Background Note
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# Finance for emergency preparedness: links to resilience

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The rising cost of humanitarian response, combined with repeated action and investment in a small number of targeted countries has led to renewed calls to change the way we address recurrent crises. In 2010, the amount of funding for emergency response was the highest on record, at $12.4 billion, and the joint agencies' Consolidated Appeal Process stood at $11.2 billion (it's highest figure ever, and double that of 2006) (Kellett and Sweeney, 2011: 63). Yet very little of this funding goes towards disaster prevention and preparedness that can build the resilience of communities to cope with emergencies: in 2009, for example, such aid accounted for just 1.8% of overall humanitarian expenditure to the top 40 recipient countries (Kellett and Sparks, 2012: 13).

The Inter Agency Standing Committee (IASC) conceptualisation of resilience states that preparing for a response to a crisis is one of four critical areas of work that aim to build more resilient societies: 'A resilient society learns from shocks and crises' (IASC, 2012: 1). Emergency preparedness, therefore, contributes to resilience by building the capacities to respond to current and future crises.

## Articulating emergency preparedness and resilience

Emergency preparedness and the activities it entails have been articulated clearly by the IASC sub-working-group for preparedness, the UN Office for Disaster Risk Reduction (UNISDR) and Development Initiatives (Kellett and Sweeney, 2011). It spans hazard and risk analysis, institutional and legislative frameworks, resource allocation and funding, coordination, information management and communication, contingency, preparedness and response planning, training and exercises, and emergency services, standby arrangements and prepositioning.

Its aim is, therefore, to '...strengthen local, national and global capacity to minimise loss of life and livelihoods, to ensure effective response, to enable rapid recovery and increase resilience to all hazards' – both natural and man-made (Kellett and Sweeney, 2011: 1). This suggests that emergency preparedness is an essential component of resilience. It provides, therefore, a useful way to facilitate development financing for emergency preparedness itself. It also offers a means to identify practical, actionable interventions to create resilience in ways that promote ex-ante support, building on existing experience, institutional architecture and funding mechanisms.

The growing call for increased investment in emergency preparedness has been increasingly articulated as a means to bolster ex-ante capacity and support in an attempt to improve the effectiveness of humanitarian response and reduce the subsequent investment required for that response. Yet funding for emergency preparedness continues to fall far short of need. In the top 20 humanitarian recipient countries over the period 2005-2009, just 62 cents out of every $100 was spent on disaster prevention and preparedness. Furthermore, structures and funding for conflict preparedness lag significantly behind those that address disasters related to natural hazards (Kellett and Sparks, 2012).

Given an increasingly frugal global economic system, combined with more uncertainty, rising populations, urbanisation and the increased risk of hazard-related disasters, climate extremes, and the changing nature of conflict and insecurity, humanitarian and development actors are trying to renew the way they frame the complex challenges they seek to address. Resilience has become the zeitgeist – a way to move current practice forward, to

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address risks holistically and, in doing so, challenge age-old questions about the humanitarian/ development divide.

The concept of resilience has intuitive appeal, which may account for its prevalence in current debates and uptake. Resilience is about taking a holistic understanding of vulnerability and conditions of risks, and finding ways to enable people and systems to respond effectively to increased uncertainty. At its simplest, it is about starting with the varied and intersecting challenges that individuals face and addressing those in a coherent way.

Variations in the definition abound. For example, the type of resilience talked about by the World Bank-managed Global Facility for Disaster Reduction and Recovery (GFDRR) is not the same as 'disaster resilience' as conceived by the UK Department for International Development (DFID). The former focuses on natural hazards while the latter incorporates both man-made (conflict and insecurity) and natural hazard-related disasters. For the purposes of this Background Note, we use the DFID definition. In general terms, resilience is largely associated with '…the ability of countries, communities and households to manage change, by maintaining or transforming living standards in the face of shocks or stresses – such as earthquakes, drought or violent conflict – without compromising their long-term prospects' (DFID, 2011: 6).

Resilience is perhaps best conceptualised as a process, rather than an outcome (Bahadur et al., 2010). Yet in practice, resilience is operationalised as a set of defined activities; each forming part of the puzzle and each with a role to play. One critical piece of this jigsaw is emergency preparedness: resilience itself is not achievable without the capacity to absorb shocks, and it is this capacity that emergency preparedness helps to provide (IASC, 2012).

In many ways resilience does not present anything new – humanitarian and development actors have always tried to support individuals at risk and improve the lives of the most vulnerable through effective, coordinated and efficient investments. However, its application to development and humanitarian action is relatively recent (see Bahadur et al., 2012, for an overview of multi-disciplinary interpretations). The value of the concept comes therefore, from being used as leverage to redress current challenges.

