

Research Material
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Implementation of the Humanitarian-Development-Peace Nexus by DAC Donor Countries

The concept of the Humanitarian, Development and Peace Nexus (the “HDPN”) was first introduced at the World Humanitarian Summit in 2016, and the DAC Recommendation on the HDPN (the “HDPN Recommendation”) was adopted in 2019. Since then, DAC donor countries have engaged in a variety of efforts to implement the concept both in policy and practice. In this context, the OECD conducted a the HDPN Interim Progress Review in 2022. The 2021 ODA funding data for humanitarian assistance, development, and peace was made public in December of 2022, and the 2022 data is set to be unveiled in December of 2023.

Today, 83% of the need for humanitarian assistance comes from protracted crises, with more than half of the estimated 400 million people in need of such assistance facing multiple challenges simultaneously, such as armed conflict, climate change, and economic and social vulnerabilities, which require fundamental solutions (DI, 2023). To address these challenges, it is important to effectively direct aid toward addressing protracted crises and strengthening resilience in accordance with the HDPN Recommendation adopted by DAC donor countries in 2019, and such support must be concentrated on countries suffering protracted crises. In this study, we aim to examine whether DAC donor countries are actually delivering principled assistance, focusing on key findings from the 2019 HDPN Recommendation and the 2022 HDPN Interim Progress Review. To this end, we have defined countries that have had a humanitarian response plan (an “HRP”) for at least 7 or more of the last 13 years as countries in protracted crisis¹⁾ and will examine the characteristics of the ODA provided by DAC donor countries to these countries for HDP purposes.²⁾

1. Definition of the Humanitarian, Development, and Peace Nexus

The Humanitarian, Development, and Peace Nexus (the “HDPN”) is a term that captures the interconnectedness of humanitarianism, development and peace. In particular, it refers to the way in which the three sectors work together to better meet the needs of people in fragile situations, mitigate risks and vulnerabilities, and achieve sustainable peace. This approach calls for a New Way of Working (NWoW) that transcends sectoral boundaries, strengthens rather than replaces

1) Refer to <Table 1> for the list of countries in protracted crisis (total 25 countries).

2) Refer to <Table 2> for the classification criteria by HDP purpose within the CRS codes of the OECD DAC.

national and regional systems, and utilizes the comparative advantages of each sector to (i) work over multiple years, (ii) strive for common outcomes, and (iii) anticipate crisis.

2. Policy Agreements among DAC Donor Countries on Implementation of the HDPN: Adoption of the 2019 HDPN Recommendation and 2022 OECD Interim Progress Review

The HDPN Recommendation agreed upon by the DAC members in 2019 (OECD, 2019) prioritizes long-term funding for the HDPN, articulating a vision of “prevention always, development wherever possible, humanitarian action when necessary.” The HDPN Recommendation, being the first principle about financing, states that coordination of funding flows at the global, regional, national and local levels and the timing of funding for humanitarian assistance, development and peace are critical to the development of effective funding strategies.

In addition, the work of linking and mapping the HDP objectives on project programming and financing methods at the national level must first be successfully completed, so that priorities for achieving common outcomes and the comparative strengths of each institution can be identified and work can be shared among the institutions based thereon (UNSDG, 2020).

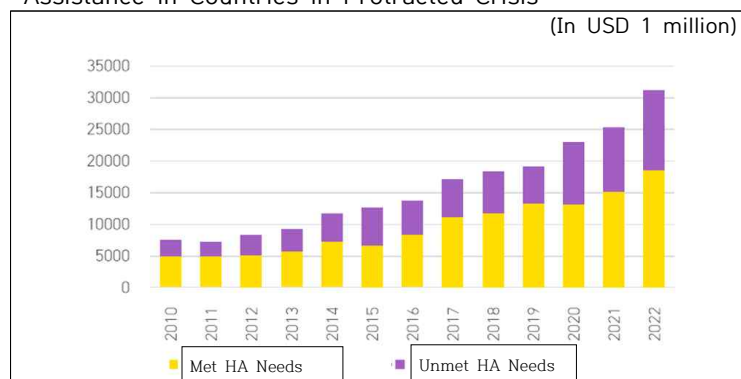
Furthermore, HDPN Interim Progress Review (OECD, 2022) emphasizes that, for an HDPN approach to be effective, it is important to recognize the short-term drivers of change without losing sight of the long-term development perspective, and that financing mechanisms should be structured to reflect this perspective. The 25 HDPN pilots conducted jointly by the EU, UN, and World Bank confirm that while joint efforts between actors have been implemented on a nexus basis, challenges remain in terms of co-financing and effectiveness of implementation on the ground (IASC, 2021).

