
Executive Certificate in Humanitarian Project Management and Evaluation

Budgeting and Financial Management in Humanitarian Contexts

Accountability in the context of humanitarian aid refers to the responsibility of organizations to ensure that their actions and decisions are transparent, fair, and in the best interests of the affected populations. This concept is closely related to transparency and governance, as it involves being answerable for the use of resources and the impact of programs. In budgeting and financial management, accountability is crucial for maintaining trust with donors and stakeholders, and for ensuring that funds are used efficiently and effectively.

Acquisition refers to the process of obtaining goods, services, or works from external sources, often through a competitive bidding process. In humanitarian contexts, acquisition is a critical component of procurement and logistics, as it involves sourcing essential items such as food, shelter, and medical supplies. Effective acquisition practices are essential for ensuring that aid is delivered in a timely and cost-effective manner.

Activity-based budgeting is a method of budgeting that involves allocating resources to specific activities or tasks, rather than to broad categories or departments. This approach is useful in humanitarian contexts, as it allows organizations to track the costs of specific interventions and programs, and to make informed decisions about resource allocation. For example, an organization might use activity-based budgeting to allocate funds to specific health or education programs.

Administrative costs refer to the expenses associated with managing and supporting the operations of an organization, such as salaries, office expenses, and communication costs. In humanitarian contexts, administrative costs are often a significant component of an organization's overall budget, and must be carefully managed to ensure that resources are allocated efficiently.

Asset management refers to the process of tracking, maintaining, and utilizing an organization's physical and financial assets, such as vehicles, equipment, and property. In humanitarian contexts, asset management is critical for ensuring that resources are used effectively and efficiently, and that assets are protected from loss or damage.

Audit refers to the process of examining and evaluating an organization's financial records and practices, often to ensure compliance with laws, regulations, and standards. In humanitarian contexts, audits are essential for maintaining transparency and accountability, and for identifying areas for improvement in financial management and governance.

Beneficiary is an individual or group that receives assistance or benefits from a humanitarian program or intervention. In budgeting and financial management, it is essential to identify and track beneficiary information, in order to ensure that resources are allocated effectively and that programs are having the desired impact.

Budget refers to a detailed plan for the allocation of financial resources over a specific period of time. In humanitarian contexts, budgets are critical for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed. A budget typically includes income, expenditures, and reserve components.

Budgeting cycle refers to the process of planning, implementing, and evaluating a budget over a specific period of time. In humanitarian contexts, the budgeting cycle typically involves several stages, including needs assessment, resource mobilization, and monitoring and evaluation.

Cash flow refers to the movement of money into and out of an organization, and is a critical component of financial management in humanitarian contexts. Effective cash flow management is essential for ensuring that an organization has sufficient liquidity to meet its obligations and implement its programs.

Cluster approach refers to a coordination mechanism used in humanitarian responses, where organizations with similar mandates and expertise work together to achieve common goals. In budgeting and financial management, the cluster approach can help to ensure that resources are allocated efficiently and effectively, and that duplicate efforts are avoided.

Community-based participation refers to the involvement of local communities in the planning, implementation, and evaluation of humanitarian programs. In budgeting and financial management, community-based participation is essential for ensuring that programs are responsive to local needs and priorities, and that resources are allocated in a way that is transparent and accountable.

Contingency planning refers to the process of identifying and preparing for potential risks and uncertainties, such as natural disasters or conflict. In humanitarian contexts, contingency planning is critical for ensuring that organizations are able to respond quickly and effectively to emerging crises, and that resources are allocated in a way that is flexible and adaptable.

Contract management refers to the process of negotiating, implementing, and monitoring contracts with external partners, such as suppliers or implementing partners. In humanitarian contexts, contract management is essential for ensuring that resources are used efficiently and effectively, and that contracts are managed in a way that is transparent and accountable.

