

SIDE EVENT AT THE MARGINS OF THE 3rd FINANCING FOR DEVELOPMENT CONFERENCE (FFD3)

Addis Ababa, 13-16 July 2015

Event Organizer: Emergency Preparedness and Response Sub-Cluster.

1. EVENT TITLE:

Innovative Financing for Humanitarian Action in Africa in the context of the Agenda 2063 and the Post 2015 Sustainable Development Goals.

2. ABSTRACT:

The Third International Conference on Financing for Development (FFD3) will be held in Addis Ababa (Ethiopia) on 13-16 July 2015. While it is expected to be a high level deliberative forum for mobilizing international solidarity to achieve the SDGs soon to be agreed, FFD3 will take place in a context of shifting global economics in which drawbacks in Western countries contrast with sustained economic growth in Africa and the rise of emerging economic centers in the global south. At the same time, there is a shared understanding between states and other development actors that failure to prevent or address systematically conflict and natural disasters could reverse the hard gains of development. The link between development and humanitarian action has never been as strong as today. However, despite the protracted nature of conflict and the recurrence of natural shocking events, resources from traditional humanitarian funding streams are not keeping pace with the exponentially growing humanitarian needs, alternative and supplemental funding sources are yet to be fully explored and innovative partnerships to be harnessed. With a focus on Africa, this side event will debate how to close the humanitarian-development and how FFD3 can be leveraged to address the specific challenges of humanitarian funding through renewed commitments, adequate institutional arrangements and inclusive partnerships.

3. BACKGROUND

Since the Monterrey Consensus (2002) through the review of its implementation in DOHA (2008) to FFD3 in Addis Ababa (2015), the International Conference on Financing for Development is a unique platform for the leaders of the world to come together and impress a new dynamism to international cooperation with an aim to realize a poverty-free humanity and a world of shared prosperity. Through previous conferences, intensive dialogues and intergovernmental North-South consultations yielded and reiterated international commitments including the allocation of 0.7% GNP to ODA by rich countries and the development of enabling institutional frameworks and conducive policy environments by developing countries to guide their development efforts. Similarly, as emerging donors entered international development assistance arena, new forms partnerships have materialized, especially mechanisms of South-South and Triangular Cooperation. However, while these engagements have contributed to significant inroads in the development effort, neither funding expectations are adequately met nor commitments fully honored. Words are short of deeds. To the extent that humanitarian action is considered in the global funding landscape, resources mobilization efforts fall

short of what is needed to end the massive and unnecessary suffering of millions and people trapped in conflict and natural disasters.

The 2008 global financial crisis and its impacts shook the hitherto stable growth pace of major international donor countries and cast uncertainty and doubt over the development prospect of fragile countries. This resulted in substantive reduction in ODA flows to developing countries. Most of these countries are beset by conflict or recovering from war or are geographically disadvantaged and exposed to natural disasters or climate change induced shocks.

Against all odds though, many countries in Africa continued to register sustained economic growth, driven by their riches- especially oil, gas and minerals. This catalyzed investments that helped improving the lives of many and building institutions of democratic governance that fostered stability and peace in a number of countries formerly shattered by conflict. African drive for domestic resources mobilization partly remedied to shortfalls and downwards fluctuation in ODA and released resources for development. One case in point is the pledge by the Member States of the African Union to allocate at least 10% of their national budgets to agriculture and to achieve at least 6% annual agriculture (The 2003 Maputo Declaration on Agriculture and Food Security and the 10% national budget allocation to agriculture development). In the same vein, various initiatives on the continent were taken to mobilize resources humanitarian purposes. Many African States subscribed to the African Public Health Emergency Fund established to mobilize, manage and disburse additional resources from Member States for providing rapid and effective response to public health emergencies of national and international concern. Other efforts were made through institutional mechanisms at the country (ex. Kenyans Helping Kenyans), regional and continental levels- more so by the African Union in the pan-African spirit of African solidarity (ex. AU pledging conferences, AU Humanitarian Fund, AU Post Conflict and Reconstruction Fund, Africa Solidarity initiatives, AU Foundation, AU Ebola Private Sector Fund, etc.).

