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A global humanitarian fund:
a policy proposal

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SUMMARY

It is anomalous that the world is equipped with no global humanitarian financing mechanism akin to existing global investment vehicles for tackling infectious diseases and climate change. A global humanitarian fund, properly constituted, could help meet the $10 billion annual humanitarian financing shortfall, complementing crisis-specific mechanisms and directing most of its resources to protracted crises.

KEY POINTS

- A global humanitarian fund (GHF) should be created as an independent intergovernmental organisation replacing the small, UN-internal Central Emergency Response Fund and inheriting its mandate—namely, to provide rapid financing in the wake of emergencies and help fill gaps in the financing of protracted crises.
- The GHF should seek to attract sufficient resources, from both public and private sources, to support annual grant commitments in the order of $10 billion. It should follow the same triennial replenishment process as the World Bank's International Development Association.
- The fund should be free to allocate finance to any relevant actors according to the circumstances, and a high level of delegated authority should be vested in its Chief Executive Officer with respect to the allocation of resources to specific situations. The fund's investment principles, strategies and impacts should be overseen by a board in which developed and developing countries are equally represented.

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"If you look at the humanitarian budget all over the world, it is somewhere between $20 billion and $30 billion. I don't know any bailout of even a medium-sized bank that did not cost more than that. Not to spend more on humanitarian aid is a bad strategy, not to say a suicidal one."
— Antònio Guterres

INTRODUCTION

Perhaps the most general problem afflicting the collective international humanitarian assistance effort is the centreless nature of resource mobilisation for humanitarian action. Humanitarian assistance is, to a far greater degree than long-term development assistance, a fragile construct of bilateral donor agencies' allocation decisions. The reasons for this are not entirely mysterious, even if they are not good.

One is that for a long time humanitarian assistance accounted for only a small proportion of global official development assistance (ODA), and was in fact considered a type of aid that should be kept low. In 2002, humanitarian assistance constituted less than 7% of total ODA from the member countries of the OECD's Development Assistance Committee (DAC)[1]. DAC members were encouraged, in the context of peer review processes, to avoid over-allocating funds to emergencies at the expense of long-term development investments, which at that time meant keeping allocations below the 7% weighted average just mentioned. Since that time, however, the share of humanitarian assistance in total ODA has steadily increased to about 11% and there is no longer any implicit or explicit norm according to which this is excessive. Humanitarian aid is no longer a footnote. Along with support for the provision of certain types of global public goods, it is likely to be an increasingly prominent part of future ODA.

A second reason is that humanitarian aid allocation decisions are particularly political ones, and therefore tend to be kept under the control of bilateral donor governments. Emergencies are often, among other things, political opportunities—to strengthen bilateral relationships, bolster a donor country's international standing or demonstrate that donor governments are in tune with public sentiment in their own countries. As one indication of this, the share of humanitarian assistance in DAC bilateral ODA doubled, from under 6% to over 12%, between 2002 and 2014. Given that its share in total ODA did not increase to the same extent, this shows that more of the overall increase was allocated bilaterally than multilaterally. Humanitarian aid is an instrument of international and domestic politics. This is hardly likely to change, so it would be fruitless to call for a substantially greater centralisation of the existing humanitarian assistance pie.

A third reason, perhaps deriving from the two above, is that donor agencies operate much the same funding mechanisms and resource allocation processes for sudden-onset crises as they do for protracted crises, so that the latter are always heavily dependent on annual allocation decisions and often short-changed owing to the demands of high-profile natural disasters. Since there are no or few general allocations for protracted crises within donor agencies' budgets, there is no natural train of thought leading to the creation of a central fund in which such allocations might be concentrated. Current humanitarian assistance resource allocation processes do not lend themselves to centralisation. This barrier would be overcome with a stroke of the pen if there were enough political will to satisfy the financing requirements of chronic, slow-burn humanitarian situations.

Centreless resource mobilisation should by now be considered an anachronism. It is anomalous that the world is equipped with

1 Based on DAC data on its members' bilateral ODA for humanitarian assistance (which includes regional ODA), plus their contributions to the UN World Food Programme and the UN Refugee Agency. A proportion of contributions to other agencies such as UNICEF and UNDP will have been humanitarian in nature but these cannot be separately identified.

global investment vehicles for major infectious diseases, for climate change and even for education, but not for humanitarian response. The several vehicles just mentioned act as finance aggregators and strategic investors, not as implementing organisations. They have the flexibility to attract finance from any source, including private sources, and to allocate it it to any entity well placed to use it effectively. Their governance, institutional and replenishment arrangements are such as to focus high-level attention on and significant financing for the problems they exist to address.

