United Nations E/2015/SR.38

Economic and Social Council

Distr.: General

16 July 2015
English
Original: French

2015 session
21 July 2014-22 July 2015
Humanitarian affairs segment

Summary record of the 38th meeting
Held at the Palais des Nations, Geneva, on Thursday, 18 June 2015, at 3 p.m.

President: Mr. Khiari (Vice-President) . . . . (Tunisia)

Contents

15-11435 (E) 060416

In the absence of Mr. Sajdik (Austria), Mr. Khiari (Tunisia), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

Special economic, humanitarian and disaster relief assistance (*continued*)

1. **Mr. O'Brian** (Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator), moderator, said that the donor base must be widened since, despite the huge generosity shown by donors, humanitarian assistance was underfunded. Efforts must also be made to reduce humanitarian needs and not just to meet them. Furthermore, measures should be taken to ensure that humanitarian crises no longer tended to stretch out. Such measures included multi-year planning and funding and local capacity-building for increased community resilience to foreseeable emergency situations like drought and flood, which recurred year after year.

2. **Mr. Pedersen** (Secretary of State, Ministry of Foreign Affairs of Norway) , panellist, said that States should increase their financial contribution to international humanitarian assistance and that other donors should be mobilized, in addition to traditional donors; there should also be greater involvement by the private sector. The best way of responding to conflict-related crises was to prevent them from occurring or, failing that, to find a political solution to them; that required greater investment in conflict prevention and settlement, reconciliation, peacebuilding, respect for human rights and good governance.

3. **Mr. Liès** (Chief Executive Officer, Swiss Re), panellist, said that only a few States enjoyed financial protection against the economic losses that could result from natural disasters. One tool providing such protection was the World Bank's Pacific disaster risk insurance pilot programme, whose participants included Vanuatu, which had thereby been able to receive US$1.9 million just a week after being hit by cyclone Pam in March 2015. Another such tool was the pan-African risk management entity African Risk Capacity (ARC), which in January 2015 had paid more than US$26 million to Senegal, Niger and Mauritania following the drought in the Sahel. While, however, such tools covered only a tiny part of the risk of financial and economic loss, international insurance and reinsurance companies possessed the financial capacity to absorb those risks. International humanitarian actors played an important role by encouraging Governments to transfer their risks. The use of risk transfer instruments allowed the available funds to be reserved for the financing of non-insurable risks, such as conflict-related crises, by transferring insurable risks such as natural disasters to the private sector.

4. **Mr. Wilcox** (Director-General a.i., African Risk Capacity (ARC)), panellist, said that the African Risk Capacity was a specialized agency of the African Union with a mutual insurance company that offered insurance policies to States Members of the African Union. The risks covered were drought, floods and cyclones, to which epidemics would be added starting from 2017. The ARC mechanism was effective in that, unlike appeals for international humanitarian assistance, it allowed relief to be brought to the affected populations before they had exhausted their resources. The amount of the premiums paid, which States took from the public purse, was US$25 million in 2015 and should exceed US$100 million in 2020. Humanitarian actors, in particular the United Nations and related organizations, might wish to make a financial contribution equal to the amount of those premiums; that would be an additional argument to convince African States to take out an insurance policy with the ARC mutual insurance company.

5. **Mr. Jenkins** (Chief Executive Officer, World Vision International), panellist, said that, in funding humanitarian action, it was important to form partnerships with the private sector by bringing in not only multinational corporations but also local enterprises. The new funding possibilities offered by the changing world economic order should also be turned to account, illustrated, for example, by the fact that a third of the funds currently available to World Vision International came from Asia.

Interactive discussion

6. **Ms. Reiffenstuel** (Germany), Chief of the humanitarian assistance task force of the Federal Ministry of Foreign Affairs, summarized the morning's discussions on the five thematic clusters, following the interactive dialogue on humanitarian financing. They had highlighted the need to involve local and national communities more widely in humanitarian action, strengthen the links between humanitarian actors and development actors, diversify humanitarian funding sources, better anticipate crises and ensuing peaks in

the demand for funding and move towards a multi-annual results-based funding system.

