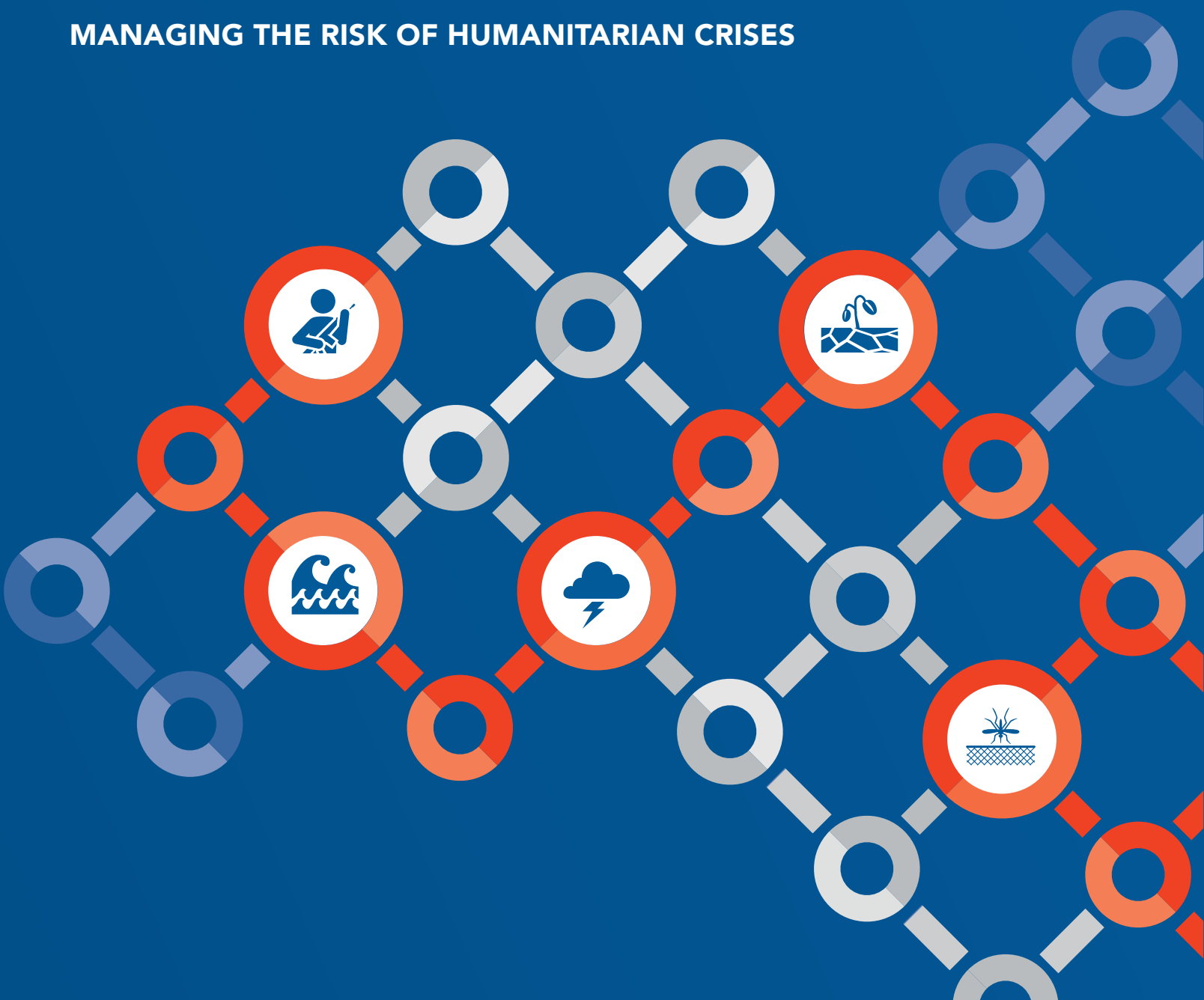




# SAVING LIVES TODAY

## MANAGING THE RISK OF HUMANITARIAN CRISES

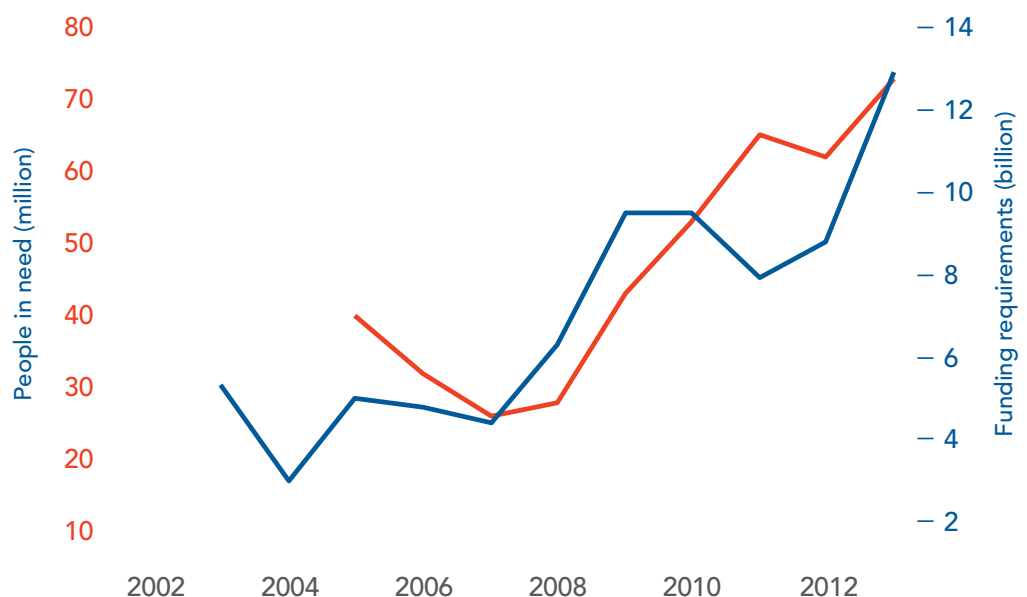


# HIGHLIGHTS<sup>1</sup>

## Today we know that:

- **The number of people affected by humanitarian crises has almost doubled in the past decade and is expected to keep rising.** In 2014, 52 million people are expected to receive international humanitarian aid. If all these people lived in one country, it would be the twenty-fifth most populous country in the world.
- The **cost of international humanitarian aid has more than trebled** in the last 10 years. Between 2004 and 2013, there has been an **over 430 per cent increase in total global funding requirements** of annual inter-agency humanitarian appeals (see graph below).
- The length of humanitarian intervention has expanded. **Protracted and recurrent crises have become the norm**—of the 22 countries that had an interagency appeal in 2012, 21 had at least one other crisis in the previous 10 years. Eight countries had eight or more crises.
- **Seven of the top 10 recipient countries of official development assistance (ODA) are also major recipients of humanitarian aid.** Nonetheless, the disconnect between humanitarian and development organizations continues.
- **Global challenges, in particular their compound effects**—such as climate change, population growth, food- and energy-price volatility, water scarcity and environmental degradation—are **as likely to cause acute humanitarian needs as sudden-onset disasters and conflicts.**
- **Prevention and preparedness funding comprised less than 0.5% per cent of all international aid** over the past 20 years, and most came from humanitarian budgets. Assistance to prevent crises rarely goes to the countries most at risk.
- **There is insufficient incentive and capacity among the leaders of humanitarian organizations to act on the basis of available risk analysis.** Information is available, but it does not always translate into action. This is partly because underlying financial structures do not allow for it, but it is also due to institutional obstacles. For example, 258,000 people died in Somalia due to famine and food insecurity between October 2010 and April 2012, despite timely and accurate early warnings.

Humanitarian needs and funding requirements



<sup>1</sup>All references can be found in the full report.

- **National Government and local capacity are critical to successful risk management.**

Humanitarian organizations already work with Governments to manage crisis risk, but their role is rarely systematic and their services are difficult to access outside crises, during which everyone is focused on response.

- Risk management and prevention are more cost-effective than response. Research by DFID in Kenya and Ethiopia found that **early drought-preparedness activities were about three times more cost-effective than emergency response.**

- **Insurance and other risk-transfer tools can save lives** and prevent crises. Between 2007 and 2013, the number of people covered by **microinsurance has grown 640 per cent.**

Humanitarian actors are being asked to do more, for more people, and at a greater cost than ever before. These factors have revealed a global deficit in the operational and financial capacity of Governments and humanitarian organizations to respond. Is this increase sustainable?

