



## Financing for Development: Addressing the Humanitarian – Development Divide

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### Background

The *Third International Conference on Financing for Development* will take place against a backdrop of an unprecedented level of need resulting from more frequent and intense natural hazards, increasing levels of conflict and protracted displacement, and public health emergencies that do not recognize national boundaries. These phenomena threaten the international community's ability to realize the ambitious goals of the Post-2015 Sustainable Development agenda. Fundamental and transformative change in the global financial architecture that governs the international aid system will be required.

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### Issue

The draft of the Addis Ababa Outcome Document acknowledges the widely recognized need to better integrate humanitarian and development financing to build resilience, and refers to humanitarian financing, which on average comprises 10% of ODA. We urge Member States to strengthen and protect these references. The transition from emergency relief to post-crisis recovery and development is rarely linear. Effective emergency response can help protect hard-won development gains by meeting immediate needs during a crisis; development planning must also be sensitive to risks of humanitarian crises and be responsive to sudden shocks and changes in the needs of vulnerable populations. To be effective, investments in both humanitarian response and long-term development must be multi-dimensional and focused on enhancing the resilience of the most vulnerable populations.

The existing tools and resources available to the humanitarian and development communities, however, are not adequate for meeting the long-term needs of populations vulnerable to crises. Humanitarian financing mechanisms are largely focused on delivering short-term responses, and often do not have the necessary flexibility to meet long-term needs and support longer-term joint planning and programming with development actors. In addition, there has been little investment from the international community in recovery from both disaster and conflict contexts. This is complicated by the insufficient funds committed to financing risk reduction, which has comprised only 0.4% of ODA since 2000. Further, adequate levels of development funding often fail to materialise in fragile and conflict settings, while the scope and duration of humanitarian funding can provide limited opportunities for addressing the drivers of vulnerability and risk.

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### Recommendation

The Post-2015 Agenda must be accompanied by a more efficient and comprehensive architecture that is capable of building and leveraging resilience before, during and after crises. The Outcome Document should reflect the need for responsive mechanisms and diverse sources of funding that link long-term development objectives with the need to support effective emergency preparedness, response, and recovery to strengthen the resilience of vulnerable populations.

The Outcome Document must increase the coherence of development and humanitarian finance and ensure more timely, appropriate and cost-effective approaches to the management of crises, disasters and other shocks. It should ensure humanitarian and development donors allocate a greater proportion of funding in a risk-informed manner, including in settings of chronic vulnerability and protracted displacement, accounting for transition and recovery, and to strengthen local, national and regional capacity to manage risks, build resilience and respond to crises. The Outcome Document should enable development and humanitarian actors to work more closely together, including in integrated and outcome-driven multi-year planning, to manage the risks of humanitarian crises, address vulnerability and build resilience – with the ultimate goal of making sustainable development possible for the most vulnerable people and countries.