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UNDER-SECRETARY-GENERAL FOR HUMANITARIAN AFFAIRS AND EMERGENCY RELIEF COORDINATOR, STEPHEN O'BRIEN

OPENING REMARKS TO THE PANEL ON ADDRESSING CAPACITY AND RESOURCE CHALLENGES THROUGH HUMANITARIAN FINANCING

Geneva, 18 June 2015

As delivered

Hello and welcome to this panel debate on humanitarian financing.

Humanitarians have a very strong record of facing up to challenges and finding solutions, from the humanitarian reform of 2005 to the adoption of the IASC Transformative Agenda in 2011.

The Central Emergency Response Fund and country-based Pooled Funds have helped to ensure that funds are more timely and predictable, by spreading them between poorly funded sectors and emergencies.

But as we speak, halfway through the year, the inter-agency appeals for 2015 are just 26 per cent funded. Some appeals are funded at even lower levels; the appeal for the Sahel, where I have often been in the last two and a half years and that I know very well, is just 19 per cent funded.

That is not to say that donors have not been generous - they have. Contributions to inter-agency appeals have nearly doubled in the past three years alone from around US$5 billion to $10 billion.

Indeed, last year's funding was an all-time high. But so equally and unfortunately was the $6.9 billion gap between what was received and what was needed.

This underfunding is already having a serious impact. I saw the pitiful conditions for displaced people in Iraq during my recent visit, just a few days ago. The funding shortfall there is so serious that 77 frontline health clinics have been closed and food rations for over a million people have been reduced. In Nepal, aid workers are making heartbreaking decisions about who to help with the limited funds they have available.

The donor base must clearly expand and we need to make the private sector a more predictable partner for funding and for response. Let's be clear, however: increased funding alone is not the answer. We need to look at bigger and more flexible funding facilities, including with our partners in the World Bank and Regional Banks.

We must also consider some fundamental changes to the way we operate, including working more deliberately toward reducing, not just meeting, humanitarian needs.

The average length of a humanitarian appeal is now 7 years, and the average time that people are displaced is 17 years. Five of the of the largest protracted crises – in Iraq, Syria, South Sudan, the Central African Republic and the Democratic Republic of the Congo – took up two-thirds of all the funds raised through humanitarian appeals last year. Protracted is the new normal. We need to look for ways to reduce these long-term trends.

There are a number of strategies we can employ:

First, we should focus on building response capacity in local organizations. This would reinforce resilience, so that communities are not affected by the same predictable and preventable emergencies like droughts and floods every year. It would also mean that we leave something of lasting value behind when we stop working in a country, which is a longstanding issue for affected people and governments.

Second, we need to update our annual appeal model and move towards multi-year planning and financing. Instead of simply spending money on response operations, we need to consider longer-term investments in prevention and resilience, using mechanisms like loans, insurance, budget support and guarantees.

Third, we need to improve our own effectiveness. This means we have to be more transparent and accountable, while demonstrating greater flexibility and predictability. Cash-based programs and risk insurance are two of the tools that can help us here.

Finally, the humanitarian system invests less than 1 per cent of contributions in research and development; far less than other sectors. Having been involved in planning and research in the private sector myself, I know this failure to invest means we are missing out on opportunities to understand what works and to learn from best practices.

All these suggestions, and more, are now under consideration by the Secretary-General's High Level Panel on Humanitarian Financing, which will provide concrete recommendations later this year on how to find more, and more predictable, resources, and how to make more effective use of the funding we have.

These recommendations will frame our continued discussions on financing and inform the outcome of the World Humanitarian Summit next May, which I regard as an exciting opportunity to have something new and bold to say.

I hope you will touch on all these issues today and come up with some creative solutions. I would like to start the conversation with two questions:

What should we as the humanitarian community be doing to make ourselves a more attractive investment for donors - be they Member States, the private sector or individuals?

What can governments and the private sector do to adapt humanitarian financing to the challenges we face?

Thank you.