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What do emerging trends in development finance mean for crisis actors?

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At the beginning of May 2019, Development Initiatives hosted a <u>webinar on emerging trends in development finance</u>. The event was the first in a series of <u>webinars aiming to build coherence between crisis, development and peace actors</u>. Due to time constraints, several questions raised by participants during the event were left unanswered; below we provide information from panellists in response to these questions.

## Some thoughts on the triple nexus in theory and practice

## Matthew Wyatt (Deputy Director and Head of Conflict, Humanitarian and Security Department, Department for International Development)

Promoting the 'whole of portfolio' approach in crisis contexts

The Department for International Development (DFID) is scaling up longer-term approaches to health and nutrition, education, water and sanitation and shock-responsive social protection in a growing number of fragile, conflict and crisis-affected countries. For instance, in South Sudan, DFID supports better access to healthcare and education for the population, including crisis-affected and internally displaced people. In Nigeria, DFID is, for instance, scaling up development programming in health, education and governance alongside other interventions, and working with other donors to help them scale up responsibly.

DFID also strives to identify how we can leverage appropriate resources in sectors chronically underfunded in crises. In 2018, as part of a larger £34 million programme for 2016–2019, the UK provided over £12 million to Education Cannot Wait (ECW) to invest in education in emergencies and protracted crises contexts. The majority of ECW's funding goes to multi-year education programmes in protracted crisis contexts, supporting the transition towards longer-term education interventions and strengthening national education systems to deliver quality education, including to those displaced by crises.

To drive change, DFID is promoting peer to peer support through communities of practice, technical assistance to country offices and joint learning events. We are also building the evidence of what works. For example, through our £15 million MAINTAINS research programme we aim to understand

how essential services such as health, nutrition, education and social protection, can respond better to shocks, thereby reducing losses, needs and protecting development outcomes.

## The role of peace actors in maximising impact on development and resilience

Peacebuilding actors bring essential expertise and evidence to help change how we tackle conflict and fragility. Conflict analysis has in the past sometimes been the privilege of a few experts. We need today's peacebuilding experts to be more inclusive in their work, so that their analyses of drivers of conflict and crises are developed in collaboration with humanitarian and development actors. This will be the most efficient route to building a shared understanding of the problems we try to solve, and a more granular analysis of the dynamic relation between conflict and resilience.

Peace actors also have a critical role to play in strengthening conflict sensitivity across humanitarian and development action. In South Sudan, the UK and others have set up, for instance, a Conflict Sensitivity Resource Facility. This facility is helping us strengthen conflict sensitivity across everything we do, and build our partners' capacity. It has facilitated agreement among partners on a common level of ambition, where all programmes are expected to contribute positively to peace within their existing mandate. It is also helping bring diverse actors – humanitarians, peacekeepers, peacebuilders and development agencies – to a shared understanding of how everyone's actions are affecting beneficiaries' lives, whether from a socio-economic, conflict or political perspective. This is the sort of collaborative and learning platform that peace actors should replicate in other contexts.

### Metsi Makhetha (United Nations Resident Coordinator, Burkina Faso)

#### Financial transparency and information sharing in Burkina Faso

We have a reasonable idea of what partners – predominantly the Organisation for Economic Cooperation and Development's (OECD's) Development Assistance Committee (DAC) members – are spending in Burkina Faso and where they are investing as they uphold principles of coordination, mutual accountability and transparency. Burkina Faso has a functional coordination mechanism with development partners, civil society and NGOs.

The process of gathering data for and the finalising of the OCED's <u>Development Co-operation Report</u> has turned out to be helpful in providing an overview of who is financing, where the money is spent and how it is channelled, whether direct budget support, project-specific spending or humanitarian spending. However, more still needs to be done to get a full picture for financing from non-OECD DAC members.

How nexus approaches in Burkino Faso are managing to strengthen national government responses to crisis without squeezing space for civil society

In my experience of engaging on the nexus in Burkina Faso, the nexus approach has opened space for more constructive, even though often quite spirited, dialogue. Over the years, civil society and non-government organisations in Burkina Faso have, through widely accepted structures such as the National Council of Civil Society Organisations and Secretariat of NGOs, managed to find ways to engage, and the new government would like to be seen as creating space for active participation of national partners, including CSOs and NGOs, in the country's planning and development processes; hence, this is a conducive context for such an engagement. Additionally, we are seeing more and more sharing of experiences among CSOs from the South on strategies to engage their governments (in a context where the political space for many is limited and sometimes being squeezed out).

