ECOSOC HUMANITARIAN AFFAIRS SEGMENT 2021
SIDE-EVENT SUMMARY

Humanitarian financing in the current global environment:
Opportunities, challenges and lessons from the Covid-19 response
22 June 2021

1. SPEAKERS

- Ms. Lisa Carty, Director, Humanitarian Financing and Resource Mobilization, OCHA
- Mr. Angus Urquhart, Development Initiatives, Crisis and Humanitarian Lead
- Mr. Matt Kimmell, Global Affairs Canada, Director, Humanitarian Policy and Global Engagement
- Ms. Cecilia Roselli, Norwegian Refugee Council, Director NRC Geneva
- Dr. Asha Mohammed, Secretary General, Kenya Red Cross Society
- Ms. Tasfia Salek, Manager, START Fund

2. KEY MESSAGES

**Angus Urquhart, Development Initiatives:** The amount of total humanitarian assistance has shown a steady year on year increase since 2012, with a peak in 2019. However, despite the large amounts for COVID-19, the total flatlined in 2020. The majority of donors increased funding in 2020, however, there were large decreases from a small number, including Saudi Arabia and the UK. The data reveals the fragility of a system dependent on a small number of donors for a large portion of humanitarian assistance. The data also show that the number of people living in extreme poverty are increasingly concentrated in countries in fragile contexts and they are facing intersecting risks, including countries at very high risk of impacts from COVID-19. Multilateral banks are providing more resources to countries in crisis; however, an increasing amount of these resources is provided as loans (not grants) and is not provided in a timely manner. The overwhelming major of funds are still channeled to UN agencies and we do not have sufficient visibility on how those funds are flowing through the system. While donors report that the amount of multi-year funding is increasing, agencies continually point to decreases – more transparency is required to understand this mismatch. The amount of un earmarked funding increased significantly by volume in 2020, although as a proportion of total funding, it remained below 2016 levels. On a positive note, there has been growth in the volume of humanitarian cash and voucher assistance, with a tripling since 2015.

**Lisa Carty, OCHA:** In December 2020, former Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Mark Lowcock said, “2021 could be the year of the grand reversal – the unravelling of 40 years of progress. Or it could be the year we work together and build forward better.” This year, COVID, climate and conflict continue to impact the world’s most vulnerable. Comparing the outlook back in December with the current situation shows that food security continues to rise; displacement, protection concerns and access constraints have not improved substantially; not enough has been invested in preventing gender-based violence; and the primary and secondary impacts of COVID in countries in humanitarian crises continue to affect the most vulnerable. This year, coordinated, inter-agency appeals
require $36 billion to assist over 160 million people in 56 countries. This is a 200% increase in people in need compared to 2015. The gap between humanitarian needs and available financing continues to widen even though donors have provided more than $7 billion of funding this year to the plans in the GHO. Appeals are only funded at 20%. This leaves a gap of more than $29 billion. This is similar in percentage terms to the gap last year. Pooled funds are playing a critical role. So far in 2021, CERF has allocated $206 million in rapid response grants in 25 countries. CBPFs have allocated around $210 million to humanitarian partners, and they have intensified their efforts in supporting local actors. At mid-year, contributions to pooled funds are significantly less than they were last year or the year before. Flexibility, and innovation require timely and predictable funding. In conclusion, there are four things to remember as we take stock of our response mid-year. 1. It is necessary to use a rigorous and transparent approach to analyzing and responding to needs by placing people at the center of needs analysis and response. 2. Quality funding – that is, timely, predictable and flexible funding – is crucial for more efficient and effective humanitarian response. 3. It is important to secure more ex-ante financing for predictable crises. All humanitarian needs are foreseeable and 20% are highly predictable, yet only 1% of crisis financing is pre-arranged. 4. It is necessary to pick up the pace of funding, and advocate for additional budgets whenever possible.

Matt Kimmel, Canada: COVID-19 forced us to act faster and differently because of its global nature, unprecedented scale, and the uncertain operating environment. For Canada, this context provided an opportunity to provide more flexible funding. We provided our support to the UN and ICRC with fully unearmarked to give flexibility on the ground to react as the situation evolved. Canada was also clear about the need to continue providing “regular” humanitarian assistance in addition to the COVID-19 funding. The early investment in critical infrastructure, for example, WFP’s global common services was key. As the pandemic evolved, Canada shifted its focus to the secondary impacts of the pandemic, including GBV and the increased vulnerability of women and girls. The pandemic quickly brought the localization agenda to the fore. This is a key take-away of the pandemic – we need to support and empower local actors as directly as possible.

