

THE APPLICABILITY OF GLOBAL PUBLIC INVESTMENT IN ASEAN FOR DISASTER MANAGEMENT AND HUMANITARIAN ASSISTANCE

Feasibility Study by:

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EXPERT WORKING GROUP
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EXECUTIVE SUMMARY

The feasibility study, conducted during the period of mid-April to mid-June 2022, aims to explore the applicability of Global Public Investment or GPI in the context of disaster management and humanitarian assistance in ASEAN. The study analyses the principles of GPI – all contribute, all decide, all benefit – and how these principles are applicable within the context of ASEAN, in particular in the areas of disaster management and humanitarian assistance.

The study concludes that ASEAN, to some extent, has long practiced the principles of the GPI, most notably are: shared commitment, collective responsibility, inclusivity, and non-discriminatory. In other words, the GPI principles of all contribute, all decide and all benefit are the founding principles of ASEAN and embedded in the overall business process of ASEAN. There are however certain practices in ASEAN that may challenge the full application of GPI. One of those is the ASEAN's principle on the equal amount of contribution for all members in absolute terms, practiced when ASEAN Member States are making mandatory contributions to certain regional pools of funds.

Certain '*fair share*' formula can be developed to ensure that ASEAN countries remain to have equal right to decision-making and enjoy equal benefit. One possible formula could be by having (i) mandatory annual equal financial contribution at a certain level to ensure predictability, then add that with (ii) financial contribution from ASEAN countries who are able to contribute more, and/or (iii) monetising in-kind contributions from ASEAN countries who are not able to contribute additional financial contributions. To expand the funding base, ASEAN partners will be invited to contribute financially to the pool of funds to match ASEAN's collective contributions.

The fundamental principle of ASEAN centrality requires partners to respect ASEAN's terms and conditions when engaging with ASEAN. As such, any proposed initiative will have to use or build on the existing ASEAN-led mechanisms and initiatives. Two potential mechanisms can be explored, i.e.

- (i) Close-end investment, focusing on existing pre-determined ASEAN's partnership arrangements. For example, the utilisation of East Asia Summit or EAS mechanism that involves ten ASEAN countries and eight other EAS participating countries, or further expansion to include ten ASEAN countries and all 19 Dialogue and Development Partners;
- (ii) Open-end investment, focusing beyond existing pre-determined partnership mechanisms and open to all. This is in line with Brunei Darussalam's initiative to pursue People's Fund and link all ASEAN's relevant initiatives for emergencies and disasters or known as the ASEAN SHIELDS. This additional but important source of funds is essentially gathered through crowd-funding of ASEAN citizens' contributions including companies and philanthropies operating in the region.

In view of the triple threats of pandemic, climate crisis and conflicts as well as more intense, more frequent and more complex future challenges that may threaten the prosperity, stability and security of the region, ASEAN will need to pursue a transformative approach in the way it is handling multiple shocks and crises. In this regard, ASEAN will need to adopt a multi-risk approach with a coordinated, inclusive and long-term crisis mechanism, including a financing mechanism.

The concept of GPI could be utilised to establish a permanent, innovative and sustainable multi-hazards, all-crises financing mechanism, or the All-Crises Fund (ACF), that can be utilised not only to anticipate and respond to future disasters and humanitarian crises, but also other types of crises including those caused by health-related hazards and technological failures that threaten the prosperity, security and stability of ASEAN.

The establishment of the ACF shall be centred on its sustainability with an incentive strategy formulated to (i) attract ASEAN countries to scale up their financial contributions, (ii) engage ASEAN's partners to put resources to a pool of ASEAN regional funds, and (iii) mobilise crowd-funding from ASEAN citizens.

In line with the concept of GPI that is long-term and focusing on initiatives that are often under-funded, the ACF shall be designed, not only for anticipating and responding to future crises, but also reducing risks and building ASEAN's resilience to absorb future shocks. As such, the ACF shall be able to generate resources that will substantially cover funding gaps in disaster risk reduction (DRR) and recovery & rehabilitation (R&R) efforts, as part of '*regional public goods*'. A bigger portion of resources generated through the ACF should also be able to strengthen the capacity of local government and non-government actors as frontliners, to build their capacity and resilience in managing disasters.