7. **Mr. O'Brian** (Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator) opened the discussion on the difficulties and risks associated with the dual role of donor and provider on the ground.

8. **Mr. Pedersen** (Secretary of State, Ministry of Foreign Affairs of Norway) said that the current humanitarian crises were essentially long-term crises of human origin. It was therefore important to remind countries to abide by the principles of humanitarian action and, for the sake of planning, to meet their financial commitments; the donor community also needed to be expanded. Moreover, as was shown by the refugee problem, current humanitarian crises had repercussions beyond conflict areas, sometimes affecting middle-income countries that could not lay claim to ordinary development assistance. Humanitarian assistance to refugees was not enough in such a context; countries affected by such migratory flows also needed to be helped.

9. **Mr. O'Brian** (Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator) asked whether, in Norway, the funding of humanitarian assistance and development assistance had become more fluid following the consolidation of the various ministerial departments.

10. **Mr. Pedersen** (Secretary of State, Ministry of Foreign Affairs of Norway) said that the ministerial consolidation was part of an effort towards both financial and operational flexibility. Although it was sometimes difficult to reconcile it with rigorous planning, the flexibility achieved had made for enhanced cooperation between humanitarian actors and development actors and had allowed a more substantial share of development assistance to be earmarked for humanitarian affairs.

11. **Mr. Liès** (Chief Executive Officer, Swiss Re) said that a good number of recent crises of human origin had nevertheless been anticipated. In order for crisis forecasting to lead to the adoption of preventive measures, States would do well to take their cue from the private sector and appoint a risk manager, tasked in particular with informing them of the estimated costs of their action and of their inaction, in response for instance to the effects of climate change.

12. **Mr. Kull** (World Bank) said that the harsh reality was that the annual payments of the International Development Association fell short of the cost of international humanitarian assistance. Much of what had been said in the discussion was in line with the World Bank's thinking on development financing, particularly in respect of the importance of better responding to needs through international funding mechanisms, the promotion of methods and mechanisms for financial risk management, national capacity-building and the mobilization of private capital.

13. **Ms. Faizunnesa** (Bangladesh), referring to the question of the transition from relief to development, said that she would like to understand better the complementarities and differences between the phases of relief, recovery and development. She also raised the question of country ownership. She asked how humanitarian financing would be linked with development financing; what changes would result for national and global financial institutions; and what the best way was of managing funds both to meet short-term operational needs and ensure the long-term financing of development. There was no one-size-fits-all solution; the vulnerabilities and capacities of each country must be taken into account.

14. **Ms. Alderson** (International Committee of the Red Cross) said that she was in favour of an increase in the budget for humanitarian assistance and opposed to any trade-off between humanitarian assistance and development assistance. Funds should serve first and foremost to address points of vulnerability and help countries in conflict so as to guard against excessive costs to the community at a later stage. In addition to country capacity, it was important to take into account the context of the crisis and its impact. It was true that it was difficult to implement humanitarian principles and good practices on the ground.

15. **Mr. Chir** (Observer for Algeria) said that the management of humanitarian crises necessarily involved humanitarian action, but that care must be taken not to disregard action for development, conflict prevention and peacebuilding. He asked what measures should be given priority, particularly in the matter of funding mechanisms, in order better to coordinate the action of humanitarian actors and development actors.

16. **Mr. Wilcox** (Director-General a.i., African Risk Capacity (ARC)) said that to reduce the cost of risk management, it was essential to quantify risks, strike a

balance between investments and development and put safety nets in place.

17. **Mr. Bessler** (Switzerland) noted that humanitarian action and development action were not driven by the same dynamic and requested clarifications on how cooperation between development actors and humanitarian actors should be strengthened.

18. **Mr. Pedersen** (Secretary of State, Ministry of Foreign Affairs of Norway) said that, as current humanitarian crises tended increasingly to be long-term crises, humanitarian action required efforts over several years. Development actors and humanitarian actors did not have the same flexibility, but it should be borne in mind that their activities were often conducted simultaneously and therefore needed to be more effectively coordinated.

19. **Mr. Liès** (Chief Executive Officer, Swiss Re) said that, while humanitarian crises should not be addressed solely in financial terms, it was a fact that the faster financial resources were made available the lower would be the cost of the measures taken to respond to crises. It would therefore be desirable to transfer funds more rapidly.