Any slippage into rebranding existing work as 'resilience' without an adequate step-change in thinking or approach is a false economy – and one that is linked to two other weaknesses in the resilience agenda: 1) that it maintains it has nothing in common with what came before, and 2) that there has not been enough analysis on why previous initiatives did not work, what is needed to improve, and how 'resilience' thinking could help. Mobilising the concept into action that adds value requires translating a concept that is common sense into something that is practical, operational and funded appropriately.

Emergency preparedness has a practical role to play in this 'value-added resilience', although conceptualisation of the relationship between the two varies between agencies. For some, such as the European Commission (2012) or DFID (2012), emergency preparedness 'provides the necessary grounding to enable better prepared, more capable and ultimately more 'resilient' recipient communities, agencies and governments' (DFID, 2012). Other actors recognise the multi-dimensional aspects of resilience but, for operational purposes, pursue linked sectoral approaches that all contribute to resilience. The World Bank, for example, has strategies that specifically target the building of resilience in sectors such as disaster risk management, climate change, conflict and fragility, environment, social protection and labour. For others, resilience is merely a noun, applied to existing practice as a way to reiterate their intentions around coordination, holistic action and synergy; but also to tap into current discourse, to gain political currency and access existing or anticipated funding streams.

An understanding of the relationship between resilience and emergency preparedness will become more grounded as operational conceptualisations of resilience develop. At present, there is considerable slippage in the use of the concept and, in some cases, a staggering lack of nuance or depth in its conceptual and theoretical foundations. Take, for example the tendency to refer to situations of conflict and insecurity as 'lacking in resilience': this fails to consider the persistence of negative systems, which are, in themselves, 'resilient', as a form of resilience that offers lessons, particularly in conflict settings (Leach, 2008; Cramer, 2006).

In practice, the international community has yet to move beyond the level of general conceptual and definitional challenges associated with resilience. There is even an alarming diversity in the use and application of the term 'resilience' within single agencies. And there is concern that the failure to articulate resilience with a level of specificity that equals that for emergency preparedness could undermine the efforts made to date to clarify preparedness' role and remit.

## Funding for resilience and emergency preparedness

An increasing number of policy statements claim that investing in resilience is cost effective when compared with approaches that rely exclusively on ex-post response and recovery (e.g. European Commission, 2012). Such statements often draw on analysis of the cost effectiveness of ex-ante disaster risk reduction and emergency preparedness measures; where the benefits outweigh the costs by a factor of between 3 and 7 depending on the study (IPCC SREX, 2012; World Bank, 2010). Recent research on the *Economics of Resilience* that draws on data from Kenya and Ethiopia separates the assessment of investment in resilience from investment in 'early action' (Cabot Venton et al., 2012).

### Box 1: Building resilience in Kenya: addressing the 'perfect storm'

The 2011 Horn of Africa crisis illustrated the compound impact of intersecting vulnerabilities, shocks and stresses associated with a range of challenges related to natural hazards, conflict and insecurity. As a case study for resilience, it presents 'the perfect storm'.

In response, the UK Department for International Development (DFID) aims to 'End Drought Emergencies' by building resilient households in Kenya's arid and semi-arid lands through a suite of programmes that address food and livelihood insecurity, nutrition, education and market access. In the £16.8 million three-year nutrition programme, additional support for 'emergency preparedness' comes into play only after certain early warning indicators have been breached (DFID, 2012).

This is an example of an ex-ante investment in risk reduction, with a facility to increase support in the short-term should a potential crisis be imminent. As a normative design, it works well. In practice, however, political and leadership challenges remain. When are warnings certain enough to trigger additional finance? How is money made available? Whose responsibility is it to take actions to avoid disasters – humanitarian or development actors?

The lack of robust evidence on value for money and resilience metrics leaves us with few clear indications of what works in funding resilience. Economic analysis of resilience is still in its infancy, hampered by definitional challenges, lack of clear indicators and unclear approaches to measuring resilience, and over-reliant on scenarios rather than robust counterfactuals. Nonetheless, guidance is clearer where emergency preparedness, disaster risk reduction and conflict prevention measures can be considered as proxies for 'resilience'. The World Bank's *Natural Hazards, Unnatural Disasters* (2010) suggests that investments in early warning systems, eco-system assets, building codes and institutional capacity are often good value for money in strengthening resilience and do not always cost more than business as usual.