## Why is this report important<sup>2</sup>?

OCHA's 2014 report *Saving Lives Today and Tomorrow* makes the case that today **humanitarian organizations face a choice:** Should they continue to respond to the growing number of people affected by crisis, with the commensurate increase in resources and efficiency gains that this will require? Or is a more fundamental shift required, towards a model which—working with Governments and the development sector—not only fine-tunes and improves the response to humanitarian crises, but learns to anticipate them, to act before they become catastrophes and to prevent their recurrence?

Managing crisis risk<sup>3</sup> is not something that humanitarian organizations can, or should, do alone. It requires wider changes in the way Governments, development organizations and others work to support vulnerable people. These actors must work together to **reduce risks outside of times of crisis**, including by strengthening capacity and capability at local and regional levels, creating higher degrees of interoperability between diverse actors (e.g. private sector, Government, donors, civil society, affected people, diaspora) and seeking greater alignment at all stages of risk management.

Such a shift could have dramatic results, including a reduction, and in some cases a prevention, of certain crises; greater cost-effectiveness than a purely response-driven approach; greater contribution to development outcomes; and empowerment of vulnerable communities through capacity-building and social-protection measures.

*"Humanitarian action needs to be fast but not short termist. That means learning from both emergency and development experience."*

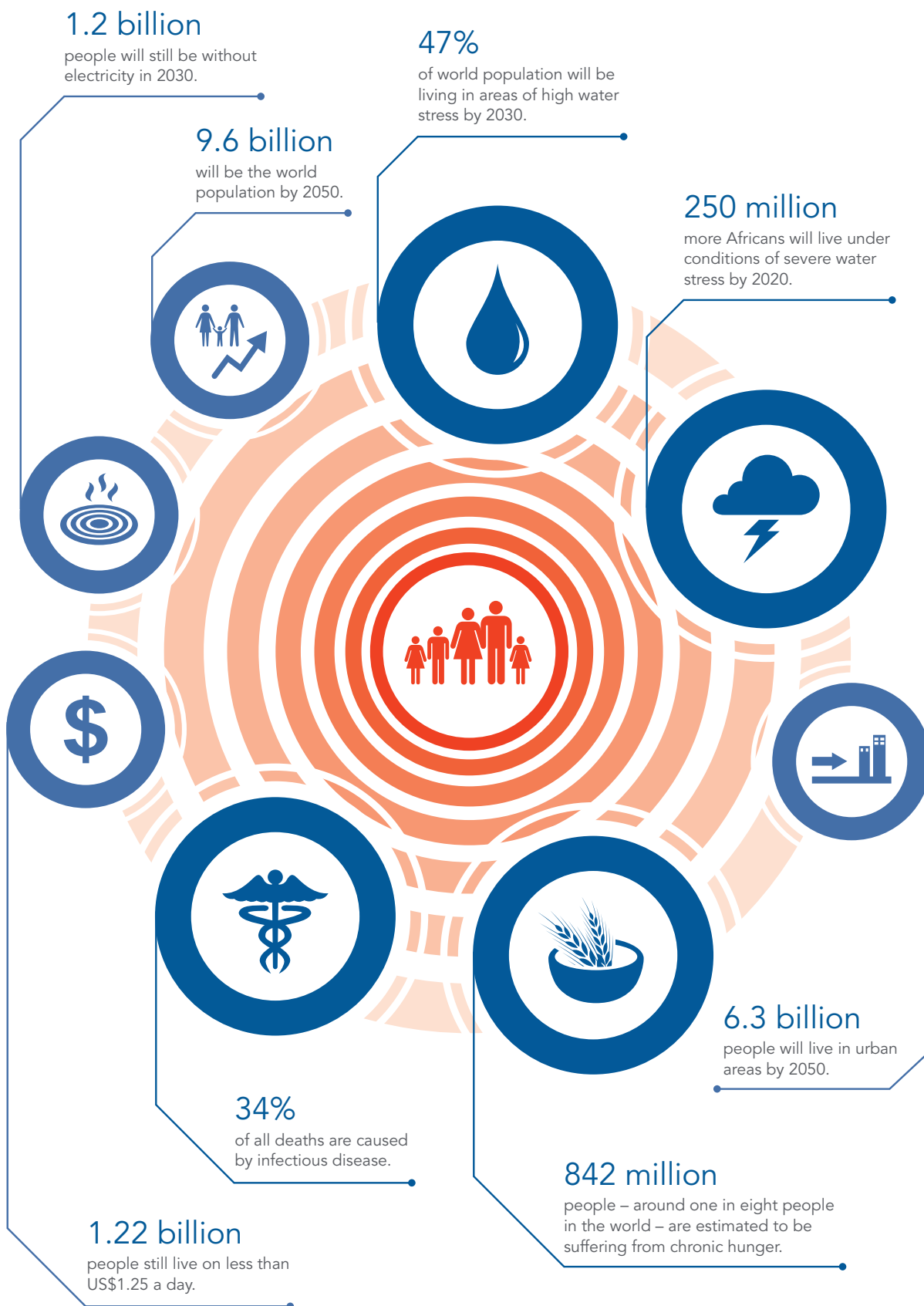
David Miliband, President and CEO,  
International Rescue Committee