Why, then, is there no central humanitarian financing vehicle, independent of implementing agencies and overseen by a dedicated governing body, with the capacity to raise public and private funds on a large scale, direct funds through any channel, pre-finance rapid responses to emerging situations and provide adequate support for ongoing responses to neglected ones? In short, a global humanitarian fund.

It is true that humanitarian assistance, by contrast with, say, climate change mitigation, is not strictly speaking a global public good. It does not deliver global benefits, or require collective action, to the same extent. However, it certainly does deliver substantial global benefits and does require a high level of at least regional cooperation. These facts, together with the moral case for the provision of sufficient, effective assistance, warrant our regarding humanitarian assistance as something tantamount to a global public good as a matter of public policy. There is, in fact, a strong case for mirroring in the humanitarian arena the technical, consultative and financing structures put in place to deal with the mitigation and impacts of climate change.

This policy brief, then, is an attempt to concentrate attention on the central problem of humanitarian resource mobilisation and allocation, and to outline an appropriate public policy response in the form of a strategic humanitarian financing mechanism: a global humanitarian fund with certain essential characteristics and side-benefits.

THE GLOBAL FINANCING SHORTFALL

Estimating the magnitude of global humanitarian assistance is no easy matter. Much of this

Figure 1: 2016 humanitarian response

Source: OCHA, Global Humanitarian Overview 2016, p. 4.

assistance is not decisively labelled as such in donor statistics. Nevertheless, on the methodology used by the 2015 Global Humanitarian Assistance Report, assistance totalled a record US$24.5 billion in 2014. This comprised US$18.7 billion from official sources, of which US$16.8 billion was from OECD sources, and a further US$5.8 billion from private sources.

The estimate financing requirement for UN-coordinated crises in 2014 was US$19.5 billion, of which only US$12 billion was actually provided—leaving a shortfall of US$7.5 billion. Numbers for 2015, calculated on the same basis, are not yet available but the Financial Tracking Service of the UN Office for the Coordination of Humanitarian Affairs (OCHA) puts the shortfall for 2015 at US$8.6 billion.

OCHA has estimated the total financing requirements of UN-coordinated crises at US$20.1 billion in 2016 (Figure 1). If recent experience is any guide, around one-third of this amount will not be provided.

If we add the 2014 shortfall to the $1.4 billion committed under existing central funding mechanisms (see below) last year, this suggests a potential need for a central commitment capacity of around $10 billion per annum. And that is a conservative estimate: the UN High-Level Panel on Humanitarian Financing (UNHLP) argued (p. 2) that the real humanitarian financing need for 2015 was around US$40 billion which, relative to the amounts estimated to have been raised, leaves a funding gap of more than US$15 billion.

Box 1: UN Central Emergency Response Fund

The UN Central Emergency Response Fund (CERF) was created in late 2005, superseding the Central Emergency Revolving Fund which had existed since 1991. Managed by OCHA, its purpose is twofold: to finance rapid responses to emergencies, and to help fill gaps in financing protracted crises. It mainly provides grants but also has a small loan window ($30 million in 2015), which is used to provide advances to UN agencies against anticipated donor contributions. It is, with one exception, a UN mechanism; funds are passed only to UN funds and programs. (The exception is the International Organisation for Migration.)

CERF contributions in 2015 totalled $403 million, somewhat less than its annual funding target of $450 million. Interestingly, this included small contributions from quite a number of developing countries – for example, $200,000 from Indonesia. Around one-third of the CERF's contributing countries have at one time or another received support from the fund. The CERF also received small contributions from private donors, including individuals donating through the UN foundation, totalling around $100,000 in 2015 and more than $6 million over the past decade. In theory, the CERF's resources are topped up annually at a high-level conference. In practice, they arrive in an ad hoc fashion. At the end of the 2015 high-level conference, for example, resources pledged for 2016 stood at only $252 million.

EXISTING CENTRAL MECHANISMS

At present, we have in the multilateral system only two central funding mechanisms: the UN's Central Emergency Response Fund (CERF, Box 1) and the Crisis Response Window (CRW, Box 2) within the International Development Association (IDA), which is the World Bank's concessional financing arm. As noted above, these mechanisms allocated only about $1.4 billion last year, equivalent to 7% of OCHA's 2016 global appeal, or less than 3.5% of last year's total humanitarian financing requirements as calculated by the UNHLP. Other humanitarian agencies limp along from year to year on mostly ad hoc contributions.