The above recommendations are summarised below:

Five Key Recommendations on the Applicability of GPI in ASEAN for Disaster Management and Humanitarian Assistance

- 1. Establish a permanent and sustainable multi-hazards, all-crises financing mechanism.** ASEAN needs to adopt a multi-risk approach with a coordinated, inclusive and long-term crisis mechanism, and this includes a financing mechanism. In this regard, the concept of GPI could be utilised to establish a permanent and sustainable multi-hazards, all-crises financing mechanism, not only for anticipating and responding to large-scale future crises, but also reducing risks and building ASEAN's resilience to absorb future shocks.
- 2. Create an incentive strategy to encourage ASEAN Member States to scale up their funding contributions.** Considering ASEAN's highly dependence on the external funding in areas that could potentially threaten the regional prosperity, stability and security, ASEAN will need to create an incentive strategy to drive ASEAN Member States to scale up their funding contributions, while at the same time ensure that partners will continue or increase their contributions to ASEAN. Collectively, this ASEAN-plus all-crises funding mechanism could significantly serve as a good source for financing '*regional public goods*'.
- 3. Prioritise on longer-term and under-funded investments, in particular Disaster Risk Reduction (DRR) and Rehabilitation & Reconstruction (R&R) efforts.** The new financing mechanism shall be able to generate resources that will substantially cover the funding gaps in DRR and R&R efforts that are significantly under-funded. This is also in line with the concept of GPI that prioritises on longer-term and ongoing investments, which are the intrinsic nature of DRR and R&R efforts.
- 4. Earmark a significant portion of funding to strengthen the capacity at the local level.** A bigger portion of funding should be earmarked to strengthen the capacity of government and non-government actors and entities at the local level. This is in line with the long-term, ongoing '*investment*' concept of GPI, which prioritises under-funded initiatives.
- 5. Entrench the overall approach and business process into the existing ASEAN mechanisms.** It is important that the concept and principles of GPI are embedded, as much as possible, into the already existing mechanisms, funding arrangements and initiatives related to disaster management and humanitarian assistance of ASEAN. Building on existing mechanisms and initiatives will also increase the probability of political and cultural acceptance, and lower the cost of delivery and implementation.

Finally, the study suggests five performance drivers that could be used as guidance in ensuring the successful applicability of GPI concept and principles. These are: (i) aspirationally ambitious, (ii) technically feasible, (iii) politically attractive, (iv) financially sustainable, and (v) ASEAN-led.

This feasibility study serves as the first step in determining the applicability of GPI in ASEAN in the context of disaster management and humanitarian assistance. It has shed some lights on potential application and provides some key recommendations and principles. However, the study should be considered as an ongoing effort, as constant improvements and further refinements will ensure the successful applicability of GPI in ASEAN.

In this regard, the following next steps are proposed: (i) refinement of the findings from the feasibility study, such as through a series of discussions and consultations with members of the Steering Committee and Expert Working Group on GPI, (ii) establishing a specific Expert Working Group focusing on ASEAN to strengthen the outcome of the study, and (iii) developing an advocacy strategy to introduce the study and familiarise the application of GPI in ASEAN to potential stakeholders.

Section 1

INTRODUCTION

The feasibility study, which was conducted during the period of mid-April to mid-June 2022, aims to explore the applicability of Global Public Investment or GPI in the context of disaster management and humanitarian assistance in ASEAN. The following problem statement, gathered from the terms of reference of the study, serves as a guidance in the overall design of the study.

