**Information Note**

**Funding for Preparedness**

1. Background:

One of the 10 principles of the GHD principles is to strengthen the capacity of affected countries and local communities to prevent, prepare for, mitigate and respond to humanitarian crises, with the goal of ensuring that governments and local communities are better able to meet their responsibilities and co-ordinate effectively with humanitarian actors. Numerous commitments have been made to  secure greater political commitment and funding to disaster preparedness and risk reduction at all levels and across the relief-development divide. Yet in a recent paper prepared by OCHA for the Emergency Directors Meeting, donor interest in funding preparedness activities remains negligible, partly because preparedness action spans both humanitarian and developmental spheres and partly because the humanitarian community has failed to document the cost-effectiveness of preparedness activities (in terms of potential savings).  At the same time newly available climate change adaptation funding might help partly overcome the aforementioned challenges and present novel opportunities to secure funding fore preparedness and risk reduction.

2. Scope

The IASC Humanitarian Financing Group has selected funding for preparedness as one of the three themes to be discussed in 2010 with the overall objective of improving the coherence and predictability of financing for disaster preparedness. More specifically, the IASC HFG will examine the issue of funding for preparedness with a view to:

 a.- identifying which elements of preparedness the humanitarian actors be targeting for funding from humanitarian donors;

 b - mapping and highlighting critical gaps and possible overlaps in overall funding for preparedness, both bilaterally and multilaterally and at national, regional and global levels; and

 c - providing more evidence (‘case studies’) to justify greater levels of funding. .

It is expected that the outcome of the analysis and discussion will be referred to the IASC WG meeting in November for endorsement of possible actions for follow-up/implementation, for framing IASC common messaging, for influencing that an appropriate portion of climate change adaptation funding will be channeled to preparedness activities and for developing a more robust dialogue with the GHD on funding for preparedness.

3. Indicative list of issues/questions underpinning the discussion    *(To be reviewed and completed)*

* What are recent initiatives that have been established to address the funding gap in preparedness and what has been their rate of success?
* Is there differential financing of preparedness?
* Can donors identify the reasons for dearth of preparedness funding despite the GHD commitments?
* What are agency/organizational policies towards financing of preparedness that can be taken as best practice?
* What is the success rate for funding preparedness at the regional level vs national? What lessons can be learnt from funding for regional/cross-border/transboundary preparedness interventions?
* How do clusters fund contingency planning, if at all?
* Is there donor involvement at national or regional level in preparedness actions?
* Are there any existing synergies between humanitarian and development based financing tools and instruments supporting preparedness action and is there scope for enhancing these synergies?

4. Proposed workplan

The proposed work would be divided into two phases:

*A. First Phase (covering Section 2 points a and b above) - May to Mid-July:* It is proposed that a desk review of studies on preparedness and compilation of existing information/data on funding trends for preparedness by cluster, including analysis of key humanitarian financing tools and mechanisms such as

* CAPs, Humanitarian Action Plans and other IASC-supported Appeals;
* Country-based humanitarian pool funds (CHFs, ERFs, etc.)

To the extent possible, bilateral humanitarian financing will also be compiled (by cluster/agency/organization), at the national, regional and global level. Efforts by HCTs and country/regional level agency platforms will also be reviewed.

In parallel, a review of IASC agency programmes involving preparedness will be undertaken to obtain clarity of agency specific mandates regarding disaster preparedness.  This review may also consider/touch upon agency programme links to disaster risk reduction and all preparedness work linked to the Hyogo Framework for Action.  Possible outcome is to achieve consensus of the “niche” of preparedness activities within humanitarian response  and the added value and role of each IASC agency therein, which the HFG should focus on for improved funding, recognising that preparedness goes beyond humanitarian action.

The proposed outcome is a short synthesis paper which will be tabled for discussion at the Hum Financing Group in July. It is suggested that the World Bank as member of the IASC be invited to this session to provide their experience and views on financing for preparedness.

*B. Second Phase (covering Section 2 Point c above) August – October:* Taking into account the analysis and recommendations of the discussions from the first paper, it is proposed that cost-benefit analyses or economic counterfactual of country case studies (possibly three to four) be undertaken to demonstrate how investment in preparedness activities can reduce the cost of emergency operations.

The proposed outcome is to identify ‘preparedness’ indicators, benchmarks and timeframes with a view to making preparedness-related interventions and /or activities more accountable; and to make recommendations of how IASC agencies can better address/target existing funding gaps for preparedness in the current aid architecture.

It is suggested that the final paper be discussed within the HFG. Salient points of the discussion will form the basis for the development of a policy paper to be submitted to the IASC WG in November.

5. Management arrangements (budget)

The review will be managed by a Task Team on Preparedness chaired by FAO in close consultation with OCHA, WFP, UNICEF and UNDP as well as other HFG members. A consultant will be recruited to undertake the review and will be contracted on a lump sum basis (WAE). Interested HFG members will jointly fund the review.

(secondment of part of OCHA  personnel working on IASC preparedness issues)

Still to be discussed:

* Interaction with other IASC bodies/subsidiary WG such as Early Warning. Early Action and TT on Climate Change
* List of studies/documents to be consulted
* Interaction with GHD
* Participation of IFRC and NGOs
* Selection of country case studies