3. Current State of ODA from DAC Donor Countries for HDP purposes

A surge in needs for humanitarian assistance from countries in protracted crisis and the difficulty in meeting those needs

Humanitarian crises are intensifying around the world for multiple reasons, including large-scale conflict, climate change, food insecurity, and infectious disease, and the needs for humanitarian assistance are increasing rapidly. However, the current funds set aside for humanitarian needs are insufficient. This is particularly evident when we define “countries in protracted crisis” as those with an HRP for at least seven years, which means a period amounting to more than half of the period from 2010 to 2021, as shown in Graph 1 below.

<Graph 1> Met and Unmet Needs for Humanitarian Assistance in Countries in Protracted Crisis



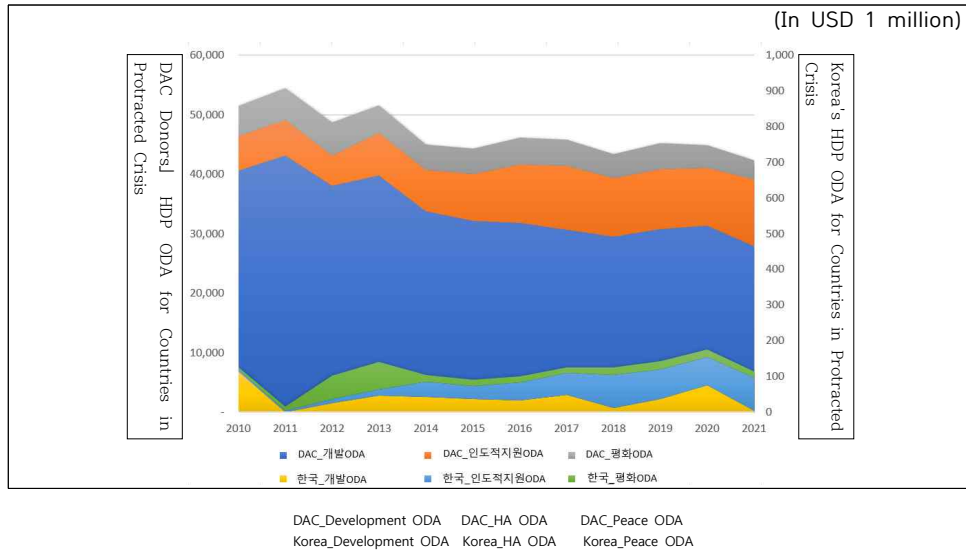
* Countries in protracted crisis: Countries with an HRP in 7 or more of the years 2010-2022 (total 25 countries)

Source: The author's own work based on the OECD DAC statistics website (stats.oecd.org)

The current state of ODA from DAC donor countries and Korea for HDP purposes to countries in protracted crisis

As shown in Graph 2 below, The total ODA from DAC donor countries to countries in protracted crises has been continuously declining, reaching its lowest point in 2021, despite the increasing need for humanitarian assistance for countries with the greatest humanitarian needs. Thus, although a long-term approach for development and peace is essential for countries experiencing protracted crisis to address the pervasive risk factors, the development and peace ODA required for such an approach continues to decline. In the case of Korea, it aligns with other DAC donor countries as humanitarian assistance represents the largest portion of its ODA to countries in protracted crises. However, Korea distinguishes itself from other DAC countries by the continuous increase in its overall ODA to these countries, thereby serving as a positive influence on long-term development and peace initiatives.

