

Committee(s): Finance Committee Finance Committee – For Information	Dated: 16/05/2023
Subject: Donations – International Disaster Fund	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,2,3,4,9
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£0
What is the source of Funding?	City’s Cash
Has this Funding Source been agreed with the Chamberlain’s Department?	Y
Report of: Managing Director of Bridge House Estate & Chief Charity Officer	For Information
Report author: Jack Joslin, Head of the Central Grants Unit	

Summary

This report provides an update to the Finance Committee on the work of the International Disaster Fund (IDF) when making donations in emergency appeal situations. The report highlights key donations made through the fund in the Financial Year 2022/23 and outlines the enhanced criteria applied when making donations.

Recommendations

Members are asked to note:

- a) The report on the work of the International Disaster Fund
- b) The enhanced criteria applied when making international donations at pace

Main Report

Background

1. In 2016 the Finance Committee requested information regarding the financial activities of charities involved in emergency appeals, to guide future decisions concerning donations to be made by the City of London.
2. At its meeting in January 2017 the Finance Committee noted that it would apply the strong criteria of the Disaster Emergency Committee (DEC) for the selection and monitoring of UK aid charities when responding to an international disaster.

3. When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that Finance Committee can be confident in giving direct to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.
4. The CGU is in place to provide advice and recommendations on how donations would be best placed in the instance that a DEC appeal is not launched.

Current Position

5. At the meeting of the Finance Committee in November 2020 a report was presented asking members to note the enhanced criteria that is used when responding to international emergencies. The Committee moved to agree the following criteria:
 - a) The IDF should continue to use the strong criteria applied by DEC for the selection and monitoring of UK aid charities. The IDF, should remain where possible a fund to support International Disasters. An incident in the UK can be considered in exceptional circumstances.
 - b) The CGU will continue to provide recommendations on Appeals and will deepen its relationship with the DEC and its partners.
 - c) When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that Finance Committee can be confident in giving direct to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.
 - d) Charities that do not fall under the DEC can be considered in exceptional circumstances if no DEC partner organisation is working on the ground in an area of need. These will be looked at on a case by case basis with full due diligence provided by the CGU, including the support of the BHE and Charities Finance Team.
 - e) Recommendations on where donations should be made will be guided by international aid experts in contact with the CGU.
 - f) The Finance Committee should consider increasing the size of individual donations made to make greater impact when supporting an Appeal, this would limit the number of Appeals supported in a year.
 - g) The CGU will closely monitor the relationship with the DEC and will conduct annual due diligence on the Charity to ensure they are maintaining a high level of transparency and are financially viable.
6. Since 2020 the CGU has continued to maintain relationships with the DEC and its partners to ensure it has advance notice of any appeals. The DEC will inform the CGU in advance of the launch of an appeal to ensure the City of London Corporation can be seen to be an early responder to any appeal launched and use its influence to get our partners to do the same. The CGU also maintains

good relationships with DEC Partner agencies.

7. Since March 2020, the Coronavirus Pandemic has had a significant impact on life in the UK. Initial donations were made through the IDF to respond to this need.
8. At the start of the lockdown it was agreed that the IDF explore options to support organisations working in the UK in response to the Coronavirus Pandemic. As a DEC appeal had not been launched specifically for work in the UK it was decided to look at organisations responding on a National and Local level. The scope of the work had to fall outside the eligibility of the City Bridge Trust and be focused on emergency relief in line with the IDF agreed policy. In the list of donations at **Appendix 1** Members will note the different causes supported during the period of the Coronavirus Pandemic.
9. In March 2022 the war in Ukraine started prompting one of the largest DEC Appeals on record as millions of Ukrainians were displaced from their homes. At the meeting of the Court of Common Council in March 2022 the court moved to move £250,000 from the Finance Committee Contingency Budget into the IDF to support the DEC Appeal.
10. The total IDF budget for 2022/23 was £125,000. In the year the IDF provided two donations of £25,000 to support those impacted by Flooding in Bangladesh and Pakistan. A further Donation of £50,000 was made to the DEC Turkey/ Syria Earthquake Appeal in February 2023. £25,000 of the IDF budget was not allocated in 2022/23.
11. It should be noted that a significant amount of CGU officer time, including that from the BHE and Charities Finance Team, is put into the assessment of International Appeals and recommendations made to the Chairman and Deputy Chairman of the Finance Committee.

Future Position

12. The IDF should continue to use the strong criteria applied by DEC for the selection and monitoring of UK aid charities. The IDF, should remain where possible a fund to support International Disasters. An incident in the UK can be considered in exceptional circumstances.
13. The CGU will continue to provide recommendations on Appeals and will deepen its relationship with the DEC and its partners.
14. When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that Finance Committee can be confident in giving direct to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.
15. Charities that do not fall under the DEC can be considered in exceptional circumstances if no DEC partner organisation is working on the ground in an area. These will be looked at on a case by case basis with full due diligence provided by the CGU.
16. Recommendations on where donations should be made will be guided by international aid experts in contact with the CGU.

17. The CGU will closely monitor the relationship with the DEC and will conduct annual due diligence on the Charity to ensure they are maintaining a high level of transparency and are financially viable.

Conclusion

18. The IDF has made significant donations to support International Humanitarian Disasters since its inception. By utilising the expertise of International Aid organisations, the donations have always been directed at the areas that need it most. This paper outlines how the IDF can be more impactful in how it donates to support International Disasters ensuring a close alliance with International Aid organisations like the DEC and its partners.

19. Due to the transparent governance controls applied by the DEC, it is suggested that members could confidently give direct to the individual charities that are members of this umbrella organisation, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.

Appendices

- Appendix 1 - Record of donations from the International Disaster Fund 2010 – 2023

Background Papers

Finance Committee - Donations in emergency appeal situations – 31 January 2017

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