-making processes.
 - **Digital Innovation:** Blockchain-based payment systems, digital cash transfers, and integrated platforms are demonstrating potential to reduce delivery costs, improve traceability, and enhance accountability, with pilots showing delivery costs as low as 6.7 cents per dollar compared to 17 cents for traditional cash-based transfers.
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1. INTRODUCTION: THE TRANSPARENCY IMPERATIVE

1.1 Scale and Context of Humanitarian Financing

The global humanitarian system operates at unprecedented scale. In 2024, approximately 305 million people required humanitarian assistance globally, yet only 45% of UN-coordinated response plans received funding—the lowest percentage on record. The United States has historically provided 38-43% of total emergency assistance tracked by the UN, creating significant system-wide dependency on a single donor.

The concentration of funding among a few donors raises critical sustainability concerns. In 2023, the three main donors (United States, EU institutions, and Germany) accounted for 63% of total public humanitarian funding. The dramatic cuts announced in 2025 by several major donors have forced the humanitarian community into what UN Emergency Relief Coordinator Tom Fletcher has called "a triage of human survival."

1.2 Why Transparency Matters

Transparency in humanitarian fund allocation serves multiple critical functions:

- **Improved Coordination:** Enables humanitarian actors to identify gaps and overlaps, directing resources where they are most needed
- **Enhanced Accountability:** Allows donors, affected populations, and oversight bodies to track how resources are used
- **Reduced Corruption:** Creates conditions that make fraud and diversion more difficult and detectable
- **Donor Confidence:** Builds trust that contributions reach intended recipients, encouraging continued giving
- **Affected Population Empowerment:** Enables communities to understand their entitlements and hold responders accountable

As Transparency International has noted, "Most international humanitarian operations take place in fragile states, with weak rule of law, inefficient or dysfunctional public institutions, and a limited ability to prepare for

and prevent humanitarian disasters." These conditions create elevated corruption risks while simultaneously making transparency more difficult to achieve.

2. GLOBAL TRANSPARENCY FRAMEWORKS AND STANDARDS

2.1 The International Aid Transparency Initiative (IATI)

IATI, launched in 2008 at the Third High Level Forum on Aid Effectiveness in Accra, Ghana, represents the primary global standard for publishing development and humanitarian data. The initiative brings together governments, multilateral institutions, private sector, and civil society organizations to increase the transparency of resources flowing into developing countries.

Key Features of IATI

- **Open Data Standard:** A set of rules and guidance ensuring information is published in a standardized, machine-readable XML format
- **Comprehensive Coverage:** Data on approximately one million development and humanitarian activities from over 1,500 publishers
- **Real-Time Updates:** Encourages quarterly updates, with many organizations providing monthly or even daily updates
- **Full Lifecycle Tracking:** Covers activity objectives, finances, locations, sectors, and results

IATI Data Elements

Organizations publishing to the IATI Standard can provide:

- Activity descriptions and objectives
- Financial data (budgets, commitments, disbursements, expenditures)
- Geographic location data
- Sector classifications
- Results and outcome data
- Associated documents (country action plans, annual reports)

The 2016 Grand Bargain identified IATI as the common standard for humanitarian funding transparency, with signatories committing to "publish timely, transparent, harmonised and open high-quality data on humanitarian funding within two years."

2.2 The Grand Bargain

The Grand Bargain, launched at the World Humanitarian Summit in May 2016, represents a unique agreement between major donors and humanitarian organizations to improve effectiveness and efficiency. Currently, 68 signatories participate, including 25 Member States, 26 NGOs, 12 UN agencies, and Red Cross/Red Crescent movements.

Core Commitments

The agreement established 51 commitments across nine workstreams, with three priority areas emerging in subsequent iterations (Grand Bargain 2.0 and 3.0):

Localization: Commitment to channel 25% of global humanitarian funding to local and national responders "as directly as possible." Progress has been slow, with funding to local actors remaining below 5% by most measures.

