

Predictable funding for humanitarian emergencies: a challenge to donors

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'We tried to believe in our hearts that we'd harvest something...that the rains would start again, but the dry spell continued and there was no rain.'

— Davis Mulomba, Malawian farmer, interview with Oxfam staff, September 2005

Introduction

Every year the lives of millions of people are devastated by natural disasters, conflict and other humanitarian emergencies. 2005 has seen particularly extreme humanitarian emergencies including the tsunami, the Sahel food crisis, and hurricanes Katrina and Stan. Tackling these crises requires a range of actions including immediate humanitarian assistance and long-term development. This short paper focuses on one concrete way in which the global humanitarian response could be improved to help prevent avoidable suffering and death — the upgrading of the existing UN Central Emergency Revolving Fund (CERF) to a new Central Emergency Response Fund.

Starvation and famine are not inevitable

This year's food crisis in Niger was predicted months before it hit the headlines, and deaths could have been prevented if funding had been made immediately available at that time. It took television pictures of starving children in July 2005 to prompt donors to commit funds, by which time the shortage had turned into a crisis. Now another food crisis is unfolding in Southern Africa where over 10 million people are at risk of hunger, and natural disasters have struck in Central America and South Asia.¹ While humanitarian assistance cannot prevent every disaster, it can greatly help mitigate their impact. Yet tragically, the aid is often too little and too late to do this.

The humanitarian system still fails many people

While humanitarian aid has increased over recent years, it still does not cover all needs. It often arrives late and is determined more by media profile or political criteria than humanitarian need, condemning hundreds and thousands of people to unnecessary suffering and death.

- Between 1995 and 2004, a total of roughly 900,000 people were reported killed by disasters, which further affected an average of 250 million people each year.²
- Between 1991 and 2000, a total of 2.3 million people were reported killed by conflict (4,400 people every week), while the lives of an average of 31 million people each year were reported to be affected.³

Donor governments have acknowledged that they need to do more. In June 2003, sixteen of the world's largest humanitarian donors recognized the collective international obligation to meet global humanitarian need and committed themselves to the implementation of 23 principles essential to being a 'good humanitarian donor'. These include increasing the timeliness of aid and providing aid according to need.⁴ At the UN 'World Summit' in September 2005, the 191 member governments of the UN promised to improve the timeliness and predictability of emergency aid, including by upgrading the UN's existing Central Emergency Response Fund (CERF).

The current fund, established in 1992, set up a US\$50m pot of money that UN agencies could draw upon to respond to emergencies, provided that they could identify how the money would be replenished. Due to its limited size and rules of operation, this existing fund has done little to spur timely and sufficient responses to emergencies that donors are unwilling to fund. The new proposal to UN member states is that they agree to turn the CERF into a much larger and more efficient grant-giving fund that will be able to provide a rapid response and adequately fund 'neglected emergencies'. Oxfam defines neglected emergencies as those that consistently suffer low levels of funding either because they have a lower media or political profile (like the ongoing conflict in the Democratic Republic of the Congo), involve few beneficiaries (like the floods in Madagascar), or have been continuing for many years (like northern Uganda's 19-year conflict). The UN estimates that 16 million people are at immediate risk in ten neglected emergencies in Africa alone.⁵ An enhanced CERF should make a difference to the lives of these people and go some way to fulfilling governments' commitments to meet global humanitarian need.

Oxfam believes that reforming the CERF is a vital first step to improving global humanitarian response, and that UN Member States should together commit US\$1 billion into the new CERF. These funds should be additional to governments' existing humanitarian aid budgets, which currently leave the UN humanitarian appeals underfunded by over US\$1 billion every year.

A reformed and fully funded CERF will not be a magic bullet that will solve all the shortcomings in the humanitarian system: the international community must also tackle both the lack of political will behind the funding shortfalls and the extreme poverty that can make people so vulnerable to humanitarian crisis. But by providing increased funding and allowing early action, the CERF could help avert much avoidable suffering and death, prevent external shocks from turning into full-blown crises, and make humanitarian operations more cost effective.

Despite welcome commitments by a handful of donors to contribute to a new CERF, most governments have so far failed to step up to the mark. Current commitments total

around US\$187m – less than 20 per cent of the US\$1 billion that Oxfam believes is the minimum to turn government rhetoric on meeting humanitarian need into a reality.

Shortcomings in the current system

Total humanitarian assistance has increased over recent years, reaching an all-time high of around US\$6.9 billion in 2003 (excluding aid to Iraq).⁶ This reflects the positive efforts by some donors to increase their total Official Development Assistance in order to meet the Millennium Development Goals and alleviate suffering.