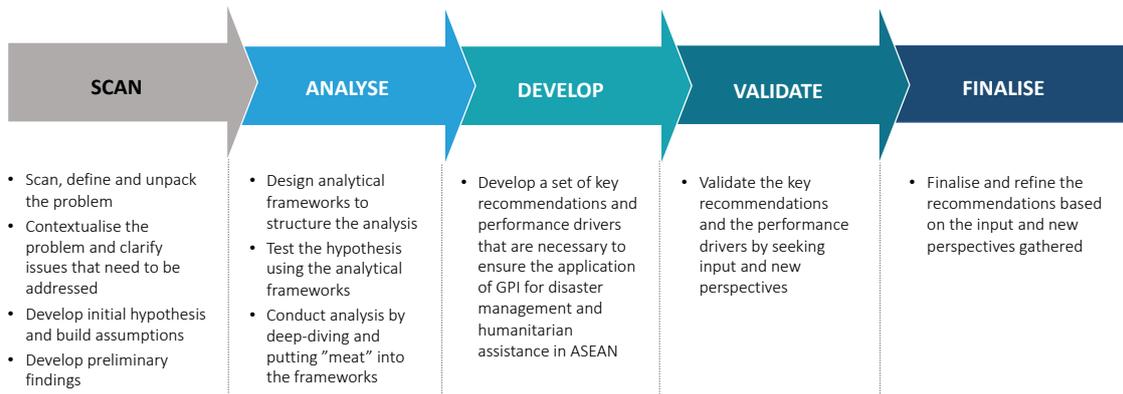
The defined problem statement was further unpacked to provide further clarity on the issues that need to be addressed (see figure below):



The feasibility study is conducted using the following five-step process:

- (i) **Scan:** scan, contextualise, clarify issues to be addressed, develop initial hypothesis, build assumptions, and develop preliminary findings;
- (ii) **Analyse:** design analytical frameworks to structure the analysis, test initial hypothesis using the frameworks, deep-dive, and put 'meat' into the analytical frameworks;
- (iii) **Develop:** develop a set of key recommendations and performance drivers that are considered necessary to ensure the applicability of GPI for disaster management and humanitarian assistance in ASEAN;
- (iv) **Validate:** verify and validate the key recommendations and performance drivers by seeking input and new perspectives, including those from the JLI; and
- (v) **Finalise:** refine and finalise the recommendations and conclusions, based on the input and new perspectives gathered.

The above five-step process is summarised in the diagram below:

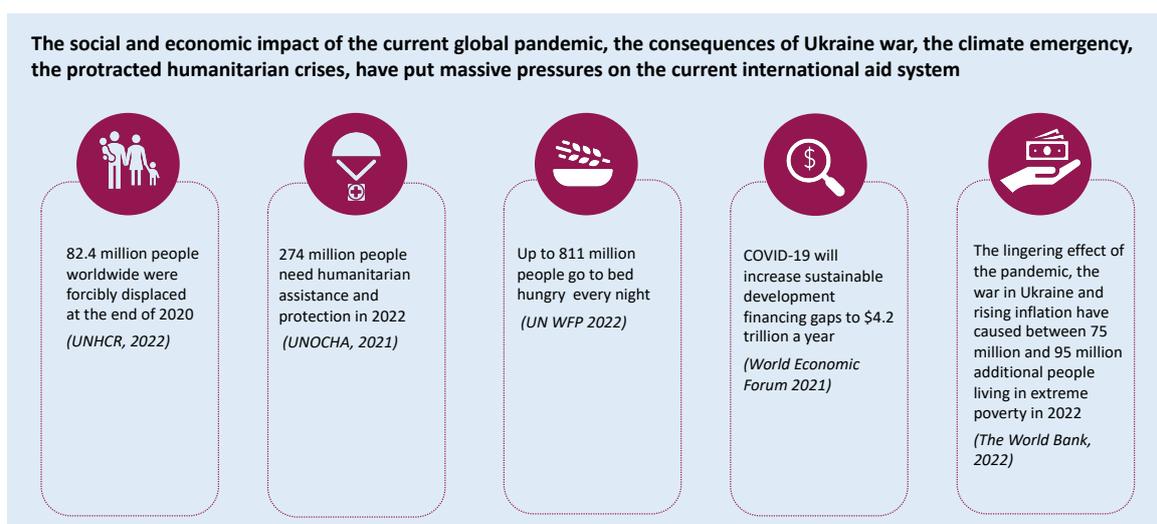


Section 2

UNDERSTANDING GPI

The social and economic impact of the current global pandemic, the consequences of Ukraine war on the global economy, the climate emergency and biodiversity collapse, the protracted humanitarian crises and other wide-ranging global issues, have laid bare the weaknesses of and put massive pressures on the international aid system. The following figures further describe the massive burden on the current international aid system. As estimated by the UN World Food Programme or WFP, up to 811 million people go to bed hungry every nightⁱ. According to the UN Refugee Agency, more than 82.4 million people worldwide have been forced out of their homes and countriesⁱⁱ. United Nations Office for the Coordination of Humanitarian Affairs or UN OCHA has estimated that 274 million people, many of them living in unimaginable and dangerous zones, are in need for humanitarian assistance and protection in 2022 aloneⁱⁱⁱ.

COVID-19 has further exacerbated the situation as the lingering effect of pandemic, the war in Ukraine, and the rising inflation have caused between 75 million to 95 million people living in extreme poverty in 2022, according to the World Bank^{iv}. At such, efforts towards reaching the Sustainable Development Goals have become more difficult, as COVID-19 has been projected to further increase sustainable development financing gaps to US\$4.2 trillion a year, according to the World Economic Forum^v.



As such, while international cooperation has never been more needed, the aid system, which has served as the backbone for many development and humanitarian assistance programmes, is overwhelmed, outdated and ineffective.

While donors are more generous than ever before, funding has failed to keep pace with rising needs. Within the humanitarian sector alone, demand for aid has long outpaced resources available, yet humanitarian work continues to expand beyond emergencies to longer, more complex, protracted crises. While net official development assistance or ODA increased in 2020 to a total \$161 billion, that figure still falls short of the amount needed to respond to the pandemic and meet the long-established target of 0.7 percent of gross national income^{vi}.

The last few years have seen the biggest recorded increase in humanitarian needs in view of the combination of conflicts, climate change and COVID-19, resulting in an average 40% funding shortfall

for the past five years. Unless the causes of crises are addressed – mostly conflict, climate change and deadly diseases – needs are going to grow, and funds will continue to be insufficient to meet those needs^{vii}.

The humanitarian system is a perfect example of an outdated system that calls for a major reform. It is an oligopoly of the main donor governments, UN organisations, and the large international humanitarian NGOs that determines the principles and standards of humanitarian action^{viii}. It is a top-down, centralised system, powered and mostly dominated by large organisations from the global North with decision-making vested on the biggest donors with majority coming from the global North. The system as a whole is still fundamentally Western as it is mostly designed and funded by states that are members of the Organisation for Economic Cooperation and Development or OECD^{ix}.

While there have been some attempts to reform aid, these efforts have failed because the underlying architecture has been ignored, and this would mean altering the power structures, bureaucratic incentives and the core business model, all tilt towards donors and aid providers rather than recipients^x.

The aid system, which has served as the backbone for many development and humanitarian assistance programmes, is overwhelmed, outdated and ineffective

” ..past efforts in reforming aid have failed because “they ignored the underlying architecture”, and that would mean “altering that the sector’s power structures, bureaucratic incentives, and core business model all tilt toward donors and aid providers rather than aid recipients ...

Saez P, Konyndyk, J., Worden, R. 2021. Rethinking Humanitarian Reform: What Will It Take to Truly Change the System? Center for Global Development (CGD)

” An oligopoly of the main donor governments, UN organisations, and the large international humanitarian NGOs determines the principles and standards of humanitarian action. Consequently, the humanitarian system tends to be more responsive toward donors than to local actors.

Dijkzeul, D. 2021. Making Localization Work: The Everyday Practice of Three NGOs in South Sudan and Northern Uganda. Frontiers in Political Science – Refugees and Conflict

” The humanitarian system currently is overwhelmed and overstretched. Donors are more generous than ever before. But funding has failed to keep pace with rising needs. We’ve seen an average 40% funding shortfall each year for the past five years. The truth is, unless we address the causes of crises – mostly conflict, climate change and deadly diseases – needs are going to grow. Funding will be insufficient to meet those needs.