Contribution agreement refers to a formal agreement between an organization and a donor, outlining the terms and conditions of a specific contribution or grant. In budgeting and financial management, contribution agreements are critical for ensuring that resources are allocated in a way that is consistent with donor requirements and expectations.

Coordinated response refers to the process of working together with other organizations and stakeholders to respond to a humanitarian crisis or emergency. In budgeting and financial management, a coordinated response is essential for ensuring that resources are allocated efficiently and effectively, and that duplicate efforts are avoided.

Cost analysis refers to the process of examining and evaluating the costs associated with a specific program or intervention. In humanitarian contexts, cost analysis is critical for ensuring that resources are allocated in

a way that is efficient and effective, and that programs are having the desired impact.

Cost sharing refers to the process of allocating costs between different organizations or partners, often in the context of a joint program or project. In budgeting and financial management, cost sharing is essential for ensuring that resources are used efficiently and effectively, and that costs are allocated in a way that is fair and transparent.

Country office refers to a local office or representation of an international organization, responsible for implementing programs and managing operations in a specific country or region. In budgeting and financial management, country offices play a critical role in ensuring that resources are allocated efficiently and effectively, and that programs are well-planned and well-executed.

Credit facility refers to a type of financial instrument that allows an organization to borrow money or access credit on a short-term basis. In humanitarian contexts, credit facilities can be used to provide emergency funding or to support cash flow management, but must be used carefully to avoid debt and financial risks.

Currency exchange refers to the process of exchanging one currency for another, often in the context of international transactions or trade. In humanitarian contexts, currency exchange is a critical component of financial management, as it can impact the value of resources and the cost of programs.

Debt management refers to the process of managing and repaying debt, often in the context of loans or credit facilities. In humanitarian contexts, debt management is essential for ensuring that organizations are able to maintain their financial stability and avoid insolvency.

Donor reporting refers to the process of providing regular updates and reports to donors on the use of their funds and the impact of programs. In budgeting and financial management, donor reporting is critical for maintaining transparency and accountability, and for ensuring that resources are allocated in a way that is consistent with donor requirements and expectations.

Emergency funding refers to the provision of financial resources in response to a humanitarian crisis or emergency, often on a short-term or urgent basis. In budgeting and financial management, emergency funding is essential for ensuring that organizations are able to respond quickly and effectively to emerging crises.

Expenditure tracking refers to the process of monitoring and recording expenses, often in the context of financial management and accounting. In humanitarian contexts, expenditure tracking is critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Financial inclusion refers to the process of providing access to financial services, such as banking or microfinance, to marginalized or vulnerable populations. In humanitarian contexts, financial inclusion is essential for promoting economic recovery and resilience, and for supporting the long-term recovery of affected communities.

Financial management refers to the process of planning, implementing, and monitoring an organization's financial activities, including budgeting, accounting, and reporting. In humanitarian contexts,¹ financial

management is critical for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Financial reporting refers to the process of providing regular updates and reports on an organization's financial activities, often to donors, stakeholders, or regulators. In budgeting and financial management, financial reporting is essential for maintaining transparency and accountability, and for ensuring that resources are allocated in a way that is consistent with donor requirements and expectations.

Funding proposal refers to a document or application submitted to a donor or funding agency, outlining a proposed program or project and requesting financial support. In budgeting and financial management, funding proposals are critical for securing resources and supporting the implementation of humanitarian programs.

Grant management refers to the process of managing and administering grants or contributions from donors, often in the context of project implementation and financial management. In humanitarian contexts, grant management is essential for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Humanitarian appeal refers to a public call for funding or support, often in response to a humanitarian crisis or emergency. In budgeting and financial management, humanitarian appeals are critical for securing resources and supporting the implementation of humanitarian programs.

Humanitarian coordination refers to the process of working together with other organizations and stakeholders to respond to a humanitarian crisis or emergency. In budgeting and financial management, humanitarian coordination is essential for ensuring that resources are allocated efficiently and effectively, and that duplicate efforts are avoided.