The former High Commissioner for Refugees, António Guterres, recommended in mid-2014 the creation of a 'super-CERF' to be funded from UN assessed contributions. While he did not specify the desired size of this fund, it clearly would have required very large additional contributions from many members, of which around 20% would have been billed to the United States. The idea attracted no significant support.

Box 2: IDA Crisis Response Window

A Crisis Response Window (CRW) was established within the International Development Association (IDA), the World Bank's grant and soft loan fund for the poorest countries, in 2011, as part of the 16th replenishment of IDA's resources, IDA16. This solidified a mechanism of the same name established ad hoc in the latter stages of the IDA15 period. The CRW was created in the context of the food, fuel price and financial crises of the 2008-11 period, and was intended to provide extraordinary support to IDA-eligible countries facing either economic crises or severe impacts from regional conflicts, contagious diseases or natural disasters. (A complementary mechanism, the Immediate Response Mechanism, was also created in 2011 to give crisis-affected countries rapid access to up to 5% of their undisbursed investment project balances.)

A reduced CRW was maintained in the 17th replenishment of IDA in 2014, receiving an allocation of SDR0.6 billion (SDR1.3 billion had been provided under the previous replenishment). The whole IDA17 CRW allocation was committed within the first year of the three-year IDA17 commitment period—all to natural disasters (Solomon Islands floods, Malawi floods, Vanuatu cyclone, Tuvalu cyclone, Nepal earthquake) or disease outbreaks (Ebola, West Africa). Negotiations for the 18th replenishment of IDA are currently under way, and will conclude in December 2016.

The UN Secretary-General, in his report to the 2016 World Humanitarian Summit, has made the more modest recommendation that the resources of the existing CERF be doubled. The resources would be raised in the same ad hoc manner as at present. In addition, he has recommended that the resources of the CRW, which are allocated during the triennial IDA 'replenishment' negotiations, be tripled.

THE 'INTERNATIONAL FINANCING PLATFORM'

In preparing his report for the May 2016 World Humanitarian Summit (Box 3), *One Humanity: Shared Responsibility*, the UN Secretary-General effectively subcontracted its humanitarian financing component to the UNHLP. The Secretary-General, in his own report, urged adoption of the recommendations of the panel almost verbatim, but in one case went beyond them to recommend a new 'International Financing Platform' for protracted crises.

This proposal from the Secretary-General is presented alongside, rather than as an alternative to, proposals to expand the World Bank's Crisis Response Window and the UN's Central Emergency Response Fund. The platform would somehow be 'co-hosted' by United Nations and international/regional financial institutions. It would seek to attract an initial capital investment of $5-7 billion, but 'potentially as an endowment'.

The funding for the platform would not be derived from UN assessed contributions, as Guterres had earlier proposed for the 'super-CERF'. It is unclear from what sources and through what processes it would be mobilised, and why the endowment structure is favoured[2].

THE GRAND BARGAIN, AND THE OTHER GRAND BARGAIN

The centrepiece of the UNHLP's advice to the Secretary-General was a 'Grand Bargain' (Figure 2), to be reached in the first instance by a handful of the major players—the 'few giants'—among donors and implementing agencies. However, this efficiency-oriented bargain would merely exchange more predictability and flexibility

Figure 2: Elements of a Grand Bargain

The main elements of a Grand Bargain are:

For aid organisations and donors to work more closely together towards:

- More financial transparency.
- More support and funding tools to national first responders.
- Scale up use of cash-based programming and more coordination in its delivery.

For aid organisations to commit to:

- Reduce duplication and management costs.
- Periodic functional expenditure reviews.
- More joint and impartial needs assessments.
- A Participation Revolution: listen more to and include beneficiaries in decisions that affect them.

For donors to commit to:

- More multi-year humanitarian funding.
- Less earmarks to humanitarian aid organisations.
- More harmonized and simplified reporting requirements.

Source: Too Important to Fail, p. 24.

for more efficiency and transparency about overheads and destinations. That is a worthy but relatively minor ambition, not backed by any sense of how the contract would be formalised and enforced. The suggestion is not, as might be assumed, that there should be some kind of a global humanitarian action treaty.

