

COVID-19: A Global Health Crisis

The UK Government must take urgent action to support NGOs to tackle the virus overseas

What you can do

Use your position in parliament to ensure that the UK Government:

1. Commits to increasing the amount allocated in the Rapid Response Facility (RRF) to £100m
2. Commit to £200m fund for Covid-19 to stop countries being pushed further into poverty
3. Commit to being fully transparent on the UK Government's Covid-19 funding
4. Set up a fund for critically underfunded small niche charities
5. Prioritise funding that reaches the most marginalised

COVID-19 has now reached countries less able to combat the virus, including those with weak health systems and fragile and conflict-affected states. Unless urgent action is taken, the current health crisis will turn into a global humanitarian emergency, devastating already stretched health systems, overwhelming social safety nets, pushing half a billion more into povertyⁱ and sending fragile economies into tailspin. Countries in the global south are also much less prepared for and able to cope with the parallel crises exacerbated by the pandemic such as increasing poverty and hunger, inequality, loss of jobs and livelihoods, conflict and insecurity, increasing domestic violence and forced displacement and migration.

Whilst one country is at risk of COVID-19, all countries are at risk: this is a global crisis that demands a global response. UK charities are working on the frontline delivering lifesaving care to people living in the UK and in some of the poorest parts of the world. They provide a lifeline to those living in countries with weak public health and social services infrastructure, as well as essential programmes tackling the secondary impacts of the pandemic. However, the economic impact of the pandemic on UK NGOs is already impairing their ability to operate programmes in their countries of operation, just when their help is needed most.

The impact of COVID-19 on UK charity income

UK charities are in severe financial crisis and many are at risk of closure because public fundraising has dried up overnight because of UK lockdown measures. A survey in the UK in March 2020 showed that income from public fundraising is predicted to fall by an average of 48%, and that total income would fall by a third.ⁱⁱ Critically public fundraising provides much needed unrestricted funding for charities which they can use to fund programmes that they can't find funding for from traditional donors and fund their core costs. Pro Bono Economics estimates the sector is facing a £10bn funding gap and 60,000 jobs could be lost due to Covid-19.ⁱⁱⁱ

What about UK charities working internationally?

Although the £750 million charity support package announced Chancellor of the Exchequer on 8 April 2020 was a welcome start, charities are clear that this only goes part of the way to making up for the £10bn funding gap created by Covid-19. Crucially, UK charities that work internationally were not eligible for any support from this fund, despite the fact that international charities represent approximately 9% of the spending power of the charity sector.

As a result of a drastic drop in income, 46% of organisations have had to make staff redundant and only 52% of organisations can see themselves operating in two years' time. Most organisations are expecting financial conditions to get worse in the year ahead, with 65% of organisations expecting income to fall in 2021-22

Cuts to the aid budget

The UK is currently committed to spending 0.7% of its Gross National Income (GNI) on Overseas Development Assistance (ODA). Due to the economic impact of Covid-19 on GNI, the UK's 0.7% budget has been reduced. The UK Government has already started to make £2.9bn worth of cuts to the aid budget and development programmes, but they are unable to say which areas will be most impacted. The drop in income combined with cuts to restricted UK ODA funding by 25% mean that charities working internationally are facing significant challenges in funding their programmes and keeping their organisations afloat. Findings from our new survey show that 50.5% of organisations have experienced cuts to their funding as a result of FCDO cuts, and many organisations are actively considering a merger to secure their financial viability.

NGOs are worried that the cuts will impact those most in need. It is imperative that UK aid supports marginalised people facing poverty, inequality, disease, conflict and climate change. Despite cuts in funding for UK NGOs the demand for their services has increased. NGOs are having to do more with less while worrying about their own sustainability and ability to support the communities that they work in.

How the Government can support charities

In order to effectively respond to the global, multi-dimensional crisis posed by COVID-19, the UK Government should:

1) Support a humanitarian response to Covid-19 with funding support

The FCDO must increase the amount of humanitarian funds allocated to the Covid-19 global response to enable NGOs and their partners to respond at scale. £100m should be channelled through the Rapid Response Facility (RRF).^{iv} This should focus on support for vulnerable populations, areas and countries which may have least capacity to access support. New funds should be allocated on a 'no regrets' basis, and the FCDO should ensure that new funding does not divert aid away from other necessary work, such as conflict prevention and peacebuilding.

2) Provide funding to support those impacted by the Covid-19 crisis.

Covid-19 has created both a health and an economic crisis, and as a result people are being pushed further into extreme poverty. The UNDP expects that Covid-19 will lead to losses of \$220bn in the countries that our members work in. The FCDO must urgently act on this and provide £200m funding for NGO development programming, on top of the emergency funding allocated to the immediate health response, so that we don't lose the gains that have been made.

3) Ensure transparency of Covid-19 funding

The UK Government must be transparent on their Covid-19 funding that goes through multilaterals and FCDO Country Offices so that civil society organisations working with communities have quick and easy access to sufficient levels of funding.

4) Set up an access fund for small NGOs

Small NGOs provide niche development expertise but are struggling to find funding for their much-needed work. The UK Government set up a fund for small NGOs so that they can continue to support their local partners and the communities that they operate in.

5) Prioritise funding that reaches the most marginalised

When prioritising funding in a difficult economic environment, the UK government should look to cut programmes that have been found not to deliver for the world's poorest people. Official Development Assistance that has been called out for being ineffective in terms of poverty alleviation include that going to the CDC Group - the UK's development finance institution. The government should rethink its use of "promissory notes" this year so that funding promised in advance to both the CDC and multilateral institutions is instead reallocated towards programmes that are already up and running, delivering healthcare, water and sanitation, education and food, but are now facing cuts because of the inevitable fall in GNI.

Who we are

Bond is the UK network for organisations working in international development and humanitarian aid. It unites over 400 organisations, ranging from small specialist charities to large international non-governmental organisations (INGOs) with a world-wide presence. As COVID-19 continues to spread worldwide, we are supporting our members to adapt their programmes and operations so that they can continue to deliver the life-saving services to the world's most vulnerable people.

For more information, contact Paul Abernethy, Government Relations, Bond, pabernethy@bond.org.uk

ⁱ *Half a billion people could be pushed into poverty by coronavirus, warns Oxfam*, Oxfam International, 09 April 2020

ⁱⁱ *Coronavirus impact survey results: charities cannot meet the surge in demand for services without urgent funding from the government*, Institute of Fundraising, 30 March 2020

ⁱⁱⁱ *Collapse in charity provision looms at moment of greatest need*, Pro Bono Economics, September 2020

^{iv} Of the £200m aid package announced by the UK Government on 12 April 2020 only £20m was pledged for supporting NGOs via the Rapid Response Facility (RRF).