## Why now?

Alongside the growing urgency presented by the spectrum of crisis risks, the current moment presents a clear opportunity for humanitarian and development actors to engage in joint advocacy for structural change. This effort will require long-term commitment to a new way of working, but there are three immediate opportunities to bring a new level of commitment to the dialogue: the post-2015 development framework, the follow-up to the Hyogo Disaster Risk Reduction Framework and the 2016 World Humanitarian Summit.

<sup>2</sup> OCHA and DARA carried out the research for this study. They consulted more than 500 experts from humanitarian agencies, donors and affected countries.

<sup>3</sup> This study is about managing contextual risks – those that are external to humanitarian organizations that have an impact on the ability of people, societies and countries to recover from negative shocks (building resilience) and successfully managing positive shocks that create opportunities for development (prosperity).



# OVERVIEW

**A convergence of new global trends is increasing the risk of major crises, while also expanding their scope and complexity.**

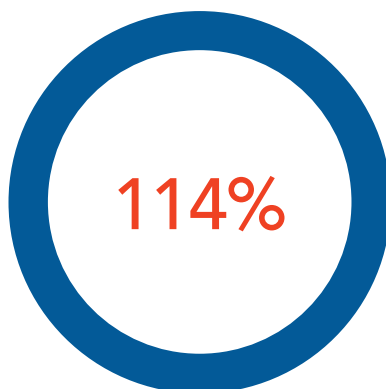
These trends include climate change, population growth, unplanned urbanization, mass migration, and food and water insecurity. Traditionally, crises have been treated as discrete events, with insufficient analysis or treatment of their underlying causes and little in the way of comprehensive responses. But the risks people face are multidimensional and cannot be addressed in isolation. For example, responding to the 2007/8 global food-price crisis required political, economic, agricultural and humanitarian interventions by Governments and development and humanitarian organizations.

**More people are affected by crises, more often and for longer.** Over the past decade, the number of people affected by humanitarian crises has almost doubled. Meanwhile, funding requirements have more than trebled to \$12.9 billion a year. The 2014 global humanitarian appeal is targeting 52 million people to receive international humanitarian aid, compared with 30 million to 40 million people 10 years ago. This figure represents just a portion of true global needs, as many millions more will seek help from their families, communities and Governments directly.