Something rather less paltry and process-oriented, squarely focused on the central financing problem, might have been proposed. While there is no need for the apparatus of a treaty, there is something to be learned from the grand bargaining that is taking place in the treaty-centred international climate change negotiations.

The world of humanitarian action has no standing intergovernmental expert panel on humanitarian crises. There is no pre-eminent, high-level political forum in which problems and responses are reviewed. (The UN Office for the Coordination of Humanitarian Affairs, OCHA, being only an office within the UN secretariat, has a Donor Support Group but nothing resembling an Executive Board.) There is no core financial mechanism with strategic investment capacity, independent of implementing agencies. All these things exist in the world of climate change action.

Above all, there is an obvious parallel between the newly created Green Climate Fund and the idea of a core humanitarian financing mechanism to provide long-term and reserve funding capacity for humanitarian crises. If the latter mechanism were established with the

2 Oddly, the proposal is not mentioned at all in the background document prepared for the WHS High-Level Leader's Roundtable on Humanitarian Financing.

Box 3: World Humanitarian Summit

The World Humanitarian Summit will be held on 23 and 24 May 2016 in Istanbul, Turkey. Surprisingly, it's the first of its kind—topics of past global conferences or summits have included education, food security, social development, population and development, financing for development, international development goals, gender equality and the least-developed countries. Two summits have been held on the narrower topic of disaster risk reduction.

The outcomes of the Summit are expected to be 'a series of high-level and transformative commitments to action, aimed at improving the lives of people affected by conflicts and disasters'. These will captured in a summary of the proceedings by the Secretary-General. The WHS differs from many of the above events in that it has no detailed agenda and is not expected to issue a negotiated declaration. A very broad agenda is provided by the Secretary-General's report to the conference, and specifically by the annexed 'Agenda for Humanity' [pdf], which was prepared after an extensive global consultation process.

The Secretary-General drew the financing-related elements of his report largely from the prior report of the UNHLP, *Too important to fail—addressing the humanitarian financial gap* [pdf]. The UNHLP set out three challenges: reducing the demand for humanitarian financing, increasing the supply of it, and improving its efficiency. Under these wide-open headings it collected every idea that seemed remotely relevant, without adding to the stock of them or further developing any. The HLP's findings and recommendations, delivered only six months after the body was formed, were general and lacked policy bite. Some were glib ('engage the private sector to commit resources for in-kind response'). Some were poorly informed ('rules used by international organisations to track assistance fall short in recognising the scale and value of inputs provided by non-DAC nations'). Some were tired ('develop international media platforms for more systematic and predictable individual giving'). Some were half-baked and faddish ('green or social impact bonds' to finance 'recurrent and protracted humanitarian costs').

right characteristics, it could be substantially more effective than current mechanisms in mobilising and allocating funds. It could raise more funds in aggregate, and direct them more systematically to where they are most needed. It could also be more effective in concentrating high-level attention on humanitarian crises in a more strategic way. What, though, are the right characteristics?

MANDATE AND SCALE

As above, the global humanitarian fund's mandate should resemble that of the CERF, and therefore be heavily weighted toward protracted, under-funded crises in order to correct for the present tendency to allocate resources disproportionately to high-profile crises, and in particular natural disasters and communicable-disease epidemics. For example, 66% of the funding contributed to UN-coordinated appeals in 2014, or around US$8 billion, was provided for five severe, large-scale emergencies ('level 3' emergencies on the UN scale), including the Ebola outbreak in West Africa and the earthquake in Nepal[3]. Inevitably, lower-profile, 'forgotten' crises will have paid some of the price for this.

The fund itself need not run crisis-specific appeals, whether country- and region-specific or thematic. Its resources would be used to meet needs not otherwise met. To put it another way, its primary purpose would not be to rationalise the processes of global resource mobilisation, but rather to expand the overall quantity of resources available in order to fill gaps.

In determining the scale of the fund, the most obvious point of reference is the size of the

3 Global Humanitarian Assistance Report 2015, p. 49.

estimated shortfall in humanitarian financing at the present time, for example, as measured by the unmet funding requirements of UN-coordinated appeals. As noted above, this, together with the amounts committed under the CERF and the CRW last year, indicates a potential need for the fund to have a commitment authority of around $10 billion per annum at the present time.