### Box 2: Pilot Program for Climate Resilience: – Niger

The Pilot Program for Climate Resilience (PPCR), administered by the World Bank, supports technical assistance to enable developing countries to build on national work to integrate 'climate resilience' into national and sectoral development plans, public and private investments identified in development plans and strategies that address climate resilience. As of April 2012, the PPCR had pledged $1.12 billion. Niger has, to date, received $100 million, including $63.84 million for the Community Action Project for Climate Resilience.

This project improves the resilience of local populations to climate variability, including droughts and floods, through investment in sustainable land and water management and social protection measures. It also pilots weather index-based insurance mechanisms for agricultural and pastoral production. An additional commitment encourages learning and sharing of knowledge across PPCR interventions. In other PPCR countries, including Nepal, investments include early warning systems and other measures typically identified as emergency preparedness.

As with the definitions for preparedness, it may be impossible to avoid defining resilience by activities and sectors for financing and practical purposes (see Box 2 as an example of 'climate resilience'). As an over-arching frame, however, resilience does offer an opportunity to promote funding for sector-specific gains that span the humanitarian/development continuum, in ways that enable emergency preparedness to be funded by both development and humanitarian financing or by consolidated funding streams. Here, some donors, such as the Swiss, have begun to streamline development and humanitarian departments or, in the case of DFID (2011), bring the strands together under the common concept of 'disaster resilience'.

With resilience still being a fairly new operational concept, there are few specific resilience funding mechanisms. Instead, there is a tapestry of existing mechanisms that support a broad range of actions. The complexity stems from the number of different sources of funding available internationally and how these play out at the national level. The Pilot Program for Climate Resilience (PPCR) outlined in Box 2 is one of the few stand-alone multilateral funds that has resilience as a prominent aspect of its title, objectives and operational engagement.

Development assistance, humanitarian finance and climate finance all have the potential to contribute to support 'resilience action' and are all interrelated (Box 3). Other specific resilience-related initiatives by bilateral and multilateral donors include the EC Supporting the Horn of African Resilience (SHARE) programme,[1] the EC Aliance Globale pour l'Initiative Resilience-Sahel (AGIR),[2] the USAID-led Global Alliance for Action for Drought Resilience and Growth (USAID, 2012) and the DFID Global Resilience Action Programme (G-RAP).[3] These are all quite recent developments and do not yet show results that would help determine whether outcomes have been improved or whether these initiatives provide any genuine advances over business as usual approaches to crises.

## Box 3: The Nepal Risk Reduction Consortium – practical funding for resilience

The Nepal Risk Reduction Consortium (NRRC), launched by the Government of Nepal in 2009, is supported by a wide group of international institutions and donors with a budget of $146.8 million over three years.

By August 2012, funding for the consortium reached $65.2 million, suggesting that the NRRC is a successful model for collaborative funding to tackle risk. It also employs many features often regarded as characteristic of resilience in practice.

- **Based on all risks:** prevention of and preparation for risk are brought together under the same umbrella programme.
- **A package of measures:** bridging the humanitarian/development divide through a shared agenda, with short- and long-term interventions, and multiple funding sources for the same activities.
- **Joined-up funding:** multiple stakeholders are brought together under an agreed framework, including government, UN agencies, non-governmental organisations, international financial institutions and communities.
- **Political support across sectors:** development actors are brought in directly to support the tackling of risk, with political leadership from international and national actors.

Several parts of this flagship initiative have a direct connection to emergency preparedness. A considerable proportion of the allocated funding ($17.5 million) is set aside for the second pillar of consortium activities: Emergency Preparedness and Response Capacity, managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA). Further contributions for preparedness activities are also likely through funding to additional pillars, including Community-based Risk Management managed by the International Federation of the Red Cross and Red Crescent Societies (IFRC) and Policy/Institutional Support for Disaster Risk Management (DRM) managed by the UN Development Programme (UNDP).

## Recommendations

Now is the moment to inform and shape the parameters of funding mechanisms in ways that can progress the resilience agenda. This may require new funding mechanisms under the banner of resilience or a step change in how emergency preparedness activities are funded in order to achieve more resilient futures. There are five key elements to this process.