There are successful practices to dwell on. However, there still noticeable weaknesses and blind spots in the institutional mechanisms put in place to promote accountability and predictability. National entities in charge of humanitarian action are underfunded or hold little decision making authority (ex. National Disaster Management Agencies). Limited activity has been observed among Parliamentary Committees to prioritize humanitarian funding and regional instruments fall short of implementation. Similarly, current debates about humanitarian financing tend to be confined to Governments alone. Recent efforts to include the private sector and the philanthropic actors need to be scaled up and systematized to contribute to humanitarian action across the world. A growing amount of evidence demonstrates that while primarily preoccupied by profit, the private sector can also contribute to solving nonmarket problems of humanitarian and health emergencies (ex. AU private Sector response to Ebola). Through the Global Compact, mechanisms of Corporate Social Responsibility enable businesses to avail their technologies and expertise on favorable terms and provide training and guidance in adapting them to humanitarian operations. Philanthropic institutions and individuals ensure community access to roads, power, schools, clinics and other basic needs. Non-Governmental Organizations and Community Based organizations can supplement the Governments in addressing market failures (common in humanitarian crises) through innovation and entrepreneurship with a humanitarian perspective. The role of these

actors in international financing will deserve the attention of negotiators and participants to the Third International Conference for Financing for Development (especially during the Civil Society Forum).

Over the last three decades, Africa made remarkable success on the way of achieving the Millennium Development Goals. However, in parts of the continent, progress was partly undermined by conflict and natural disasters. Politically motivated and ethnic based conflict claimed a heavy toll and rooted millions of refugees and IDPs out of their livelihoods in Central African Republic, South Sudan, Somalia, Sudan, and Mali. New risks associated with terrorism and religious fundamentalism plagued the Lake Chad Bassin (Boko Haram) and the Sahel (AQMI) while East Africa struggled to contained the spread of Al-Shabaab. Some part of Africa is prey to combinations of these ills. And more recently, the unexpected outbreak of the Ebola in Western Africa exposed the fragility of national health systems and the limited capacities of Governments to tackle humanitarian emergencies of such magnitude. Also, it showed that failure to prevent (or otherwise respond effectively) to such crises can reverse hard won development gains for many years, especially in post-conflict settings.

At this critical moment in the international cooperation, both development and humanitarian practitioners concur that closing the divides between development and humanitarian financing will free resources proper to scale up development results and, at the same time, mitigate the risks of reversals to development achievements and foster sustainability through systematic prevention and response to conflict and natural dramatic shocks. At present, patters in national and international financing are overwhelmingly skewed towards development (assuming peace, security and love with 'Mother Earth'). Funding for prevention takes back stages and resources for humanitarian action are mobilized through distinct funding streams parallel to these of mainstream development assistance (or at their margins). Where attempts are made to elucidate the share of humanitarian action in development aggregates, it remains hard to decipher data on the cost of funding channeled to humanitarian priorities within the complex development portfolio (ex. How much goes to resilience). Within the humanitarian realm itself, research (by OCHA) has revealed that funding is disproportionately oriented towards responding to actual humanitarian crises , leaving preparedness and prevention as second order priorities (less than 5% of overall humanitarian funds go to prevention). Soon or later (and pressures are already observable today), a focus on response will lead to unsustainable levels of humanitarian financing. In such situation, the recent Sendai commitment to allocate 5% of national budgets can be hailed as an immense breakthrough.

Under such circumstances, the Third International Conference for Financing for Development (FFD3) provides opportunities to rethink national and international financing policies and calibrate practices of international public finances so as to increase coherence and synergy between development and humanitarian efforts. By the time world leaders agree to the post-2015 Sustainable development Goals (SDGs), the plight of refugees and IDPs will still be vivid in the devastating conflict in Syria, Iraq, South Sudan, Central Africa Republic, Yemen and others. Also, lessons from the recent earth quakes in Nepal and the Ebola emergency in West Africa will still be yet to be fully learned.

In order to address financing challenges at the intersection of development at and humanitarian action, participants to this side event will debate and address the following questions:

- a. What are the constraints and incentives of governments and other actors to meet their national and international financing commitments and how can humanitarian action be specifically accounted for in various instruments of public funding?
- b. What are the institutional mechanisms for accountability, risk mitigation and resilience?
- c. What role /contribution for non-state actors in humanitarian financing?