Raising additional funds on this scale is evidently no easy matter, but something like this has been done several times in recent years, including by the Global Fund to Fight AIDS, Tuberculosis and Malaria (fourth replenishment total US$12 billion, 2013), the Gavi Alliance (second replenishment total US$7.5 billion, 2015) and the Green Climate Fund (initial capitalisation US$10.4 billion, 2014). IDA continues to achieve ever larger triennial replenishment contributions from donor countries (the 17th replenishment totalled US$26.1 billion in 2014). The amounts just indicated are committed by the receiving organisations over several years, so the resource mobilisation challenge for a global humanitarian fund would be most akin to that faced by IDA. However, even a fund able to commit US$10-12 billion over three years, on a par with the Global Fund to Fight AIDS, Tuberculosis and Malaria, would make a very substantial contribution to filling the humanitarian financing gap.

It should be acknowledged that, while commitments to some of the new global investment vehicles mentioned above have no doubt been partly responsible for the growth in aggregate ODA in recent years, it is also the case that they will have come at the expense of certain other things. Trade-offs are not, however, too much to be feared. For one thing, new investment resources are increasingly becoming available from non-DAC bilateral donors and new multilateral sources, such as the Asian Infrastructure Investment Bank. Further, it is possible that an increasing share of global humanitarian financing will come directly from private individuals via 'pledge' giving, as distinct from ad hoc responses to specific appeals. And finally, as countries increasingly graduate from eligibility for financing on IDA terms, IDA can be expected to shrink. The funds thereby freed up would find a natural home in the global humanitarian fund.

LEGAL PERSONALITY

A fundamental advantage of creating global investment vehicles is that they free investment decisions from the implementation capacities and resource allocation constraints of existing, specific-purpose institutions. The CERF allocates its resources only to UN agencies and the International Organisation for Migration. The CRW allocates its resources only to the governments of IDA-eligible countries. (IDA has come under pressure to fiddle with its eligibility criteria in order for the CRW to be able to extend support to hard-pressed middle-income countries like Jordan, Lebanon, Turkey and Iraq.[4]) It is difficult to find any merit in the idea of placing such a financing capacity under the management of any one existing institution let alone, as has been proposed in connection with the Secretary-General's International Financing Platform, a consortium of such institutions.

A global humanitarian fund would, therefore, preferably be established as a standalone organisation and replace both of the existing central funds, the CRW and the CERF. Its legal status would be similar to that of other global investment vehicles. In the case of the Global Fund to Fight AIDS, Tuberculosis and Malaria, for example, the government of Switzerland has accorded the organisation international legal status, and this has been recognised by other governments. As in the case of several other vehicles, the World Bank might be invited to play a limited role as trustee.

RESOURCE MOBILISATION

In order to optimise donor commitments to the fund, it would institute regular replenishment rounds of the kind that currently benefit other global funds and IDA. It would be desirable, in fact, for the global humanitarian fund and IDA to be replenished on the same timetable. This would assist donors in making rational decisions about the apportionment of multilateral development and humanitarian funds.

An initial resource mobilisation process would seek a commitment authority of about $30 billion over a three-year period. The requirement would

4 The UNHLP recommended such fiddling in its report to the UN Secretary-General: 'follow the people in need, not the countries'.

be for grant resources, which would be quickly disbursed, though not necessarily all during the commitment period. It should be noted that little by way of annual commitments would be supported by a $5-7 billion 'endowment' of the kind proposed by the Secretary-General in connection with his International Financing Platform.

The global humanitarian fund could, building on the experience of the CERF, seek to build a growing portfolio of private donors, whether institutional or individual. Several UN agencies are meeting with increasing success in raising funds directly from private individuals in both developed and developing countries, and it would be entirely legitimate for the global humanitarian fund to enter this 'market', targeting donors willing to support low-profile, underfunded crises.

The extent to which the the fund were to accept earmarked resources, and what types of earmarking would be acceptable, would need to be determined and reviewed in the context of the regular replenishment negotiations. In general, a donor wishing to apply highly specific earmarking would presumably provide funds directly to certain implementing agencies.

FINANCING CHANNELS AND TERMS

The global humanitarian fund would differ fundamentally from the CERF not only in scale but also in having a capacity to allocate finance to all relevant actors according to the circumstances—whether UN agencies, the Red Cross and Red Crescent movement, multilateral development banks, national, regional or local governments, international, national and local non-government organisations, or in some cases private-sector organisations.

In addition, the fund's resources, while provided uniformly on grant terms, could be blended to a substantial degree with loan financing from various international financial institutions, as happens in the case of financing for climate change mitigation and other environmental investments with positive international spillovers.