Humanitarian response refers to the provision of assistance or support to affected populations, often in the context of a crisis or emergency. In budgeting and financial management, humanitarian response is critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

In-kind donation refers to a type of donation that involves the provision of goods or services, rather than cash. In humanitarian contexts, in-kind donations can be used to support program implementation and provide essential items to affected populations.

Institutional capacity refers to the ability of an organization to manage and implement programs effectively, often in the context of governance and management. In budgeting and financial management, institutional capacity is essential for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Internal control refers to the processes and procedures used to manage and mitigate risks, often in the context of financial management and accounting. In humanitarian contexts, internal control is critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

International accounting standards refer to a set of standards and guidelines for financial reporting and accounting, often used by international organizations and donors. In budgeting and financial management, international accounting standards are essential for ensuring that financial reports are transparent and comparable.

Investment strategy refers to a plan or approach for investing resources, often in the context of financial management and portfolio management. In humanitarian contexts, investment strategies are critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Logistical support refers to the provision of essential services or supplies, such as transportation or communication, often in the context of program implementation and operations. In budgeting and financial management, logistical support is essential for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Microfinance refers to the provision of financial services, such as loans or savings, to marginalized or vulnerable populations. In humanitarian contexts, microfinance can be used to support economic recovery and resilience, and to promote the long-term recovery of affected communities.

Monitoring and evaluation refer to the processes of tracking and assessing program implementation and impact, often in the context of performance management and accountability. In budgeting and financial management, monitoring and evaluation are essential for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Needs assessment refers to the process of identifying and analyzing the needs of affected populations, often in the context of humanitarian response and programming. In budgeting and financial management, needs assessments are critical for ensuring that resources are allocated efficiently and effectively, and that programs are responsive to local needs and priorities.

Non-governmental organization (NGO) refers to a type of organization that is independent of government and often involved in humanitarian response and development work. In budgeting and financial management, NGOs play a critical role in implementing humanitarian programs and providing essential services to affected populations.

Operational costs refer to the expenses associated with implementing and managing programs, such as staff salaries, transportation, and communication costs. In humanitarian contexts, operational costs are often a significant component of an organization's overall budget, and must be carefully managed to ensure that resources are allocated efficiently.

Outcome based budgeting refers to a method of budgeting that involves allocating resources to specific outcomes or results, rather than to broad categories or departments. In humanitarian contexts, outcome-based budgeting is useful for ensuring that programs are focused on achieving specific goals and objectives, and that resources are allocated in a way that is efficient and effective.

Partnership agreement refers to a formal agreement between two or more organizations, outlining the

terms and conditions of a specific partnership or collaboration. In budgeting and financial management, partnership agreements are critical for ensuring that resources are allocated in a way that is consistent with partner requirements and expectations.

Payment terms refer to the conditions and timing of payments, often in the context of contracts or agreements. In humanitarian contexts, payment terms are essential for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Performance management refers to the process of tracking and evaluating an organization's performance, often in the context of monitoring and evaluation. In budgeting and financial management, performance management is critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Procurement refers to the process of acquiring goods, services, or works from external sources, often through a competitive bidding process. In humanitarian contexts, procurement is a critical component of logistics and supply chain management, as it involves sourcing essential items such as food, shelter, and medical supplies.

Program budget refers to a detailed plan for the allocation of financial resources to a specific program or project. In humanitarian contexts, program budgets are critical for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Project cycle refers to the process of planning, implementing, and evaluating a specific project or program, often in the context of project management and monitoring. In budgeting and financial management, the project cycle is essential for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Recovery efforts refer to the process of supporting the long-term recovery of affected communities, often in the context of reconstruction and development work. In budgeting and financial management, recovery efforts are critical for ensuring that resources are used efficiently and effectively, and that programs are focused on promoting sustainable recovery and resilience.