Humanitarian assistance still does not cover all needs

One indicator of whether global humanitarian needs are being met is the UN's Consolidated Appeal Process (CAP) that launches appeals in response to complex humanitarian emergencies. Although not perfect, there is currently no better information publicly available to provide an approximate picture of the gap between humanitarian need and the international response in different crises, and allow comparison of the response between one crisis and another. In 2004, less than two-thirds of the UN's CAP requirements were met, with a shortfall of US\$1.36bn out of the US\$3.4bn requested. A similar shortfall of US\$1.3bn occurred in 2003 out of a larger US\$5.2bn requested.⁷

Such funding shortfalls effectively abandon people to destitution, starvation, or death, once their own coping strategies and national resources have been exhausted. Oxfam's daily experience working with poor, crisis-affected communities throughout the world shows that millions remain hungry and without medical care, and face daily violence unprotected.

Humanitarian assistance often arrives too late to prevent avoidable deaths and suffering

When aid eventually started arriving in response to the Sahel crisis in 2005, it was too late for many people who were already weakened by hunger and the struggle to meet their daily needs. A similar funding delay is now being repeated in Southern Africa despite warnings about deteriorating food security: the Malawi flash appeal, for example, has only received around 30 per cent of requested funds in the first month of the appeal. Even when there is a high media profile, for example in the case of the recent South Asia earthquake, donors can be slow to respond. Only US\$86m of the US\$312m requested by the UN for the relief operation had been pledged 11 days after the earthquake, and far less actually received in hard cash, despite the massive need.⁸

More widely, although UN flash appeals (for rapid onset natural disasters or sudden deteriorations in existing humanitarian crises) are put out within days, most of them receive less than 30 per cent of requested funds in the first month.⁹ And less than a quarter of requirements for all Consolidated Appeals (other than the tsunami) had been met by May 2005 – 6 months after the CAP was launched. By the same time only 21 per cent of requirements had been met in 2004; and in 2003 just 17 per cent of requirements had been met by May of that year (excluding Iraq).¹⁰ This is a long way from the timely and predictable response that governments have promised to provide.

Humanitarian assistance is often determined more by media profile or political criteria than humanitarian need

Massive media coverage helped ensure that the tsunami appeal received US\$3.8 billion in pledges for humanitarian assistance by May 2005 – roughly half the funds for all emergencies everywhere in 2003. Meanwhile, funding decreased for 10 neglected

emergencies between 2002 and 2004, many in Africa. In 2004 only 60 per cent of the appeals' requirements were met in Sierra Leone and Eritrea, less than a third were met in Indonesia, and just 11 per cent of the appeal's requirements were met in Zimbabwe. In contrast, the 2003 UN appeal for Iraq received over 90 per cent of the requested commitments.¹¹ But even when media attention is high, some donors do not deliver on their promises. For example, a year after the earthquake in Bam, Iran, in December 2003, only US\$17 million of the UN Flash Appeal's US\$32 million had been received.

Some donors, such as Sweden, have a policy of supporting all Consolidate Appeals. Others such as Norway, Canada, and ECHO (the European Commission), also support a high proportion of Consolidated Appeals. Other donors choose to channel funds outside the UN appeals. Yet behind the number crunching, the reality on the ground is that too many people in too many neglected emergencies need assistance and yet receive nothing.

Just as the underlying causes of a humanitarian emergency often have long-term roots, so the shortcomings in humanitarian response also have long-term human and economic effects. One example is the effect of malnutrition that not only increases the probability of illness and death, but also impairs life chances and has a direct impact on labour productivity and economic growth by retarding child growth and causing serious brain damage. Iodine deficiency, for example, affects the development of the central nervous system and leads to a loss on average of 13.5 IQ points.¹²

How the CERF will help

While the CERF should not be seen as a panacea that will automatically fix all the ills of the humanitarian system, a well-governed and accountable fund offers the promise of a substantial improvement in the world's humanitarian response.

In contrast to the current system in which governments can take months to commit funds in response to UN appeals, the CERF would provide a permanent central pot of funds that can be drawn upon in under 72 hours by UN humanitarian agencies. This will allow them to coordinate and respond rapidly to acute emergencies, and to work with non-governmental organizations (NGOs) and other operating partners who are helping people affected by crises. Consideration should also be given to using the rapid response facility for critical preventative action that could help prevent external shocks turning into full-blown crises (e.g. for vaccinations, immunization, the provision of seeds or tools). To prevent such delays in the future, the CERF must not only work well but have sufficient funds to really make a difference.

And because the Fund could make resources available for 'neglected' emergencies, as well as rapid response, it could also help ensure that funds are allocated according to humanitarian need, rather than political or media profile.