- Greater clarity on what is required of emergency preparedness activities for resilience, for different groups in different contexts. A clear articulation is only possible when grounded in specific country contexts based on an assessment of vulnerabilities, risks and need.
- Current funding architecture, priorities and agreements need to be reviewed to enhance the prioritisation of preparedness investments where required, using existing mechanisms where it is effective to do so. Evidence should be gathered to find out whether and how current funding mechanisms can be adjusted to better support actions for emergency preparedness as a contributor to resilience. For example, investment in multi-year ex-ante support could address the reactive short-termism that undermines longer term resilience.
- Resilience needs to be operationalised using a multi-dimensional understanding of need, risk and vulnerability. Broad-based assessments are increasingly useful here, for example, where humanitarian and development challenges are projected to continue with increased urbanisation, climate extremes, food and economic insecurity amid a myriad of other factors. Specifically, such assessments need to reflect the existence of compounded crises, where natural hazard-related disasters and conditions of conflict and insecurity intersect (Harris et al., 2013). One key challenge is separating the process of devising risk assessments from the institutional interests that create them to provide a more objective assessment of the funding priorities for a given context. The scientific and research communities have a role to play here, to support processes that lead to more holistic (and 'objective') risk assessments.
- A clear articulation of preparedness need is required, in relation to both the resources available and the possible funding mechanisms, from which levels of funding can then be adjusted (where required). Such an analysis can be used to improve allocation of funds and linkages

between development and humanitarian budget lines. As an accompaniment, improved coordination, partnerships across agencies and clusters, and multi-year planning will be required; all of which should begin with coherent and collaborative country needs assessments.
- People's needs are the most appropriate starting point for reviewing the effectiveness of policies, programmes and funding mechanisms. Starting at the global level and re-engineering the funding architecture in isolation from sound contextual analysis may be premature, and may lead to the inappropriate design of funding mechanisms for national and sub-national contexts. This would not address the current barriers that limit action on relatively low-cost emergency preparedness activities, which could be seen to contribute towards resilience. Therefore, while resilience has gained political traction as a concept, it lacks utility, at present, as a means to organise funding.

## Reflections on the way forward

To date, resilience has been effective in encouraging dialogue across a range of agencies, sectors and government departments that may not have otherwise happened. But here is the danger: discourse on resilience is being used to better link areas of work that are already considered complementary to one another. The real challenge is to better link actions, interventions or mandates that generate tensions or trade-offs with others, such as disaster risk reduction and conflict prevention (see Harris et al., 2013). Bringing funding under an umbrella term of 'resilience' could mask these challenges, letting them remain under the radar. However, if approaches were designed with sufficient nuance, this could bring these challenges to the fore in ways that seek better collaboration and complementarity in a more constructive manner.

Resilience, and the role that emergency preparedness has to play in it – 'building to last by learning from shocks and crises' (IASC, 2012) – is a useful springboard from which to redress the current focus on ex-post response. Amalgamating funding could provide leverage – unwelcome for some – to force more collaborative efforts in the pursuit of a common goal. The challenges that are likely to arise relate to the age-old problems of different mandates, priorities and willingness to engage in national politics. However, allowing these tensions to lie side-by-side does not help redress the current split between ex-ante and ex-post investment. It is, in many ways, an oxymoron to attempt to build resilience within the binary constraints of the humanitarian and development systems.

The coming year is likely to see progress on resilience funding mechanisms to address this challenge. While it is not clear at this stage whether different funding mechanisms are needed, a plethora of mechanisms already exist and the first line of inquiry should be to consider how these can be better aligned and used, and how coordination of different actors can be improved.

In relation to emergency preparedness' contribution to resilience, the starting point should be a better understanding of how preparedness is now funded in relation to need and consideration of viable alternatives where this falls short. While discrete resilience initiatives are emerging, it may make more sense to focus on integrating resilience thinking and objectives into existing funding mechanisms. In practice, 'resilience' is more likely to gain traction where it is integrated into development planning and investments and is supported from the bottom-up by social movements and communities themselves.

Current emergency preparedness financing is already, in many ways, contributing to resilience, often without the 'resilience' label. The challenge, therefore, is the clear articulation of the role of emergency preparedness in 'resilience' policy and funding arenas. Linked to this, the question remains as to whether there are too many mechanisms in existence that address risk in separate compartments. It is conceivable that true resilience means having risk at the centre of all development funding (Mitchell et al., 2012), and with this, emergency preparedness as a critical component.

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### Endnotes

1. A joint humanitarian and development priority framework, with short-term funding for humanitarian recovery and agricultural production and long-term support for work with the Intergovernmental Authority on Development (IGAD) and on coordination. At present, its longer-term priorities are unclear (2014-2020 to be announced) and how this presents more than a business as usual approach to managing major crises.
2. This focuses on early warning and market access, linking emergency to development. A regional plan for resilience is being prepared. Again it is unclear how this moves beyond a business as usual approach.
3. The G-RAP aims to 1) improve the capability, skills and the professionalism of developing world partners, 2) develop the capability, skills and professionalism of UK-based international NGOs and the private sector and support effective 'cross-sectoral' initiatives, and 3) support collaboration and partnership between the private sector and NGOs or civil sector organisations at international and local levels.


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