Refugee response refers to the provision of assistance or support to refugees or displaced persons, often in the context of humanitarian response and protection. In budgeting and financial management, refugee response is critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Relief goods refer to essential items such as food, shelter, and medical supplies, often provided to affected populations in the context of humanitarian response. In budgeting and financial management, relief goods are a critical component of logistics and supply chain management.

Resource mobilization refers to the process of securing and allocating resources, such as funding or personnel, to support humanitarian programs. In budgeting and financial management, resource mobilization is essential for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Reserve funds refer to a type of financial resource that is set aside for future use, often in the context of emergency funding or contingency planning. In humanitarian contexts, reserve funds are critical for ensuring that organizations are able to respond quickly and effectively to emerging crises.

Risk management refers to the process of identifying, assessing, and mitigating risks, often in the context of financial management and governance. In humanitarian contexts, risk management is essential for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Sector coordination refers to the process of working together with other organizations and stakeholders to respond to a humanitarian crisis or emergency, often in a specific sector such as health or education. In budgeting and financial management, sector coordination is critical for ensuring that resources are allocated efficiently and effectively, and that duplicate efforts are avoided.

Spend plan refers to a detailed plan for the allocation of financial resources over a specific period of time, often in the context of budgeting and financial management. In humanitarian contexts, spend plans are critical for ensuring that resources are used efficiently and effectively, and that programs are well-planned and well-executed.

Stakeholder engagement refers to the process of working with and involving stakeholders, such as donors, partners, or affected populations, in the planning and implementation of humanitarian programs. In budgeting and financial management, stakeholder engagement is essential for ensuring that resources are allocated in a way that is transparent and accountable, and that programs are responsive to local needs and priorities.

Supply chain refers to the network of organizations and activities involved in the provision of goods or services, often in the context of logistics and procurement. In humanitarian contexts, supply chain management is critical for ensuring that essential items are sourced and delivered efficiently and effectively.

Sustainability refers to the ability of a program or intervention to continue over time, often in the context of long-term recovery and development work. In budgeting and financial management, sustainability is essential for ensuring that resources are used efficiently and effectively, and that programs are focused on promoting sustainable recovery and resilience.

Tax exemption refers to a type of exemption from taxation, often granted to humanitarian organizations or donors. In budgeting and financial management, tax exemption is critical for ensuring that resources are used efficiently and effectively, and that programs are not subject to unnecessary tax burdens.

Tender process refers to the process of soliciting and evaluating bids from external partners, often in the context of procurement and contract management. In humanitarian contexts, tender processes are critical for ensuring that resources are used efficiently and effectively, and that contracts are managed in a way that is transparent and accountable.

Training program refers to a type of program or intervention that provides skills or knowledge to individuals or organizations, often in the context of capacity building and development work. In budgeting and financial management, training programs are critical for ensuring that staff and partners have the necessary

skills and knowledge to implement humanitarian programs effectively.

Transparency refers to the quality of being open and honest in all aspects of an organization's operations, often in the context of financial management and governance. In humanitarian contexts, transparency is essential for maintaining trust and accountability with donors and stakeholders, and for ensuring that resources are allocated in a way that is efficient and effective.

Value for money refers to the principle of achieving the best possible outcomes and impact with the available resources, often in the context of financial management and performance management. In humanitarian contexts, value for money is critical for ensuring that resources are used efficiently and effectively, and that programs are having the desired impact.

Voucher system refers to a type of system or mechanism that provides a voucher or token to individuals or households, often in the context of cash transfer programs or social protection initiatives. In humanitarian contexts, voucher systems can be used to support economic recovery and resilience, and to promote the long-term recovery of affected communities.

Zero based budgeting refers to a method of budgeting that involves justifying every expense or allocation from scratch, rather than starting from a previous budget or baseline. In humanitarian contexts, zero-based budgeting is useful for ensuring that resources are allocated efficiently and effectively, and that programs are focused on achieving specific goals and objectives.