What’s wrong with the humanitarian aid system and how to fix it. Remarks by the Under-Secretary-General for Humanitarian Affairs, Mark Lowcock, 22 April 2021

” While net official development assistance (ODA) increased in 2020 to a total of \$161 billion, that figure still falls short of the amount needed to respond to the pandemic and meet the long-established target of 0.7 percent of gross national income.

UN Economic and Social Council, April 2021. Progress towards the Sustainable Development Goals: Report of the Secretary-General

The concept of GPI originated from the book by Jonathan Glennie entitled *The Future of Aid*^{xi}, which came out in 2021 during the time when global solidarity was - and is still - being tested to the limit. It offers a paradigm shift for financing global challenges whereby every country contributes, decides and benefits.

GPI can be considered as a ‘global public tax’ to finance global public goods. The GPI can be characterised as a ‘global public tax’ where the global community contributes concessional public money for global public goods to secure the conditions required to respond to global challenges, the same way citizens pay taxes to their respective governments to provide health systems, transport infrastructure and public spaces.

GPI is challenging the current aid system by proposing a democratic, horizontal and inclusive approach. The GPI is challenging the current traditional aid system, which has been top-down or vertical. Rather than pursuing donor-driven and aid provider-recipient relationship, the GPI in contrast will provide the critical means for all countries at all income levels to work together and participate

fairly as both contributors and potential recipients. These would allow the participating countries to work in a democratic, horizontal and inclusive manner.

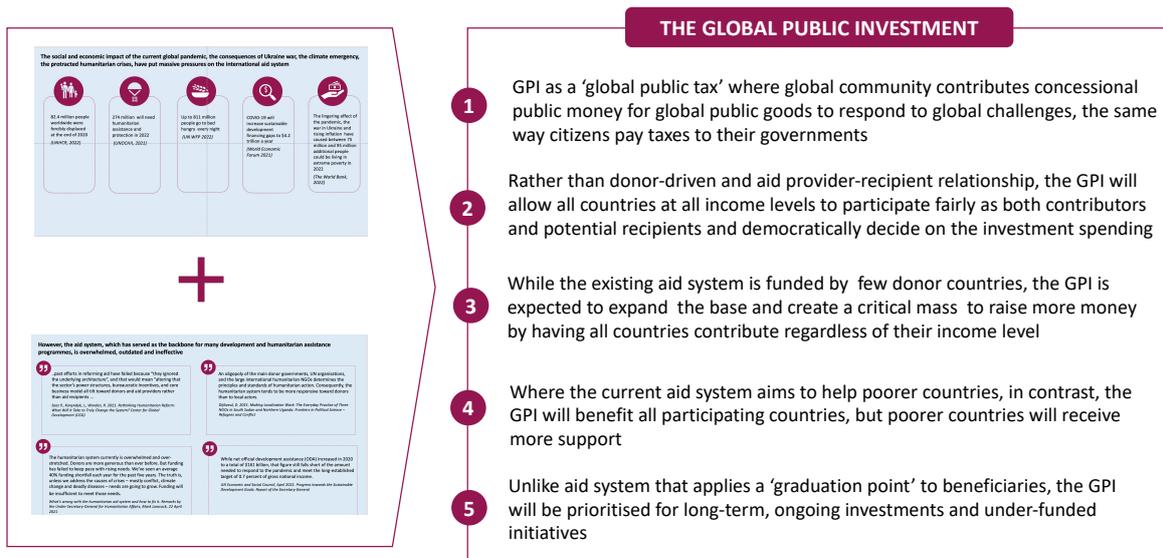
GPI will create a critical mass to address future challenges. While the existing aid system is funded by few donors making it an exclusive club, the GPI will expand the base and create a critical mass to raise more money by having all countries contribute regardless of their income level. As such, it is expected that the GPI could sufficiently address the increasingly more frequent, more intense and more complex global challenges.