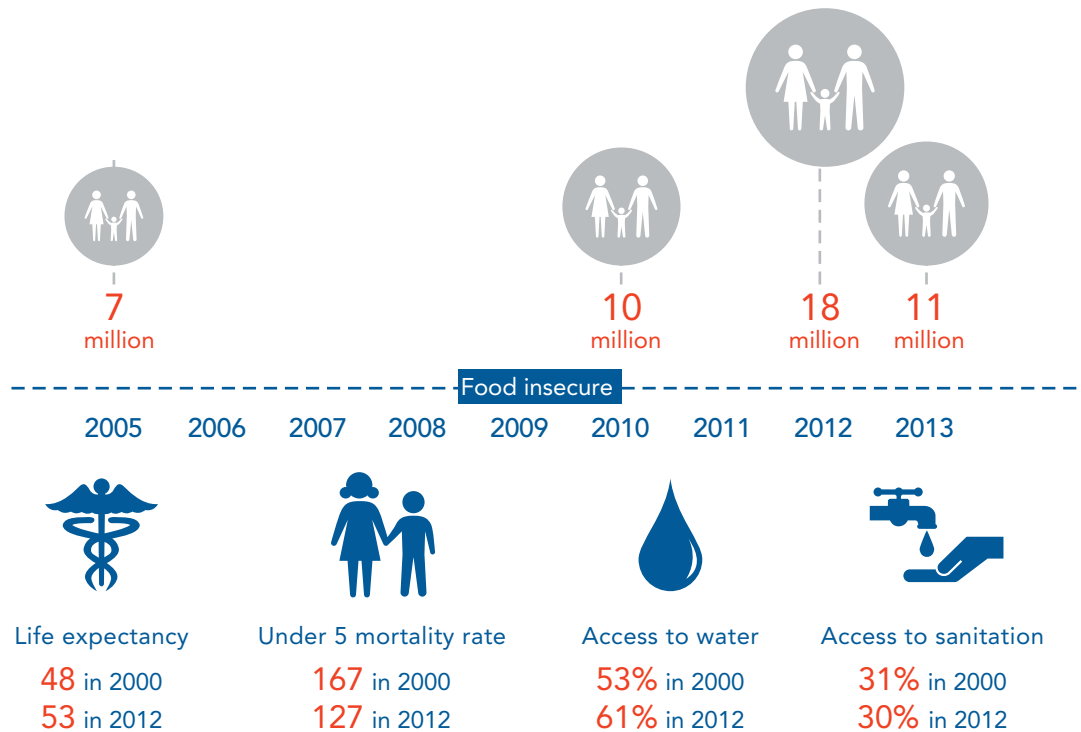
**The length of the humanitarian response period has also extended.** Traditionally, emergency assistance was seen as a short-term intervention to support people going through an immediate shock until they were essentially stabilized. Today, however, protracted or recurrent crises, such as food insecurity in the Sahel, have become the norm. Humanitarian aid agencies, structured to respond in the traditional model, are now called to respond for multiple years, often with no clear end in sight (see graph overleaf).

*"Our season is changing.  
We don't know when there will  
be a bad year and when there  
will be a good year."*

Selas Samson Biru,  
farmer in northern Ethiopia



Global increase in the number of people exposed to flooding between 1970 and 2010. In the same period, the world's population increased by 87 per cent.



**Recurrent crises and chronic vulnerability:** Since 2000, the Sahel has experienced four severe food and nutrition crises. It is estimated that these recur every three to five years, and are probably becoming more frequent due to climate change and accelerating population growth. The required cost of humanitarian response to these crises increased dramatically from \$196 million in 2005 to \$1.6 billion in 2012. Over the same period, improvements in baseline development indicators have been modest, and the region's people remain chronically vulnerable to climate, food-price and political shocks.





### ***Recurrent crises***

Children in Niger are at risk of malnutrition due to drought and high food prices. Recurrent crises have hit the Sahel in recent years and 11 million people were affected by food insecurity in 2013. Humanitarian and development organizations are starting to align their work to help families build resilience and manage crisis risk.

# 258,000

Number of people killed by famine and food insecurity in Somalia between October 2010 and April 2012. Late response to early warnings contributed to the crisis.

# 5%

Proportion of humanitarian aid used for prevention and preparedness in 2010.

