

Eight Proposals for Narrowing the Humanitarian Finance Gap

A Summary of Save the Children's Recommendations to the High-Level Panel on Humanitarian Financing

According to UN Secretary-General Ban Ki-moon, one of the most important challenges facing the current humanitarian system is the growing gap between the numbers of people in need of assistance and the resources available to respond to those needs. The gap is caused by numerous, interrelated factors including the increased scale of protracted conflicts, climate change, demographic shifts and chronic crises related to food and water insecurity.

In response to these pressing concerns, the SG recently appointed a High-Level Panel on Humanitarian Financing, charging it with the responsibility to develop bold yet actionable ideas around three important questions:

- 1) How can more be raised from traditional donors and through innovative funding streams to address the growing gap?
- 2) How can we increase the predictability of funding?
- 3) How can the humanitarian system make the best use of the resources available?

The panel's work to answer these questions will feed into the World Humanitarian Summit in May, 2016.

Our Proposals for the High-Level Panel ^[1]

- I. **Ensure robust investment in children.** This proposal is perhaps no surprise coming from Save the Children, but it is a recommendation that all actors should take seriously, not only child-focused agencies. Humanitarian crises affect millions of people every year and at least half of those people are children.^[2] Closing the gap between needs and resources therefore requires meeting the needs and protecting the rights of children.

Beyond the sheer numbers of affected children, however, is the simple fact that today's children are tomorrow's adults. Children left undereducated, traumatized, victimized and impoverished as a result of today's crises become adults less prepared to cope with future crises. This dynamic, if left unchecked, will only serve to widen the existing gap. Yet children's needs, and children themselves, are consistently neglected in humanitarian response. Children are rarely consulted as part of official needs assessments or reviews, and the interventions they say are most important to them, especially education and protection, are routinely underfunded and often take too long to come on line. ^[3]

Recommendations:

- Endorse the work of the Champions Group on Education in Emergencies and Protracted Crises in developing a new global platform and/or financing mechanism to guarantee education for all children in crises. Spell out the need for such a mechanism to ensure that new funding be additional, timely, predictable and flexible;
- Support the development of a "Global Partnership to End Violence against Children" and associated fund. Ensure that the new mechanism plays a catalytic role in ending violence against children in crises;^[4]

- Call for the development of a set of core standards that ensure neglected crises and chronically underfunded areas of a response, such as child protection and education in emergencies, are fully funded through a fairer distributive appeal process;
- Encourage governments to put in place measures to safeguard child-focused public expenditures in times of crisis.

2. **Leave no one behind**

Too often, even when humanitarian financing is available, restrictions on how and where it can be spent mean it does not reach all people in need. Current examples include areas occupied by proscribed groups in Yemen, Somalia and Afghanistan. It will be impossible to close the current gap with resource quantity alone. We must ensure that help can reach those who need it most.

Recommendations:

- Reaffirm the principle that humanitarian aid should be funded and distributed in response to need, regardless of cultural, political, religious or any other identity. Agree that counter-terrorism legislation should not unnecessarily undermine humanitarian action;
- Reaffirm the right of all civilians affected by crisis to assistance, emphasizing the duty of states and other parties to conflicts to allow the provision of relief;
- Challenge all humanitarian donors to realize the Good Humanitarian Donorship principles, including the need to allocate humanitarian funding in proportion to needs and on the basis of needs assessments.