<Graph 2> HDP ODA from DAC Donors and Korea to Countries in Protracted Crisis



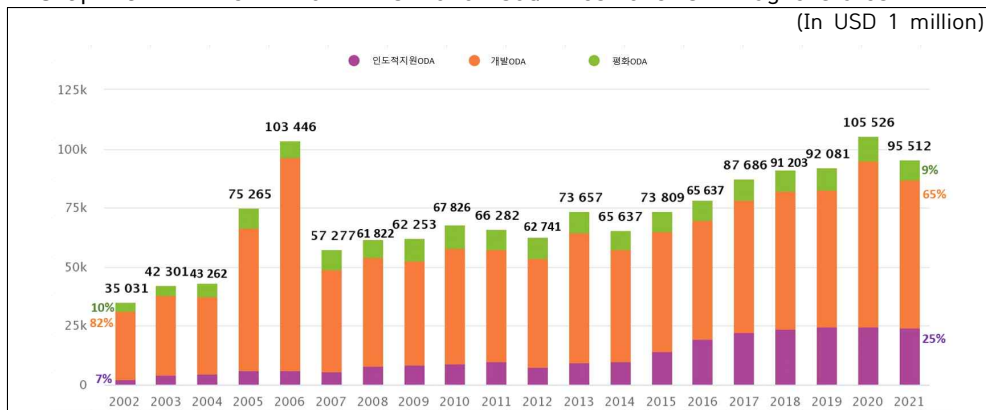
* Countries in protracted crisis: Countries with an HRP in at least 7 of the years 2010-2022 (total 25 countries)

Source: The author's own work based on the OECD DAC statistics website (stats.oecd.org)

The current state of ODA from DAC donor countries for HDP purposes to fragile countries

As illustrated in Graph 3 below, while the overall volume of the ODA to fragile countries has been increasing, the volume of peace ODA for prevention of conflict and building peace has remained around 9-10% for the past 22 years. Additionally, development ODA for fragile countries has decreased from 82% to 65%. Conversely, the volume of humanitarian ODA to fragile countries has significantly increased from 7% to 25%. Consequently, ODA funding to countries in fragile contexts tends to prioritize immediate humanitarian needs over long-term peace building and conflict prevention efforts. (OECD, 2022b).

<Graph 3> HDP ODA from DAC Donor Countries to OECD Fragile States



Source: State of Fragility website (compareyourcountry.org) (Search Date: July 5, 2023)

In sum, whereas the needs of fragile countries and countries experiencing protracted humanitarian crisis for humanitarian assistance are increasing, as is humanitarian assistance funding from DAC donor countries, the assistance funds for development and peace are decreasing, which is contrary to the goals of the HDPN recommendations emphasized by the OECD DAC. In countries facing protracted crises, enhancing ODA focused on development and peace is crucial to address and prevent the underlying causes of these crises. Nevertheless, the overall decreasing in funding for these countries has led to the reallocation of funds originally intended for development and peace purposes to meet the increasing demands for humanitarian assistance.

4. Challenges/Limitations of Nexus-based Funding from DAC Donor Countries

While it is now possible to track ODA flows by HDP purpose as a result of completion of the classification of the CRS codes by HDP purpose in the existing OECD DAC Statistical Reporting Directive, it is premature to generalize that such ODA flows are actually provided in accordance with the HDPN-based approach. The main reason for this is that the current system allows the tracking of ODA flows only at the national level, i.e. how ODA funds are provided to countries in crisis, but not at the sub-national level. In fact, in countries facing protracted crisis, the factors driving these crises are diverse and vary considerably across different regions and specific contexts. In addition, the HRPs are often planned and funded at the regional level rather than at the national level. Furthermore, it is not appropriate to equate the identified ODA flows at the national level with the sum total of HDPN-based funding in each specific region, as the HDPN-based support is not provided for all projects in a crisis country.

It is therefore important to have data that allows for the tracking of actual HDPN funding at the sub-national level to understand its actual scale. When this sub-national data is centrally managed and aggregated for determination at the national level, it becomes possible to reconcile the actual funding of each HDPN actor and make cross-country comparisons of HDPN-based aid to crisis countries.