Giving the global humanitarian fund a substantial cofinancing mandate would also address the problem that humanitarian financing is heavily focused on limiting immediate suffering and contagion and not sufficiently invested in meeting the medium- to long-term needs of displaced communities, such as support for education, small enterprise development, community governance and complex infrastructure.

GOVERNANCE AND MANAGEMENT

The global humanitarian fund's governance, technical advisory and resource mobilisation arrangements could be geared to focus global attention on the big picture on a regular basis, in much the same way that the Intergovernmental Panel on Climate Change and the annual climate change conferences, with ministerial segments, focus attention on climate change.

The fund's governing body would preferably give equal representation to developed and developing countries, on the model of the board of the UN Green Climate Fund. This would, building on the experience of the CERF, help to ensure that developing countries are both contributors and beneficiaries.

The governing body would consider principles and strategies but not direct funds in response to specific situations. The latter power would be vested in a Chief Executive Officer with a high level of delegated authority, in order to ensure flexibility and responsiveness in reaching investment decisions.

OCHA, given its existing responsibility for the management of the CERF, would likely be the source of many of the personnel required for the fund's secretariat, but the fund should not be a creature of the UN, nor be involved in operational coordination. It should maintain its independence as an investment vehicle.

OTHER SOURCES OF HUMANITARIAN FINANCE

The resources mobilised by such a global mechanism would for the most part complement those raised through specific appeals, particularly UN-coordinated appeals. It would hardly be prudent to eschew fundraising on the back of individual crises (the UNHLP complained that 'the current business model of the global humanitarian system is built almost entirely upon retrospective finance') and hope to deal with everything through pre-committed funds. If certain forms of crisis seize the imagination and the purse strings of the general public and of politicians, then by all means let fundraisers make hay. UN-coordinated country and regional appeals, while well underfunded, did attract an unprecedented $12 billion from donors in 2014.

However, bearing in mind that the funds raised in response to appeals—particularly those relating to high-profile, sudden-onset natural disasters—are sometimes excess to requirements, an option that might be considered is to levy both private and official contributions to 'charmed' emergencies in such a way that a fixed but small proportion of the funding raised is transferred to the global humanitarian fund to be used for protracted crises. For private donations, a small-print, opt-out approach might enable such a levy to operate effectively, and the same approach to also be used to ensure that unspent funds still around after, say, six months are also reallocated to protracted crises.

CONCLUSION AND RECOMMENDATIONS

In principle, governments are well able to create a new, core financing mechanism independent of the UN and the multilateral development banks (MDBs) and run it with the rigour and profile of the World Bank's concessional financing arm, IDA.

A global humanitarian fund, properly constituted, would have good prospects of mobilising much more funding for humanitarian crises than is presently available, from both public and private sources. It would be especially useful for directing funds to where they are most sorely missing, protracted crises out of the spotlight. Its governing body could become an important global policy forum. Its resources, mobilised via scheduled replenishments, could be used to benefit both low- and middle-income host countries, including via blending with the MDBs' and other resources.

The World Humanitarian Summit provides an opportunity to debate and register the merits of such a proposal, if only because a much weaker proposal in the same vein has already been put to it by the UN Secretary-General. The idea would in the end have to be developed by governments, rather than the existing multilateral organisations. The pre-eminent forum of governments, the G20, could take up the idea under the Chinese presidency in 2016. The provision of global public goods of this kind is core business for the G20.

In sum:

a. The World Humanitarian Summit should register the merits of establishing a strategic humanitarian financing mechanism—a global humanitarian fund—independent of existing international organisations.

b. The fund should replace the existing Central Emergency Response Fund and inherit its mandate—namely, to provide rapid financing in the wake of emergencies and help fill gaps in the financing of protracted crises.

c. It should seek to attract sufficient resources, from both public and private sources, to support annual grant commitments in the order of $10 billion.

d. It should be free to allocate finance to any relevant actors according to the circumstances.

e. It should follow the same triennial replenishment process as the World Bank's International Development Association, preferably on the same timetable.

f. Its investment principles, strategies and impacts should be overseen by a board in which developed and developing countries are equally represented.

g. A high level of delegated authority should be vested in its Chief Executive Officer, particularly in relation to the allocation of resources to specific situations.

h. The process for its establishment should be an intergovernmental one, rather than being driven by existing multilateral organisations, and preferably it would proceed under the auspices of the G20.

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