Quality Funding: Increasing multi-year, flexible funding to enable more effective programming. Targets include 30% of humanitarian contributions being unearmarked or softly earmarked.

Participation Revolution: Including people receiving aid in decisions affecting their lives, strengthening feedback mechanisms, and ensuring accountability to affected populations.

Transparency Workstream Progress

The Grand Bargain's transparency workstream has achieved notable progress:

- Harmonized reporting requirements reducing administrative burden
- Increased IATI publication among signatories
- Greater visibility on funding flows through enhanced FTS reporting
- Development of common terminology and definitions for tracking localization

However, the Overseas Development Institute's independent review noted that "the policy had a lower impact on actual practice" and criticized "the way the transparency commitments were written."

2.3 Aid Transparency Index

Published biennially by Publish What You Fund, the Aid Transparency Index is the only independent measure of aid transparency among the world's 50 major development agencies. The 2024 Index recorded its highest-ever average scores, showing continued incremental improvement in data quality, quantity, and timeliness.

2024 Index Highlights

- **Top Performers:** African Development Bank (Sovereign), Inter-American Development Bank, and US Millennium Challenge Corporation ranked first, second, and third respectively
- **UN Agencies:** UN OCHA ranked fourth overall with a score of 92.2, demonstrating "great strides" in transparency performance
- **Very Good Category:** 12 organizations achieved "very good" scores, the most ever in this category
- **Universal IATI Publication:** All but one assessed organization now publishes at least some data in the IATI Standard

The Index assessment process includes two rounds with detailed feedback, enabling organizations to improve before final scoring. Independent reviewers in 29 countries provide additional quality assurance.

2.4 OCHA Financial Tracking Service (FTS)

The Financial Tracking Service, managed by UN OCHA, is the primary global database for humanitarian funding needs and contributions. FTS provides real-time, searchable data on funding flows to humanitarian crises worldwide.

FTS Capabilities

- **Real-Time Updates:** Contributions visible on the website within 24 hours of reporting
- **Comprehensive Coverage:** All cash and in-kind humanitarian contributions reported by donors and recipients
- **Appeal Tracking:** Special focus on Humanitarian Response Plans with tracking against requirements
- **Multiple Search Dimensions:** Data searchable by crisis, cluster, donor, agency, fund, project, priority, date, and location
- **Open Data:** Downloadable in multiple formats (CSV, XLS) with API access for integration

FTS data is used by humanitarian coordinators, operational organizations, host governments, donors, researchers, and media to improve coordination, accountability, and transparency. In 2024, the system tracked \$11.65 billion in humanitarian funding.

2.5 Core Humanitarian Standard on Quality and Accountability

The Core Humanitarian Standard (CHS), updated in 2024 following extensive global consultation with over 4,000 contributors across 90 countries, establishes nine commitments for organizations supporting people affected by crisis.

The Nine Commitments

People and communities in situations of crisis and vulnerability:

1. Can exercise their rights and participate in actions and decisions that affect them
2. Access timely and effective support in accordance with their specific needs and priorities
3. Are not negatively affected and are more prepared, resilient, and less at-risk
4. Know their rights and entitlements, have access to information, and can participate in decisions
5. Have access to safe and responsive mechanisms to handle complaints
6. Receive coordinated, complementary assistance
7. Can expect delivery of improved assistance as organizations learn from experience
8. Receive assistance from competent, well-managed staff and volunteers
9. Can expect that the organizations assisting them are managing resources effectively, efficiently, and ethically

The CHS Alliance provides verification schemes enabling organizations to measure their progress toward meeting these commitments, with hundreds of organizations worldwide now using the CHS as a framework for improving quality and accountability.

3. CORRUPTION AND MISALLOCATION IN HUMANITARIAN AID

3.1 Scale and Nature of the Problem

While precise statistics on corruption in humanitarian aid are difficult to establish and often overstated in public discourse (the frequently cited "20-40% lost to corruption" figure lacks rigorous sourcing), corruption remains a significant concern with real consequences for affected populations.