Required funding

The UN Office for Coordination of Humanitarian Affairs (OCHA) has asked donors to provide the CERF with an additional US\$500 million in voluntary contributions, over and above existing humanitarian commitments. But Oxfam believes that an additional US\$1 billion will be necessary to cover the annual shortfalls in UN appeals. The shortfall for the UN's CAP in 2004, for example, was US\$1.2 billion, and there was a similar shortfall in 2003.¹³

An additional US\$1 billion in annual donations could be easily financed by donor governments – it represents less than US\$1 per person from the rich OECD countries. While humanitarian assistance has increased in recent years, it is still less than a pinprick in the finances of many donors. For example, while the USA is overwhelmingly the single largest donor of humanitarian assistance, it ranks 10th in terms of per capita spending. It provides only US\$10 dollars for every person in the USA – about the price of a tube of mascara – compared with Norway’s US\$80 per person. Japan, Germany Australia, Canada, France, Ireland, Belgium, and the UK also perform poorly compared to the Scandinavian countries in terms of per capita humanitarian assistance.

Oxfam has calculated the amount each OECD government would need to give to ensure CERF reaches the US\$1 billion target, according to the size of their economy as a proportion of OECD countries’ Gross National Income (GNI) – termed ‘fair share’.

Table 1: Rich countries’ ‘fair share’ of CERF¹⁴

<i>OECD country</i>	<i>GNI in 2003 US\$m</i>	<i>% of total rich country GNI</i>	<i>Donor’s ‘fair share’ of additional US\$1 billion US\$m</i>
Australia	492.0	1.8	17.7
Austria	250.4	0.9	9.0
Belgium	307.9	1.1	11.1
Canada	849.6	3.1	30.6
Denmark	208.6	0.8	7.5
Finland	161.1	0.6	5.8
France	1,768.3	6.4	63.6
Germany	2,392.9	8.6	86.0
Greece	172.9	0.6	6.2
Ireland	125.4	0.5	4.5
Italy	1,453.9	5.2	52.3
Japan	4,375.7	15.7	157.3
Luxembourg	23.5	0.1	0.9
Netherlands	499.4	1.8	17.9
New Zealand	73.2	0.3	2.6
Norway	223.2	0.8	8.0
Portugal	145.5	0.5	5.2
Spain	827.8	3.0	29.8
Sweden	301.6	1.1	10.9
Switzerland	337.0	1.2	12.1
United Kingdom	1,830.9	6.6	65.8
United States	10,990.0	39.5	395.2
TOTAL	27,812.1	100	1,000.0

As of 19 October 2005, US\$187 million has been pledged to the CERF. This includes US\$100m from the UK (US\$70m plus an additional dollar for every three dollars provided by others to a total of US\$100 million); Luxembourg US\$4m; the Netherlands US\$12m; Norway US\$15; Sweden US\$40m; and Switzerland US\$4m.¹⁵ Each of these countries have paid more than their 'fair share', except for the Netherlands which has given around two-thirds of its fair share, and Switzerland which has given one-third of its fair share. The Irish government has also just announced that it will give nearly \$12m to CERF – three times Ireland's 'fair share'.

Other donors like Canada, the USA, France, Belgium, Australia, and Italy have indicated that they may contribute but have not yet done so. Others have not yet indicated whether or how much they may give, or they may be unwilling or unable to do so.

Extra money should also be sought from non-OECD countries, some of which already provide assistance in crisis situations but have not traditionally been regarded as 'donor governments'. As well as helping generate additional funds, this would include non-western countries more fully in the governance of the global humanitarian system, and give the system greater international legitimacy.

How the CERF should work

But the challenge is not just to provide funds. It is also to ensure that the CERF performs well. Increased and timely humanitarian assistance is vital, but if the CERF is to achieve its potential, it will need to be well-governed, transparent, and accountable. The fund should:

- provide grants to meet critical needs for rapid response *and* neglected emergencies;
- develop clear and objective criteria for eligible crises that are discussed with donors, UN agencies, and NGOs, and then agreed by the CERF Board to guide all future decisions;
- have an efficient decision-making process that allows funds to be disbursed within 72 hours to UN agencies, and in turn to NGOs via the UN Humanitarian Coordinators in crisis countries. The speed of the onward distribution to NGOs and others is just as vital as the speed of disbursement to UN agencies. It will depend on UN agencies identifying the NGOs that can deliver – and wherever possible on long-term partnerships and agreements between UN agencies and NGOs;
- be managed by the UN Emergency Relief Coordinator (ERC) who should in turn be accountable to the UN Secretary General for its functioning;
- have an independent advisory Board chaired by the ERC, and including representatives of OECD and non-OECD donor countries, recipient countries, and the three main international humanitarian NGO umbrella groups;
- involve regular and transparent reporting and auditing by UN agencies, plus independent audits;
- have regular donor conferences to ensure replenishment up to US\$1 billion.