Another major obstacle to HDPN-based financing is the lack of a common understanding of what it means to provide funding through the HDPN despite the policy consensus among DAC members through adoption of the HDPN Recommendation. In other words, there is no common definition or scope for HDPN-based programming or approaches across agencies, making it impossible to identify or track the amount of funding actually targeted for the HDPN. This also makes it virtually impossible to determine whether HDPN-based approaches are actually meeting the needs of the target countries (IASC, 2021).

Under the circumstances, it seems that the international aid community is not ready to develop a multilateral agreement on a global strategy for HDPN-based funding. While there has been progress at the global partnership level, including the engagement of international financial institutions in the HDPN agenda, there is still a lack of effective financing strategies that span the humanitarian assistance, development and peace sectors (OECD, 2022a). While there have been some cases of pooled funds, primarily created and participated in by major DAC donors, such as the EU, US, and Germany, programming and funding are still typically done at

the individual institution level or at the interface between two sectors. This is specifically because DAC member countries and UN agencies select and operate programs based on their own business impact assessments and alignment with organizational strategies (OECD, 2022a).

5. Strategic and Policy Implications

In the wake of multiple crises, including the earthquake in Türkiye, the conflict in South Sudan, and Russia's invasion of Ukraine, the demand for humanitarian assistance is growing rapidly, while the actual amount of assistance is not keeping pace. In response, DAC donor countries are discussing a variety of ways to continually increase the amount of funding for humanitarian assistance, including a proposal to make 10% of all ODA available for it, as well as expanding the participation of various financing actors such as the private sector and corporations.

In addition to this quantitative increase in the funding for humanitarian assistance, an HDPN-based approach is also essential for efficient management of humanitarian aid funds. However, given the difficulty of implementing these innovative partnership-based approaches in practice due to the lack of a common understanding of how to do it, we need to consider prioritizing the efficient use of limited resources through the establishment and management of trust funds or pooled funds (e.g. the UN's Multi-partner Trust Fund). This would allow us to accumulate collective knowledge and experiences on the raising and management of HDPN-based funding, eventually strengthening our collective understanding of the workings and funding mechanisms of the HDPN.

Countries experiencing protracted crisis are in particular need of long-term efforts to address risk factors and strengthen resilience. In order to ensure that these countries are not marginalized in the international community through efforts to prevent crises and strengthen resilience, humanitarian assistance to these countries must be balanced with aid for development and peace.

Despite the international emphasis on the HDPN, there are still many challenges to effective implementation. However, a failure to establish a financing strategy for the HDPN can lead to an over-reliance on humanitarian aid systems rather than prevention and resilience-building activities against protracted crisis. HDPN-based aid is certainly an international trend that aid actors, including donors, will need to familiarize themselves with in the future. Therefore, it is necessary to take a long-term perspective and prioritize expanding the common understanding and experience of the HDPN through collaboration among the concerned organizations in accordance with the DAC's HDPN Recommendation, and to continuously complement and improve them through the OECD's HDPN Interim Progress Review and related research.

<Table 1> List of Countries in Protracted Crisis* (total 25 countries)

Haiti, Afghanistan, Palestine, Chad, the DRC, Somalia, Sudan, Yemen, Central African Republic, South Sudan, Syria, Mali, Niger, Burkina Faso, Myanmar, Nigeria, Ukraine, Cameroon, Libya, Iraq, Burundi, Djibouti, Ethiopia, Kenya, Zimbabwe
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* Countries in protracted crisis are defined as countries with an HRP in at least 7 of the years 2010-2022

Source: The author based on the UNOCHA Financial Tracking Service (FTS) 2010-2021

<Table 2> OECD DAC CRS Code Classification Criteria by HDP Purpose

Humanitarian	700
Peace	15110, 15111, 15112, 15113, 15130, 15150, 15152, 15153, 15160, 15170, 15180*, 15190*, 15210, 15220, 15230, 15240, 15250, 15261
Development	All other CRS codes except for the above (excluding codes in the 900s)

Source: OECD (2022b); State of Fragility website (compareyourcountry.org) (Access Date: July 5, 2023)