World Bank sanctions data from 2007-2012 found sanctionable fraud or corruption in 157 contracts worth \$245 million—representing approximately 0.1% of volumes. Enterprise surveys suggest bribery in government contracts averages 2-5% of contract value in most countries, with higher rates in fragile states.

Forms of Corruption in Humanitarian Contexts

Research by Transparency International and other bodies identifies multiple corruption typologies:

Financial Corruption:

- Fraud and embezzlement of relief supplies
- Misreporting of salaries and duplicate payments

- Corrupt procurement practices
- Bribe-taking by security personnel

Operational Corruption:

- Interference in targeting and registering beneficiaries
- Paying for access (extortion)
- Aid diversion to unintended recipients
- Favoritism in distribution

Sexual Corruption:

- Sexual exploitation and abuse of beneficiaries
- Transactional sex for access to aid

3.2 Corruption Drivers and Enabling Conditions

The U4 Anti-Corruption Resource Centre identifies humanitarian emergencies as "particularly complex" environments where "destroyed or dysfunctional systems, the injection of external resources, and extreme and frequently rapidly shifting power relations creates the dangerous possibility of corrupt diversion of assistance."

Key corruption drivers include:

- **Urgency Pressures:** Need for rapid assistance leads to bypassing standard procedures
- **Weak Oversight:** Damaged or dysfunctional institutions limit monitoring capacity
- **Power Asymmetries:** Aid recipients in vulnerable positions may be exploited
- **Information Gaps:** Limited visibility into last-mile distribution
- **Extended Supply Chains:** Multiple intermediaries between donors and recipients
- **Management Distraction:** Competing priorities overwhelm anti-corruption capacity

3.3 Case Studies in Aid Accountability Failures

Haiti 2010 Earthquake

Following the 2010 earthquake, the international community pledged \$3.5 billion in humanitarian aid. Despite unprecedented resources, response effectiveness proved "shockingly unsuccessful." Analysis revealed:

- Lack of senior humanitarian leadership

- Ineffective coordination mechanisms
- Deficient regional coordination and information management
- Nearly 50% of allocated US foreign aid remaining unspent
- Less than 1% of aid flowing directly to the Haitian government

Hurricane Maria, Puerto Rico

FEMA lost visibility of 38% of commodity shipments following Hurricane Maria, representing \$257 million in untracked resources. Six years after the disaster, only \$1.8 billion of \$23.4 billion in approved FEMA Public Assistance had actually been spent. These failures occurred because donation and coordination systems operated in isolation.

Yemen Aid Diversion

The World Food Programme estimated that at least 10% of its aid deliveries in Yemen were being diverted away from starving people to support the Houthi insurgency, demonstrating the acute challenges of maintaining accountability in active conflict zones.

Sierra Leone Ebola Response

During the 2014-2016 Ebola outbreak, Sierra Leone's Auditor General noted that 30% of domestic relief funds "may have been used for unintended purposes, thereby slowing the government's response to eradicate the virus." Investigations uncovered misreporting of salaries, duplicate payments, and bribes to security personnel allowing people out of quarantined zones.

3.4 Impact of Corruption on Aid Effectiveness

The IMF's 2023 working paper "Corruption Kills" provides empirical evidence that corruption in disaster response has life-and-death consequences. Research demonstrates:

- Corruption diminishes both the quantity and quality of aid reaching targeted beneficiaries
- Diversion of resources prolongs humanitarian crises
- Weak accountability undermines donor confidence and future funding
- Corruption erodes trust between affected populations and aid providers
- Governance failures can reinforce the vulnerabilities that made people susceptible to crisis

The evidence suggests that focusing on results delivery can serve as both an anti-corruption metric and a tool for identifying diversion.

4. ACCOUNTABILITY TO AFFECTED POPULATIONS

4.1 The Participation Revolution

The Grand Bargain's "participation revolution" workstream seeks to include people receiving aid in decisions affecting their lives. This commitment recognizes that affected populations are rights-holders with agency, not passive recipients of external assistance.