- ## 3. **Invest more in disaster risk reduction (DRR).** Despite much rhetoric around increased investments in DRR, the world still experiences too many predictable disasters and fails to prevent them or sufficiently mitigate their impacts. The recent 8.1 magnitude earthquake in Nepal is a good example of this phenomenon.^[5] Even though the earthquake had been predicted for many years, preventable damage and loss of life were extreme. More than 8,000 people were killed and 35,000 classrooms were damaged or destroyed, leaving more than a million children out of school and, then, learning in tents.^[6] Meanwhile, Chile experienced a similarly strong earthquake on September 18 of this year in which only 11 people were killed and a few hundred homes damaged, showing how adequate investments in DRR can mitigate impact.^[7]

Recommendations:

- Propose hard targets for DRR and resilience financing - track performance against both the financing targets themselves as well as outcomes;
- Mobilize domestic resources and development mechanisms for DRR and resilience initiatives;
- Emphasize that governments and development actors, including international financial institutions and all relevant multilateral agencies, should be accountable for designing and resourcing DRR and resilience policies and interventions.

- ## 4. **Optimally support chronic crises.** Reliance on financing streams intended primarily to resource short-term humanitarian response in order to fund protracted crises can prove self-defeating for the aid system as a whole.

It can stifle self-reliance and often fails to address long-term problems or build up the resilience of populations to future crises.

Recommendations:

- Adopt a “Donor Framework of Agreement” at the WHS that will commit donors to providing flexible multi-year funding as the norm in chronic and protracted contexts;
- Champion increased investment in social protection for populations in chronically crisis-affected areas;
- Encourage governments to proactively facilitate the flow of remittances into situations of protracted crisis;
- Advocate for development assistance to be more deliberately targeted towards excluded groups and the most vulnerable, especially in countries affected by conflict or vulnerable to chronic crisis;
- Explore tasking development agencies with some level of formal responsibility for situations of protracted displacement.

5. **Ensure early action for food crises.** The Somalia famine of 2011 was a tragic wake-up call for the international humanitarian system, highlighting our inability to mobilize financial resources in response to early warnings. According to a joint report by the UN's Food and Agriculture Organization and the Famine Early Warning Systems Network, famine and severe food insecurity in Somalia claimed the lives of about 258,000 people between October 2010 and April 2012, including 133,000 children under five.^[8] These were all preventable deaths. But now, just years later, the system is again pressed to find the resources and the political will needed to respond to early warnings in the Horn of Africa and elsewhere.

Recommendations:

- Propose that donors agree on common objectives and politically acceptable benchmarks that can lead to rapid disbursement of funding in response to early warnings;
- Call for donors to ensure greater flexibility, transparency and accountability in longer-term programs for reallocation of financial resources in times of crisis, for example through social protection investments or the use of crisis modifiers in development projects;
- Encourage governments to put in place appropriate public finance policies that enable them to respond to early warnings in an effective, transparent and accountable manner, including policies on counter-cyclical spending, use of special drawing rights, lending and borrowing, procurement and management of monetary and non-monetary humanitarian resources;
- Continue to explore and develop risk financing approaches that are transparent, participatory and accountable to affected populations;
- Explore the creation of an early action/no regret fund that can be allocated for common analysis, advocacy and resilience building ahead of a food crisis.

6. **Innovate to increase the overall pot**

The humanitarian aid system is under great strain. Increasing numbers of people are affected by crises and unable to access the resources and services they need. Despite a record \$24.5 billion in international humanitarian assistance in 2014, the shortfall continues to grow – for UN-coordinated appeals alone it was

\$7.5 billion in 2014, or 38% of total requirements.^[9] In order to even come close to closing the existing gap, new resources will need to be added.

Recommendations:

- Call for a commitment from donors to substantially increase their support for national and local disaster management capacity in disaster-prone countries, including capacity to mobilize resources, so that a greater proportion of humanitarian needs can be met through domestic resources;
- Spell out the need for matching or leveraging public domestic resources in situations where government will and capacity is strong;
- Develop new mechanisms to incentivize and mobilize private sector resources for humanitarian action;
- Mobilize risk financing for humanitarian and preparedness financing, ensuring that it is transparent, participatory and accountable to affected populations.