20. **Mr. Baran** (Observer for Turkey) said that humanitarian actors should not have to postpone their relief operations through lack of financial resources and that funds should be used as effectively as possible to meet the most pressing needs. The current tendency to assign part of the funds intended for development assistance to humanitarian assistance jeopardized global development goals. It was therefore essential for humanitarian actors and development actors to work in close coordination, particularly with regard to humanitarian financing. It was to be hoped that the 2016 World Humanitarian Summit would provide an opportunity to strengthen international solidarity and improve responsibility-sharing. He wondered what measures should be taken to help the donor countries to allocate more resources to programmes designed and implemented by local communities and how remittances could be used to strengthen the resilience of such communities.

21. **Mr. Saez** (United Kingdom of Great Britain and Northern Ireland) said that 78 per cent of the funds earmarked for humanitarian assistance were assigned to long-term crises resulting from conflicts and that, consequently, lasting ways of addressing those crises needed to be found. While the private insurance sector could not be part of the crisis response, other tools could be used, such as social protection mechanisms, in partnership with development actors. Humanitarian action must accordingly be seen as truly a collective responsibility. He announced in that connection that a meeting on humanitarian financing would be held in Addis Ababa in July 2015. Lastly, he raised the question of how the humanitarian mechanism could be adapted to the growing number of humanitarian actors.

22. **Mr. Jenkins** (Chief Executive Officer, World Vision International) said that liquidity transfers were a tangible means of showing trust in recipient countries. The participation of local communities, including children and young people, in the implementation of humanitarian programmes was an ideal to be pursued, given that humanitarian action was far more effective when the groups concerned contributed to it.

23. **Mr. Liès** (Chief Executive Officer, Swiss Re) said that it was self-evident that crisis preparedness was a good way of reducing the cost of crisis response. Greater importance should therefore be given to crisis management, which was sometimes politically fraught.

24. **Ms. Fink-Hooijer** (European Union) said that there was a widening gap between humanitarian needs and the funds assigned to humanitarian assistance; fresh sources of financing must be found. Some good ideas had been put forward, but mention must also be made of the effectiveness of humanitarian assistance and results assessment. There should also be better monitoring of financial flows in order to inspire greater confidence among donors, which would make it possible to attract further funds. In addition, joint needs assessments should be made so as to strengthen cooperation with development actors. Funding mechanisms should also be improved.

25. **Ms. Habtemariam** (Observer for Ethiopia) noted with concern that five of the main refugee host countries were developing countries, which presented serious financial problems. It was important to evaluate the repercussions of conflict-driven humanitarian crises for the affected countries and refugee host countries and to think about ways of coordinating humanitarian financing and development financing, without limiting the discussion to shortfalls in funding.

26. **Mr. Wilcox** (Director-General a.i., African Risk Capacity (ARC)) said that a distinction had to be made between natural disasters, which could be addressed through insurance mechanisms, and crisis situations,

which could not be foreseen and called for specific funding

27. **Mr. Liès** (Chief Executive Officer, Swiss Re) said that the insurance sector, whose action was admittedly less visible than the banking sector, should not be overlooked.

28. **Mr. Pedersen** (Secretary of State, Ministry of Foreign Affairs of Norway) said that preventive action should continue to be financed even though it was less visible than relief operations.

29. **Mr. Jenkins** (Chief Executive Officer, World Vision International) said that donor countries and countries implementing humanitarian programmes needed to agree on their goals.

30. **Mr. O'Brian** (Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator) said that the international community could not be content to save lives; it should also take care not to leave affected communities in a situation of extreme vulnerability. The solutions to humanitarian crisis were not of an exclusively humanitarian nature but also had a political dimension. The international community must take long-term measures to help affected countries to overcome such crises. Investments should also be made in resilience-building by putting in place loan and insurance mechanisms, together with safeguards. Humanitarian action should also be more transparent. Television cameras should not dictate how humanitarian actors should behave.

31. **The President** thanked the speakers for taking part in the dialogue.

The meeting rose at 5 p.m.