Key elements of the participation revolution include:

- Systematic collection and use of beneficiary feedback
- Community participation in needs assessments and program design
- Accessible complaints mechanisms
- Information sharing on assistance programs and entitlements
- Community voice in resource allocation decisions

4.2 Beneficiary Feedback Mechanisms

Research on humanitarian feedback mechanisms identifies five main approaches:

1. Informal interaction with project staff
2. Formal interaction with project staff
3. Letter/suggestion boxes
4. Community-based organizations and institutions
5. Hotlines and digital platforms

Studies by CDA Collaborative Learning and ALNAP have documented both the potential and limitations of these mechanisms. Effective feedback systems require:

- Context-appropriate design (literacy levels, cultural norms, security concerns)
- Clear procedures for collection, validation, and response
- Closing the feedback loop with visible action
- Protection for those providing feedback
- Management commitment to act on findings

However, research reveals significant gaps. In Afghanistan mapping, only 4 of 18 humanitarian agencies had formal policies on beneficiary feedback and complaints. In Somalia and Afghanistan, corruption was cited as

one of the largest impediments to receiving aid, with affected populations perceiving "an unclear or unjust rationale for who receives aid and who doesn't."

4.3 Challenges in Accountability to Affected Populations

Multiple barriers limit effective accountability to affected populations:

Power Dynamics: Affected people in vulnerable situations may fear retaliation for complaints or lack trust that feedback will be acted upon.

Cultural and Contextual Factors: Western-designed feedback systems don't always translate to local contexts. As one practitioner noted, "We set up a complaints box system in Chechnya, which worked well because they are literate and entitlements-focused, but it fell flat in Uganda."

Staff Resistance: Aid workers may resist feedback mechanisms fearing job security or criticism of their programs.

Resource Constraints: Donors increasingly push for accountability but don't always fund the systems required to deliver it.

Information Gaps: Affected populations often don't know what they're entitled to receive, limiting their ability to identify and report problems.

4.4 Commitments on Accountability to Affected Populations (CAAP)

The Inter-Agency Standing Committee's Commitments on Accountability to Affected Populations provide a framework for humanitarian organizations to systematically address accountability. The five CAAP commitments overlap substantially with the CHS and require organizations to:

1. Demonstrate leadership and governance commitment to AAP
2. Ensure feedback and complaints mechanisms are accessible and responsive
3. Provide information in accessible and relevant formats
4. Enable participation and decision-making by affected populations
5. Design and manage programs based on affected population input

5. TECHNOLOGY AND INNOVATION FOR TRANSPARENCY

5.1 Digital Cash Transfers

Cash transfer programming (CTP) has emerged as one of the most significant innovations in humanitarian assistance. Humanitarian cash and voucher assistance reached \$5.6 billion by 2019, with the share of WFP

assistance delivered as cash-based transfers rising from 2% in 2010 to 34% in 2021.

Benefits of Digital Payments

Research demonstrates multiple advantages of digital over physical cash distribution:

- **Reduced Diversion:** Digital payments eliminate intermediaries and physical distribution chokepoints where theft can occur
- **Enhanced Transparency:** Automatically generated transaction data enables auditing and real-time programming adjustments
- **Lower Costs:** Digital delivery costs can be as low as 6.7 cents per dollar compared to 17 cents for traditional cash-based transfers
- **Faster Delivery:** Payments can be instantaneous versus days or weeks for physical distribution
- **Beneficiary Dignity:** Recipients make their own purchasing decisions rather than receiving externally-determined packages
- **Financial Inclusion:** Distribution through financial institutions can open pathways to broader financial services

Challenges and Limitations

However, digital payments face significant barriers in humanitarian contexts:

- **Infrastructure Gaps:** Weak payments infrastructure in crisis-affected countries
- **Digital Literacy:** Many beneficiaries unfamiliar with electronic payment systems
- **Agent Networks:** Limited cash-out points in remote or conflict-affected areas
- **Provider Capacity:** Suitable payment service providers may be unavailable or unaffordable
- **KYC Requirements:** Know-your-customer regulations can exclude undocumented populations
- **Privacy Concerns:** Digital systems create data trails that could endanger vulnerable populations

Research from the Electronic Cash Transfer Learning Action Network (ELAN) found that "countries where emergencies are most likely to occur are the least well prepared" for digital payments scale-up.