# \$32 million

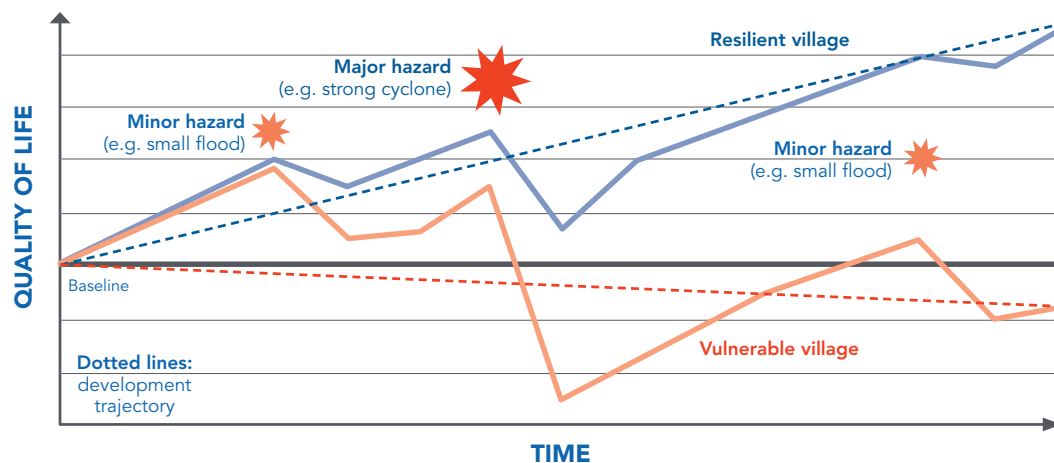
Amount paid to affected countries by the Caribbean Catastrophe Risk Insurance Facility since its inception in 2007.

# 640%

Growth in number of people covered by microinsurance between 2007 and 2013.



## Resilience and vulnerability compared



**Resilience and vulnerability compared.** The chart shows how the quality of life changes over time in two communities—one that is resilient (blue) and one that is vulnerable (orange). Over the observed time frame, both villages are affected three times by a hazard. Three observations are made for the resilient village: the immediate hazard impact is smaller, the recovery is faster and the overall development trajectory is more positive. The implication of these observations is that reinforcing resilience is important not just in the context of crisis-risk management, but also of development. From Banyaneer (2013).

**Most crises can be predicted and, while they cannot always be prevented, the suffering they cause can often be greatly reduced.** But humanitarian aid today is still focused on responding after crises occur, and funding is not structured in a preventive manner or correlated with the locations that have the highest risk of humanitarian crises.

For example, the report highlights that CAR is third highest on a list of countries ranked for risk, but is ranked seventy-eighth in levels of ODA received and seventy-second per capita. Large fluctuations of ODA in high-risk countries can contribute to volatility. For example, Nigeria and the Republic of Congo saw variations of between 900 and 1,500 per cent in ODA between 2003 and 2006 (see graph above).

Effective risk management needs to work in the short, medium and longer term. This means addressing people's immediate needs, helping them to recover and addressing their underlying problems.

**Not enough funding goes to risk-management activities.** In 2011, less than 5 per cent of all humanitarian aid was used for prevention and preparedness, and those activities represented less than 0.4 per cent of the \$3 trillion spent in international aid between 1991 and 2010.

There is a need for an objective and shared assessment of crisis risk within current funding mechanisms. Insurance and other risk-transfer tools offer opportunities to better finance crisis prevention and share risks.

**To shift to an anticipatory approach, humanitarian organizations must do more than fine-tune how they currently respond.** The shift in approach calls for a profound change in the way humanitarian organizations understand their role, the places where they work, and their links with development aid actors and Governments.

Multi-year humanitarian planning is starting to be implemented in recurrent crises, such as in the Sahel. But the report suggests that humanitarians, development actors and donors need to do more to support long-term crisis-risk management and resilience-building activities.

More than 500 experts were interviewed for this report, and all agreed that humanitarian assistance needs to contribute more to anticipation and prevention, as well as to recovery. There was less agreement, however, on the extent of the change required and how to implement it. Some were concerned that humanitarian organizations are taking on too many new responsibilities, and that their missions are becoming diluted.

**Humanitarian and development organizations must transcend the artificial divide between them** and address crisis risk according to their comparative advantages. Managing crisis risk is not something humanitarian organizations can, or should, do alone. The report proposes that humanitarian and development efforts must urgently be aligned through joint analysis, planning and programming, funding, leadership and advocacy.

