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The Temple of Understanding

The Financing of Humanitarian Aid: A sustainable approach

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### **The Financing of Humanitarian Aid: A sustainable approach**

In a global situation plagued with protracted and acute crisis alike, the need for humanitarian aid remains a necessity; however, the modern system of humanitarian aid is reputed for its unsustainable nature and ineffective complexities. Such a system fails to achieve the global goal of reaching the most vulnerable and allocating the appropriate aid to meet humanitarian needs as they arise in today's multidimensional poverty. In an international context where 90% of humanitarian appeals last longer than three years, the financing of humanitarian aid needs to be planned for and implemented in a manner that will yield the most impactful results ("An end in sight" 4). Through financial analysis, planning, programming, coordination, and the successful implementation of financing instruments, humanitarian aid will not only meet needs and reduce vulnerabilities, but will also lay the groundwork for long-term sustainable development.

#### **Risk Analysis and Coordination**

Mechanisms for pooled and combined data analysis are necessary for a coordinated humanitarian effort. A comprehensive understanding of multi-dimensional needs and factors aid in providing a stronger foundation for humanitarian and development efforts. In order to have the most precise analysis data for immediate and future planning and decision-making for humanitarian actions, the sector needs to push for a high standard of transparency in its financial actions. Transparency will not only increase the potency of existing humanitarian programs, but will also offer donors reassurance in new programs through traceability in a complex financial system (Parrish 7). In addition, transparency also calls for a comprehensive understanding of the broader context of development financing, in order to eliminate sector-based silos (Parrish 7). Because of the multi-dimensional facets of many aid programs, silos continue to hinder the effectiveness of majority of humanitarian actions (Parrish 7).

## **Planning**

The current humanitarian sector is comprised mostly of single-year parallel planning, which is most likely to end incoherent short-term results (“After the WHS” 8). The global climate of protracted crisis such as forced displacement cannot be addressed with single-year planning cycles. Continuing with the displacement example, the average person spends 17 years in displacement, to which humanitarians must respond (“An end in sight” 7). The necessary shift to multi-year planning would allow for aid agencies to also meet predictable long-term needs and contribute to development investments as well; however, the lack of political incentive for donors to break out of single-year financing cycles makes reform difficult (“After the WHS” 8). Other barriers towards longer-term financing cycles include difficulties from the parliamentary budget approval process (“After the WHS” 8).

The field needs to refine its focus towards collective outcomes. Such steps would set the groundwork to transition from aid cycles to development (“After the WHS” 6). The process of consulting during the pre-crisis, protracted crisis, and post-crisis phases are necessary to achieve the shared objectives of global actors (“After the WHS” 6). Collective outcomes play a large role in yielding long-term results through the mechanism that forces humanitarian actions to be genuinely complementary, and not merely coexisting. Complementary actions are much more efficient, financially, than parallel coexisting activities (“After the WHS” 6).

## **Programming**

In order to achieve collective outcomes, the group, institution, or individual with the most fitting capacity and expertise should deliver the specific humanitarian program (“After the WHS 10). Certain actors have stronger cultural acceptance, familiarity with the local populations, technical expertise, cost advantages, implementation speed, international accountability for compliance with international standards, and resources to access certain groups (“After the WHS 10). Such factors would make a certain actor best fit to tackle vulnerabilities in a potent and effective manner.

In order to determine the details of who does what, when, and where in humanitarian programming, it is also noteworthy to denounce the silos that exist among different budget areas of humanitarian work. Although it is understandable that donor budgets are separated to prioritize life-saving interventions, the rigidity of budget silos do not allow for funds to be

allocated to the most efficient areas for humanitarian needs (“After the WHS” 16). As a result, discrepancies in donor budgeting cause more difficulties in addressing protracted crisis. In order to tackle such an issue, the humanitarian committee must shift its attention from inputs to overall objectives (“After the WHS” 16).

### **Conclusion**

In conclusion, different financing mechanisms and approaches have the ability to transform a notoriously unsustainable aid delivery process. Such steps towards reform will not only yield the most impactful humanitarian aid to beneficiaries, but also provide the potential to lay the groundwork for meaningful sustainable development. The objectives of sustainability will only be achieved through well-planned and properly financed approaches. Global actors must come together to agree on collective outcomes, and maintain the dialogue properly execute comparative advantage. This network should also be used as a data-sharing platform for accurate risk-analysis, as it is key to developing a well-planned approach. In addition, the sector must break single-year planning cycles and remove sector silos to adequately address the prolonged nature of modern-day crisis. By taking such steps towards reform, humanitarian aid will be a key player in contextualizing the goal of “No one left behind”.

## Citations

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