5.2 Blockchain Solutions

Blockchain technology offers potential solutions for humanitarian transparency through immutable records and decentralized verification. Multiple pilots are demonstrating applications:

UNICEF Venture Fund Initiatives

UNICEF has invested in blockchain solutions for cash transfers including:

- **StaTwig:** Blockchain-based supply chain transparency implemented for vaccine delivery in Bangladesh
- **Convexity CHATS:** Digital cash and voucher platform enabling recipients without smartphones to have digital wallets
- **Rumsan:** Management and payment module for aid disbursement
- **Kotani Pay:** Crypto-to-paper currency exchange for last-mile delivery

Algorand Humanitarian Payments

The Algorand blockchain has powered humanitarian payments through HesabPay in Afghanistan, serving more than 100,000 households across all 400 districts with over \$20 million dispersed. Key features include:

- End-to-end traceability based on blockchain records
- Public transaction visibility enabling external auditing
- Integration with local currencies in 180+ countries
- Immutable records preventing data alteration or fraud

Research in Afghanistan found that digital aid via blockchain led to significant improvements in nutrition and mental well-being, with 80% of recipients preferring digital delivery even at a cost premium versus receiving cash.

5.3 Integrated Platform Solutions

Competitive analysis of disaster management platforms reveals a critical gap: no existing solution combines transparent donor-to-victim tracking with real-time government coordination and volunteer connection. The disaster technology market has matured into specialized silos that do not communicate with each other.

This fragmentation creates accountability gaps at handoff points. When donation platforms (like GlobalGiving or GoFundMe) cannot see how government recovery operations deploy funds, and emergency management platforms (like WebEOC or DisasterLAN) cannot surface funding needs to donors, corruption, waste, and inequitable distribution can flourish.

Emerging integrated platforms aim to address these gaps through:

- **Bidirectional API Integration:** Connecting donation visibility with government coordination
- **End-to-End Tracking:** Unique identifiers following resources from donation to delivery
- **Grant-Style Discipline:** Structured project documentation requirements for funding recipients
- **Multi-Agency Dashboards:** Unified visibility across response actors

- **Geographic Mapping:** Coverage analysis identifying underserved areas

5.4 Digital Public Goods and Data Standards

The movement toward Digital Public Goods—open-source software, open data, and open standards—supports humanitarian transparency by enabling:

- Interoperability across systems and organizations
- Reduced vendor lock-in and associated costs
- Community-driven improvement and adaptation
- Transparency in algorithms and processes
- Local ownership and customization

IATI data has been successfully reviewed against the Digital Public Goods Alliance's global standard, positioning humanitarian transparency infrastructure as a global public good.

6. POOLED FUNDS AND INNOVATIVE FINANCING

6.1 OCHA-Managed Pooled Funds

OCHA manages two primary pooled funds that represent best practices in transparent humanitarian financing:

Central Emergency Response Fund (CERF)

CERF, established by the UN General Assembly in 2005, enables rapid humanitarian response worldwide. Key features include:

- **Rapid Disbursement:** Funding can reach organizations within hours of sudden-onset emergencies
- **Unearmarked Contributions:** Full flexibility to meet most urgent needs
- **\$1 Billion Annual Target:** Contributions from 130+ Member States plus private donors
- **Climate Action Account:** Launched at COP28 for climate-related humanitarian finance
- **Total Disbursements:** Approximately \$9.6 billion across 110+ countries since inception

CERF allocates resources for underfunded emergencies twice yearly, spotlighting the need for additional funding while directing resources to the world's most neglected crises.