In order to ensure that the Fund operates efficiently, wider reforms will also be necessary, such as better selection, training, and support to the UN country humanitarian coordinators. UN agencies will also need to develop clear standing agreements with competent and experienced NGOs to facilitate their participation in

the delivery of vital services, including strict deadlines to ensure a rapid disbursement of funds to them.

Tackling the long-term causes of disasters

'Previously we were able to harvest enough but now we have a burden of these orphans and we have to take care of them... the orphans get into the house expecting to find something but they find there is nothing then they just cry and when they cry what else can I do as a parent? I also have to cry with them and that's all I can do.'

– Group interviews by Oxfam staff, Malawi, September 2005

Of course CERF will not on its own solve all the shortcomings in the current humanitarian system. Taking the example of recurrent food crises in Africa, there are a number of other vital actions – relating to both immediate humanitarian assistance and long-term development – that are needed to help avert unnecessary suffering.

One of the reasons for the late response to the Niger famine was the lack of consensus about the information coming out of the regional early warning systems. Not only do early warning systems have to continue improving the type of data they collect – focusing not just on food supply but also prices, markets, and access at local level – it is also vital that coordination and interpretation of data is improved.

Ensuring that aid is appropriate to purpose is also crucial. For example, donors should only provide in-kind food aid in situations of acute local food shortage and/or non-functioning of local food markets, where regional purchases are not possible. In other situations food aid should be provided in cash form, so that people can purchase food locally or regionally. This requires improved understanding of regional and local markets.

As many people during a crisis have to sell their harvest, livestock, or assets, humanitarian assistance must also go hand in hand with livelihood assistance such as helping people to restock animals, purchase inputs, or participate in community employment or income generation opportunities. In Niger, for example, there was a catastrophic decline in the terms of trade between grain and cattle, i.e. how much grain people who owned cattle could buy. This was because of the declining quality of animals due to lack of pasture, and the desperate need for pastoralists to sell their cattle at any price.

Donors and national governments also need to establish and fund permanent safety nets for the chronically food insecure that provide a guaranteed, timely, and appropriate resource transfer that can be scaled up or down in accordance with the severity of crisis.

Fundamentally, however, the recurrent food crises in Africa are a symptom of extreme poverty and fragile livelihoods. It is this that makes people so vulnerable to the shocks brought on by drought, locusts, or other external events. National governments and international donors must do much more to promote long-term development and tackle the 'root causes' of food crises. These include extreme poverty, the exclusion of different groups from resources of political representation, HIV/AIDS, unsustainable debt burdens, flawed economic policies, and unfair global trade rules. HIV/AIDS, for instance, makes people even more vulnerable to food crises as people are unable to undertake productive work due to sickness, because they are caring for orphans, or because they have sold vital assets such as livestock to pay for treatment.

The CERF is not, therefore, a panacea. Without a wide range of reforms in governance, aid, debt, and trade, food crises will continue. But a well-funded, well-run CERF is a vital part of the solution, helping to provide the sufficient and timely humanitarian aid that millions of people continue to live and die without.

Notes

¹ Oxfam estimate.

² The number of people affected by disasters dropped to around 146 million last year, far lower than the annual average. It is important to note that the numbers of people killed by natural disasters is decreasing, in part due to better satellite forecasting, improved early warning systems, and improved community preparedness in some countries such as India and Bangladesh, apart from 2004 when numbers soared because of the tsunami effect.

³ International Federation of Red Cross and Red Crescent Societies, World Disasters Reports 2001 and 2005. Figures should be viewed as indicative of magnitude as data is not available for all disasters, and are not complete for all disasters.

⁴ The Good Humanitarian Donorship Initiative, launched in Stockholm was the result of discussions among donors about the direction of humanitarian aid. Alongside the bold declaration of principles was a far less bold plan to implement the principles in practice.

⁵ OCHA, Campaigns, Forgotten and Neglected Emergencies, October 2005. The 10 African countries include: Niger, Chad, Ethiopia, Eritrea, Guinea, Republic of Congo, Somalia, Central African Republic, Democratic Republic of Congo, and Northern Uganda.

⁶ Development Initiatives, Global Humanitarian Assistance Update, 2004-05

⁷ OCHA Financial Tracking System www.reliefweb.int/fts

⁸ Jan Egeland, Press conference, 19th October 2005.

⁹ Jan Egeland, powerpoint presentation on UN Humanitarian Response: An Agenda for Reform, October 2005

¹⁰ Development Initiatives, Global Humanitarian Assistance Update, 2004-05.

¹¹ Development Initiatives, Global Humanitarian Assistance Update, 2004-05.

¹² Maxwell Simon, May 2005, 'Should we provide a guarantee that no child will be brain-damaged by malnutrition in Africa if money can prevent it?', ODI, Opinions.

¹³ OCHA website.

¹⁴ 'Rich countries' refers to OECD countries.

¹⁵ Correspondence with OCHA office 10 October 2005.

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