Cecilia Roselli, Norwegian Refugee Council: The current humanitarian system seems static while the conditions all around are evolving. Several important donors are reducing funding and there are no new actors. Flexibility, combined with predictability, is one of the key elements of humanitarian response. There is an evidence-base of the benefits and a long list of best practices of quality funding, so at the beginning of the crisis there was significant progress. The programme-based approach worked best. It is a flexible funding approach at the programmatic level that allows organizations to reprogramme and adjust to respond to needs when they arise, for example in Tigray, Ethiopia. Immediately after crisis hit, some of the rigidity in the system was overcome, however, the situation slowly went back to the “old normal” and enthusiasm declined and there is once again a stalemate in the system. To achieve timely, flexible, predictable and accessible funds, each stakeholder needs to determine what they can do to advance the agenda. This will change the approach to partnerships and can lead to more systemic change that will allow funding to be cascaded to front-line responders. We need to find solutions, take action on Grand Bargain recommendations and move forward the political agenda for quality funding.

Asha Mohammed, Kenya Red Cross Society: KRCS is made up of front-line responders who know their communities’ needs. Last year, the impact of COVID-19 and lock-down measures affected women and girls the most, including in informal settlements in urban areas. When schools reopened, many girls were not able
to go back because of teenage pregnancies and many young people suffered from mental health issues. Cash transfers were used to assist women. There were resources coming in for COVID-19, however, a great deal was earmarked for specific activities and could not be used specifically to support women. It is crucial to support all sectors of activity, not only health and the primary impacts of the pandemic. Advocating for a holistic approach is needed.

**Tasfia Salek, START Fund:** Pooled funds can offer both donors and responders a number of advantages in the way in which humanitarian financing is delivered, including efficiency, the potential for more objective decision making, and the potential for more innovations. In terms of efficiency, pooled funds are a coherent entry point for donors and responders. For local responders, in particular, this can significantly reduce the application and reporting burden. In terms of the potential to be more objective, decisions are more neutral and the political influence of particular actors reduced. Start was able to cover gaps in national responses and local actors were able to identify how to overcome increased logistical difficulties.

### 3. OUTCOMES

- Provide more funding directly to local and front-line responders.
- Take forward commitments on quality funding and transparency at all levels.
- Encourage engagement of development actors.

### 4. KEY QUOTES FROM THE DISCUSSION

“COVID-19 brought us to a critical juncture and the choices we are making matter. The pandemic added another layer of suffering on top of pre-existing humanitarian needs caused by prolonged conflicts, and the intensifying impacts of climate change. This year, that perfect storm of COVID, climate and conflict continues to impact the world’s most vulnerable.” – Ms. Lisa Carty, Director, Humanitarian Financing and Resource Mobilization, OCHA

“If the underlying vulnerabilities to crisis are to be addressed – if we are really going to cut the number of people in need and the length of time for which they need humanitarian assistance – reducing poverty and building resilience are fundamentally important. This is not primarily the role of humanitarians. It requires development and peace-building interventions. This points to wider changes in the aid system and the need to ensure that all aid focuses on those most in need and furthest behind.” - Mr. Angus Urquhart, Development Initiatives, Crisis and Humanitarian Lead

“Change is evident in how the system is providing aid to people experiencing crisis, both within humanitarian assistance and also more widely through the increasing engagement of development actors. Yet the speed, scale and depth of change has not been sufficient.” - Mr. Angus Urquhart, Development Initiatives, Crisis and Humanitarian Lead

“When the pandemic hit, we were overwhelmed by the challenges, but we were able to come together and identify solutions and push for the flexibility we were dreaming about for the past few years. We showed that change is possible when there is a common interest and political will behind it.” - Ms. Cecilia Roselli, Norwegian Refugee Council, Director NRC Geneva
“We have to find a way to use the limited resources better. They have to reach the ground – really reach front-line responders – to be able to act in a timely manner.” - Ms. Cecilia Roselli, Norwegian Refugee Council, Director NRC Geneva

“I hope we can see more funding going to local actors because I think the benefits are clear.” - Dr. Asha Mohammed, Secretary General, Kenya Red Cross Society

“One of the biggest systemic problems the humanitarian sector faces is slow and reactive funding. For every $10 we spend on relief, only $1 is spent on reducing and managing risks. Despite the improved ability to predict the likelihood of disasters, the humanitarian system continues to react as if disasters were unexpected surprises, responding only after they occur and then only very slowly. We need to urgently manage risk more proactively and respond faster when crises happen.” - Ms. Tasfia Salek, Manager, START Fund

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