Country-Based Pooled Funds (CBPFs)

CBPFs collect contributions into single, unearmarked funds at the country level, supporting projects through an inclusive and transparent process aligned with Humanitarian Response Plans. Key features include:

- **Localized Decision-Making:** Resident/Humanitarian Coordinators lead allocation processes
- **Inclusive Access:** Funding available to local, national, and international NGOs plus UN agencies
- **Localization Focus:** Critical objective of increasing funding to local responders
- **47+ Million Beneficiaries:** CBPFs support people in need worldwide

6.2 Quality Funding Principles

The Grand Bargain has advanced understanding of what constitutes "quality funding" for effective humanitarian response:

Multi-Year Funding: Provides predictability enabling better planning and staff retention, particularly important for protracted crises now receiving 91% of humanitarian assistance (up from 29% in 2014).

Flexible/Unearmarked Funding: Allows organizations to prioritize based on real-time needs rather than donor-determined criteria. The 30% flexibility target remains a benchmark for donors.

Reduced Earmarking: Tight restrictions limit ability to respond to emerging needs and increase administrative burden through complex reporting requirements.

Overhead Cost Coverage: Supporting indirect costs enables organizations to maintain surge capacity and invest in quality systems.

6.3 Localization of Funding

Despite Grand Bargain commitments to channel 25% of funding to local and national responders, progress has been limited. Tracking shows:

- Funding flowing directly to local actors remains below 5% by most measures
- Definition challenges complicate measurement (what constitutes "as directly as possible")
- Risk aversion among donors limits direct funding to smaller organizations
- Due diligence requirements can exclude local actors lacking capacity for compliance

The 2024 Grand Bargain guidance note for donors on "Promoting inclusive and locally-led action through humanitarian pooled funds" addresses strategies for increasing local actor access to pooled fund mechanisms.

7. THE CURRENT CRISIS IN HUMANITARIAN FUNDING

7.1 Unprecedented Funding Decline

The humanitarian sector faces what ALNAP describes as "an inflection point." After years of unprecedented growth, funding is now in reverse:

- **2024 Decline:** Total international humanitarian assistance declined by nearly \$5 billion (11%), the largest drop ever recorded
- **2025 Projections:** Funding from public donors could drop 34-45% from 2023 peak
- **Gap Magnitude:** The 2024 funding gap of \$24.2 billion was the second highest on record
- **Appeal Funding:** Only 45% of UN-coordinated response plans were funded in 2023, the lowest on record

7.2 Concentration Risk

The humanitarian system's dependence on a narrow donor base creates significant vulnerability:

- In 2024, the four largest donors (US, EU institutions, Germany, UK) provided the majority of international humanitarian assistance
- The United States alone contributed 43% of public humanitarian assistance in 2024
- 16 of the top 20 donors reduced their contributions in 2024
- 9 of the top 20 donors announced ODA cuts for 2025 or beyond

The dramatic changes in US foreign assistance policy announced in 2025 have had outsized impact given this concentration, forcing UN agencies to reduce staff by 30% or more.

7.3 Impact on Transparency and Accountability

The funding crisis creates pressure that works against transparency in multiple ways:

- **Reduced Capacity:** Staff cuts eliminate positions dedicated to monitoring, evaluation, and accountability
- **Competitive Pressure:** Organizations may be reluctant to share information that could disadvantage them in competition for shrinking resources
- **Reporting Burden:** Administrative requirements remain while capacity to meet them decreases
- **Coordination Strain:** Reduced resources for coordination mechanisms that enable collective visibility

At the same time, the crisis increases the imperative for transparency to ensure that scarce resources have maximum impact.