4. OBJECTIVES OF THE SIDE EVENT

With an aim to influence substantive deliberations of the Third International Conference for Financing for Development (FFD3), the side event will pursue the following objectives:

- i) To bring together high-level development and humanitarian leaders and practitioners in order to make a case for the integration of humanitarian financing commitments in the outcomes of the Third International Conference for Financing for Development
- ii) To leverage the organization of FFD3 in Africa in order to engage a high-level dialogue on the coherence and effectiveness of humanitarian financing institutional arrangements and mechanisms at the national, regional and continental levels .
- iii) To mobilize the private sector and the philanthropic communities for an active engagement and contribution to the resources mobilization for humanitarian action in Africa.

5. ORGANIZATION OF THE SIDE EVENT:

This side event is an initiative of the Emergency Preparedness and Response Sub-Cluster (EPRSC), a forum of humanitarian actors, Co-chaired by the AU Department of Political Affairs and the OCHA-Liaison Office to the African Union, under the Peace and Security Cluster of the AU-TYCPP. In the context of the implementation of the Agenda 20163 and the SDGs, the participants will discuss and contribute to how to bridge the humanitarian-development divide through adequate institutional mechanisms of national public finance, international development finance, humanitarian funding and private finance flows that will free increased resources for humanitarian action in Africa.

The side event will be organized in the form of a high-level panel moderated by the **Deputy Chairperson of the African Union Commission, Mr. Erastus J.O Mwencha** on the topics below. A discussant will be assigned to integrate the perspectives of the panelists.

Topics

1. Resources mobilization: closing Humanitarian - Development divide
2. The sources, institutions and instruments of funding for humanitarian action in Africa
3. Modern mechanisms of risk financing: Risk pooling and risk transfer
4. Successful models and practices of private sector fundraising for humanitarian action in Africa
5. Partnerships and Cooperation for humanitarian action

Panelists

From their perspective and within the boundaries of the topic assigned, each panelist will be requested to address the questions a, b & c enlisted under 2. The tentatively enlisted speakers are:

- Panelist on Addressing the Humanitarian- Development Divide: **Dr. Abbas Gullet, Kenya Red Cross/IFRC**
- Panelist on Sources, institutions and instruments of funding for humanitarian action in Africa: **AU Department of Political Affairs (DPA)**
- Panelist on Modern mechanisms of risk financing: Risk pooling and risk transfer: **African Risk Capacity (ARC)**
- Panelist of Successful models and practices of private sector fundraising for humanitarian action in Africa models and practices of private sector financing: **Mr. Strive Masiwa, ECONET WIRELESS**
- Panelist on Partnerships and Cooperation for humanitarian action: **Mrs. Jeanine Cooper, Representative to the AU and ECA, Head of Office, UNOCHA/AULO**

Discussant:

Mr. IRUNGU (Independent Consultant)

6. CONTRIBUTION OF THE SIDE EVENT:

It is expected that recommendations of this side event will:

- Contribute to leveraging the outcome document of FFD3 in order to systematically close the humanitarian-development divide and make the a strong case for increased integration between development and humanitarian processes,
- Advocate for increased international and domestic resources for humanitarian action in Africa as condition sine qua non for the achievement of Agenda 2063 and the post-2015 SDGs.
- Bring a unique contribution to building multi-stakeholders partnerships in international and domestic resources mobilization for humanitarian action in Africa.

Use of outputs of the side event:

- Key asks and messages from the side event will be compiled and disseminated among negotiators, high-level delegations and participants to various events during FFD3.
- Subsequently, the recommendation of the side event will be tabled for further discussions during the Regional Consultations led by the African Union in the process of the formulation of the African Common Position on Humanitarian Effectiveness to be presented at the World Humanitarian Summit (Istanbul 2016).

7. EVENT DETAILS

- **Level of participation:** Ministers, Heads of Organizations, Technical Experts, Civil Society Organizations, Private Sector Organizations
- **Venue:** Elilly Hotel, Gada Hall
- **Date:** Monday, 13 July 2015
- **Time:** Morning (10:00 am -12:30);
- **Capacity:** 100 persons
- **Equipment and Services:** DVP projector, Foldable screen, Laptop-to-screen projector, Sound (in-room microphones)
- **Catering:** Snacks (Informal)