## Development Initiatives' analysis of financing in protracted crisis countries

#### **Rob Tew (Head of Research, Development Initiatives)**

#### Commitments and actual disbursements to protracted crisis countries

Donor commitments of non-humanitarian ODA to protracted crisis countries show a similar trajectory to the trend in disbursements, with commitments to this group of countries declining by between 4% and 12% per year in the first five years of crisis. The rate at which commitments are translated into disbursements does not seem to be greatly affected by the onset of crisis. Over the period 2000–2017 total non-humanitarian disbursements to protracted crisis countries were around 90% of the value of commitments in that period – this figure is almost identical to that for countries not in protracted crisis.

## Disaggregating data for financing in protracted crisis countries where fragility might only apply to one region

The ODA data for the study presented in the webinar was drawn from the databases of the OECD DAC. These databases, unfortunately, only hold data at a country level and do not include any subnational disaggregation. It may be possible, for some of the protracted crisis countries, to get subnational data either from the data repository of the International Aid Transparency Initiative (IATI) or from national aid management systems operated by individual partner countries, if available. Any analysis using these data sources would need to be carried out on a country-by-country basis.

#### The role of remittances from the diaspora in changing financing for development

Remittances are, in some countries, a substantial source of finance but, similar to commercial finance, they cannot be expected to substitute for national or international public finance. Information on the scale and role of remittances as a part of the development finance landscape can be found in <a href="mailto:chapter3">chapter 3</a> of Development Initiatives' <a href="mailto:2018 Investments">2018 Investments to end poverty report</a>. Further information on remittances in specific countries, including some protracted crisis countries, can be found in the development finance assessments published by <a href="mailto:UNDP">UNDP</a> (useful links provided below).

## **Useful links**

- Dalrymple S., Building greater coherence across development, crisis and peace sectors.
  Development Initiatives [web blog], 11 April 2019, <a href="http://devinit.org/post/building-greater-coherence-across-development-crisis-and-peace-sectors/">http://devinit.org/post/building-greater-coherence-across-development-crisis-and-peace-sectors/</a> (accessed 23 May 2019)
- Development Initiatives, 2018. Investments to end poverty. Chapter 3, pages 52–74. Available at: http://devinit.org/post/investments-to-end-poverty-2018/
- Development Initiatives, 2019. What do emerging trends in development finance mean for crisis actors? Available at: <a href="http://devinit.org/post/emerging-trends-development-finance-mean-crisis-actors/">http://devinit.org/post/emerging-trends-development-finance-mean-crisis-actors/</a>
- Development Initiatives, 2019. What do emerging trends in development finance mean for crisis actors?, webinar background information. Available at: <a href="http://devinit.org/wp-content/uploads/2019/04/Webinar-background-information.pdf">http://devinit.org/wp-content/uploads/2019/04/Webinar-background-information.pdf</a>
- Global Concessional Financing Facility, 2018. Annual Report. Available at: <a href="https://globalcff.org/wp-content/uploads/2018/12/GCFF-Annual-Report-2018\_181220\_FINAL\_Digital.pdf">https://globalcff.org/wp-content/uploads/2018/12/GCFF-Annual-Report-2018\_181220\_FINAL\_Digital.pdf</a>
- UNDP, 2018, Preliminary finance development assessment for Sudan. Available at: https://www.undp.org/content/dam/unct/sudan/docs/DTF%20final.pdf
- UNDP, 2017, Development Finance Assessment Snapshot. Myanmar: Financing the future with an integrated national financing framework. Available at:
   <a href="https://www.undp.org/content/dam/rbap/docs/dg/dev-effectiveness/RBAP-DG-2018-">https://www.undp.org/content/dam/rbap/docs/dg/dev-effectiveness/RBAP-DG-2018-</a>

  Development-Finance-Assessment-Snapshot-Myanmar.pdf
- World Bank, Overview: Fragility, Conflict & Violence,
  <a href="https://www.worldbank.org/en/topic/fragilityconflictviolence/overview">https://www.worldbank.org/en/topic/fragilityconflictviolence/overview</a>
  (accessed 23 April)
- United Nations and World Bank, 2018. Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict. Available at. https://openknowledge.worldbank.org/handle/10986/28337