7. Incentivize effective humanitarian action

Experience repeatedly demonstrates that humanitarian effectiveness depends on engaging and supporting local actors. Yet, the tendency is for major donors to channel the vast majority of their funding through large institutions, especially the UN agencies, the Red Cross movement and the major INGOs. These agencies understand the idiosyncratic systems through which much of this aid is distributed, are familiar with the UN Humanitarian Program Cycle and are often able to provide their own seed funding before CERF funds (or other donor funds) become available. But the approach has also been criticized for convoluted transaction chains and multiple inefficiencies that reduce the overall volume of aid that reaches front line actors, and the speed and responsiveness of the system as a whole. It can also fail to support local and sustainable capacity by cutting out local actors and prioritizing accountability to donors over accountability to affected populations.

Recommendations:

- Challenge donors to commit to substantially increasing, and setting a benchmark for, direct funding for local humanitarian actors;
- Champion the START Fund, a pooled fund for NGOs that has the potential to increase the proportion of funding that goes directly to local organizations;
- Modify and expand pooled funds to make them more accessible to national and local NGOs;
- Challenge donors to invest greater resources and expertise in building the capacity of local humanitarian actors and to simplify grant allocation and reporting requirements;
- Require that all Humanitarian Country Teams include participants from local organizations and ensure that at least one local organization is enabled to serve in a representative capacity for others.

8. Boost transparency, participation and accountability

One of the key challenges to improving the humanitarian financing system is the lack of up-to-date, high-quality data, particularly with respect to domestic government expenditures and private contributions, but also due to under-reporting by many international donors and the weak connections in reporting across different funding streams.^[10] Transparency is critical for ensuring accountability, enabling planning and enhancing participation.

Without access to information, it is difficult for anyone, but especially affected populations, to influence policies and hold donors, national governments and their implementing partners accountable.

Recommendations:

- Call for a clear commitment from all donors, states and stakeholders to agree to publish and refresh their data on humanitarian activities in a comprehensive, regular and timely fashion;
- Call for commitments to support national data systems and new technology in the availability and use of data;
- Encourage donors and recipients to commit to transparent accounting of relief and recovery funds and to comply with the principles of transparency, participation and accountability to affected populations;
- Call for opportunities for the public to scrutinize data and information, raise concerns, influence decision-making and hold responsible actors to account.

[1] The full text of the Save the Children Submission to High-Level Panel on Humanitarian Finance was submitted on September 16, 2015 and is available upon request.

[2] UNICEF, *UNICEF and Disaster Risk Reduction*, UNICEF, no date

[3] Joseph Nhan-O'Reilly and Claire Mason, *More and Better: Global Action to Improve Funding, Support and Collaboration for Education in Emergencies*, Save the Children, 2015; Protection Cluster, Child Protection Working Group, *Too little too late, Child Protection Funding in Emergencies*, 2011

[4] The Global Partnership and associated Fund are expected to be launched in early 2016. They have the ambition to offer innovative tools to ensure effective and accountable implementation of the Sustainable Development Goal 16.2 (end violence against children) and related targets at country level: <http://16-2endviolenceagainstchildren.org/overview.html>

[5] See UN Secretary General Remarks to the UN General Assembly on the Nepal earthquake, 15 May 2015:

<http://reliefweb.int/report/nepal/nepal-has-been-torn-apart-secretary-general-tells-general-assembly-calls-stepped-aid>

[6] Nepal Education Cluster, Nepal Earthquake Cluster Briefs June and July 2015.

[7] <http://www.irinnews.org/report/102012/what-chile-did-right>

[8] Francesco Checchi and W. Courtland Robinson, *Mortality among populations of Southern and Central Somalia affected by severe food insecurity and famine 2010-2012*, FAO/FEWSNET, May 2013

[9] Charlotte Lattimer, *World Humanitarian Summit: Making financing work for crisis-affected people*, Development Initiatives and Global Humanitarian Assistance, July 2015

[10] Charlotte Lattimer, *World Humanitarian Summit: Making financing work for crisis-affected people*, Development Initiatives and Global Humanitarian Assistance, July 2015