**Humanitarian leadership is needed to turn information into action.** Some forms of humanitarian risk analysis are already available for decision makers but more support is needed. Many actors, including DFID, have resolved to develop pre-agreed triggers for action, including thresholds in indicators for specific actions. But this has been an onerous and divisive process, with little results. One barrier is the expectation that triggers must provide a perfect answer. But triggers are simply tools in the risk-analysis and planning process. Triggers do not need to automatically initiate a response programme (although they can if part of a wider, proactive risk-management strategy). They can lead to other actions, such as convening key organizations to plan for an emerging situation.

Some attempts have been made to increase the capacity of senior humanitarian leadership in risk management. The IASC, UNDG, UNISDR Common Framework for Capacity Development for Preparedness includes a proposal to develop a pool of disaster risk management advisers to support Resident Coordinators and Humanitarian Coordinators, but it remains to be seen how this will be implemented.

**The shift from cure to prevention is a political challenge at multiple levels.** It has implications for politics in the affected countries, and between and within aid agencies and in donor countries. Making such systemic changes will be complex and challenging. It will require a global discussion on preventing humanitarian crises—one that includes Governments, donors, international organizations, civil society and the private sector. This report provides detailed research and analysis to frame that discussion.

## Summary of recommendations

### Make preventing future humanitarian crises a priority

Prioritize crisis-risk management. Address risk through all functions; provide livelihood options, basic services and social protection for the vulnerable; and set up systems for crisis anticipation, preparedness and response.



Increase and formalize role in managing crisis risk, work more closely with Governments to build capacity. Provide aid that meets immediate needs and addresses future risk.



### Create new partnerships and incentives

Support and develop joint initiatives that contribute to crisis anticipation, prevention, mitigation and recovery and commit resources to those initiatives. Strengthen links between humanitarian and development teams through joint planning cells.



### Work differently and systematically address risk

Base planning on a common analysis of risk and align planning cycles where possible. Support tools and processes to jointly analyse crisis risk, such as the InfoRM initiative.



Increase the capacity of the RC/HC for risk analysis and strategic planning, for example through an expert roster system.



### Dedicate resources today to save lives tomorrow

Base crisis prevention and mitigation funding decisions on risk analysis. Ensure sufficient funds flow through existing mechanisms to support the people and countries at highest risk of crises.



Ensure development aid targets people and countries most at risk from crises. Integrate crisis risk into national development plans, bilateral agreements. Specifically include it in the post-2015 development agenda.



Launch a global advocacy campaign on preventing humanitarian crises, focused on the post-2015 development agenda and World Humanitarian Summit. Use high-level 'global champions'.



Establish a national coordination forum to jointly analyse and address risks, monitor and share early warning information, and develop triggers for action.



Appoint senior leaders with responsibility for crisis-risk management, as well as Regional HCs to help align risk-management work of Governments, international organizations and donors.



Increase the length of planning cycle to three years in protracted crises. Increase use of programmatic approaches—including preparedness, livelihood support and cash-transfer programming—to help communities manage the risk of crises.



Ensure existing funding mechanisms are reviewed and adjusted to maximize their contribution to managing crisis risk. Dedicate a higher proportion of core funding to activities that help manage crisis risk.



Work with the private sector and other relevant partners to increase the use of risk-transfer mechanisms, such as risk mutualization and micro-insurance.



Host governments



Donor governments



Humanitarian organizations



Development organizations

Note: This is an abridged version of the report's recommendations. See Chapter 4 for the complete version.

**“In 1992, all our houses were completely destroyed. This time the houses weren’t all destroyed, even though the level of floodwater was higher, because we were prepared. This year, we were more careful. We kept all our assets and carried them to the emergency shelter, and we made embankments around the houses to stop the water from coming.”**

Syeda, South Punjab, Pakistan, 2010

**“[Insurance] can help to finance relief, recovery and construction, reduce vulnerability, and provide knowledge and incentives for reducing risk.”**

IPCC Special Report on Extreme Events, 2012

**“New risk-management cultures, with new incentive-and-accountability frameworks, must be developed. This demands strong and concerted leadership from senior managers in agencies, and donors who must communicate a sustained vision to their staff and explain and justify the changes to be made.”**

Managing Famine Risk: Linking Early Warning to Early Action, 2013



**C o o r d i n a t i o n   S a v e s   L i v e s**

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