8. RECOMMENDATIONS FOR ENHANCED TRANSPARENCY

8.1 Strengthening Data Systems and Standards

- **Universal IATI Publication:** All humanitarian actors should publish to the IATI Standard with full coverage of activities, finances, and results
- **Quality Improvement:** Focus on data completeness, timeliness, and accuracy rather than mere publication
- **Interoperability:** Develop common data standards enabling integration across donation, coordination, and delivery systems
- **Results Data:** Strengthen publication of outcomes and impact data to enable evidence-based resource allocation

8.2 Improving Accountability to Affected Populations

- **Systematic Feedback:** Establish accessible, context-appropriate mechanisms for beneficiary input across all programs
- **Closed Feedback Loops:** Ensure feedback results in visible responses and program adjustments
- **Information Rights:** Provide affected populations with clear information on their entitlements and how to claim them
- **Community Participation:** Involve affected communities in needs assessments, targeting decisions, and program design

8.3 Addressing Corruption Risks

- **Transparency as Prevention:** Make all transactions visible to appropriate stakeholders to eliminate opacity
- **Structural Accountability:** Embed reporting reciprocity—organizations receiving resources must report on deployment
- **Independent Oversight:** Enable real-time auditing through systems that generate granular transaction data
- **Collective Approaches:** Move from agency-specific anti-corruption work to independent, system-wide monitoring

8.4 Leveraging Technology

- **Digital Payment Scale-Up:** Invest in e-payment infrastructure in crisis-prone countries before emergencies occur
- **Blockchain for Traceability:** Pilot immutable ledger systems for end-to-end resource tracking
- **Integrated Platforms:** Develop systems that connect donor visibility with operational coordination
- **Offline-First Design:** Ensure transparency systems function in degraded connectivity environments

8.5 Reforming Funding Mechanisms

- **Diversify Donor Base:** Reduce dangerous concentration by engaging new government and private donors
 - **Quality Over Quantity:** Prioritize multi-year, flexible funding even if total volumes cannot be maintained
 - **Local Actor Access:** Reduce barriers preventing direct funding to national and local responders
 - **Pooled Fund Expansion:** Increase resources channeled through transparent, coordinated mechanisms like CERF and CBPFs
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9. CONCLUSION

Transparent fund allocation in humanitarian aid is not merely a technical or administrative concern—it is fundamental to the ethical delivery of assistance to the world's most vulnerable populations. The frameworks, standards, and mechanisms examined in this research demonstrate significant progress over the past decade, with IATI becoming the global standard, the Grand Bargain driving reform commitments, and the Core Humanitarian Standard establishing accountability to affected populations as a central principle.

Yet critical gaps remain. The ecosystem fragmentation that separates donation platforms from emergency management systems creates accountability blind spots where corruption and inefficiency can flourish. Beneficiary feedback mechanisms often fail to close the loop between community input and program adjustment. The localization agenda has made limited progress in shifting resources to those closest to affected populations.

The current humanitarian funding crisis, while devastating in its immediate impact, may also create opportunity for reform. As UN Emergency Relief Coordinator Tom Fletcher has proposed, a "humanitarian reset" could advance long-needed changes including prioritization of local and national organizations, adoption of new funding models like pooled funds, and emphasis on efficiency and effectiveness over volume.

Technology offers promising solutions—blockchain for traceability, digital payments for reduced costs and enhanced accountability, integrated platforms for end-to-end visibility. But technology alone cannot substitute

for political will, institutional capacity, and genuine commitment to affected populations. The most sophisticated transparency system is meaningless if the data it generates is not used for decision-making and accountability.

The fundamental insight from decades of humanitarian experience remains clear: transparency is not an end in itself but an essential step toward improving coordination, accountability, and effectiveness. When affected populations know what they are entitled to receive, when donors can track their contributions to delivery, when agencies can see what others are doing, and when oversight bodies can audit resource flows in real-time—then the humanitarian system can begin to deliver on its promise of assistance with dignity.

As the humanitarian community confronts unprecedented challenges, the imperative is to embed transparency in system architecture rather than treat it as an add-on. Platforms that make ethical behavior easier and unethical behavior harder—providing visibility that deters corruption, mechanisms that reward performance, and participation channels that amplify community voice—represent essential infrastructure for a humanitarian system worthy of the populations it serves.

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