GPI benefits all participating countries. Where the current aid system aims to help poorer countries, the GPI will create a new ‘internationalism’ as it will benefit all participating countries, from poorest to most developed, but poorer countries will receive more support. The GPI works on the basis of common but differentiated responsibility, and leaves no one behind.

GPI focuses on long-term, ongoing investments. Further, unlike the aid system which applies a ‘graduation point’ to beneficiaries, in view of its ‘investment’ concept, the GPI will be prioritised for long-term, ongoing investments that are often under-funded initiatives.

The following diagram summarises the concept of GPI based on the author’s analysis:

The Global Public Investment or GPI suggests for a paradigm shift for financing global challenges where every country contributes, decides and benefits



increased to US\$12.17 trillion—almost four times the total economy of the region in 2019, estimated at US\$3.1 trillion^{xviii}.

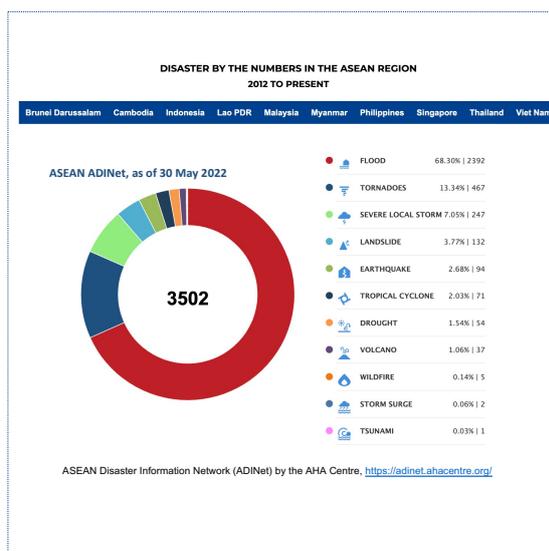
ASEAN is also the home to the three world’s biggest disasters, i.e. the 2004 Indian Ocean Tsunami, the 2008 Cyclone Nargis in Myanmar, and the 2013 Typhoon Haiyan in the Philippines.

The Indian Ocean Tsunami, often referred to as the ‘wake-up call’ by the international humanitarian system, affected four of the ten ASEAN countries and other surrounding countries. The 9.1 Richter scale Megathrust earthquake followed by the giant tsunami swept 126,741 people in Aceh Province of Indonesia alone, with additional 93,285 people declared missing and estimated damage of US\$7.2 billion.

The 2008 Cyclone Nargis made landfall in Myanmar, crossing the south of the country for over two days, and devastating the Ayeyarwady Delta with 84,500 casualties and 53,800 missing. The 2013 Typhoon Haiyan in the Philippines was one of the most powerful tropical cyclones and deadliest typhoon ever recorded, and killed 6,300 people.

The combined damage costs from these three mega disasters are estimated at a staggering US\$22.5 billion, with 278,000 fatalities.

ASEAN is also a region that is prone to disasters where more than 3,500 disasters have been recorded over the past decade and an average of 4 disasters occurred everyday



* Source: Advancing Disaster Risk Financing and Insurance in ASEAN Countries, World Bank, GFDRR, ASEAN, and UNISDR

- Every year, on average, the ASEAN region experiences losses related to natural disasters estimated at US\$ 4.4 billion*
- Due to the constant risk of natural hazards, the region’s exposed capital stocks amount to **US\$ 12.17 trillion**, or almost four times the total economy of the region in 2019
- Flood and other hydro-meteorological hazards consistently represent more than 90% disasters monitored annually, and these disasters can be anticipated

ASEAN is also the home to the three world’s biggest disasters

		
<p>2004 Indian Ocean Tsunami</p> <p>Megathrust earthquake with 9.1 Richter scale in Aceh, Indonesia, with a total of 126,741 casualties, additional 93,285 people declared missing and estimated damage of US\$7.2 billion</p>	<p>2008 Cyclone Nargis</p> <p>Cyclone Nargis made landfall in Myanmar, crossing the south of the country over two days, and devastating the Ayeyarwady Delta region with 84,500 casualties and 53,800 missing</p>	<p>2013 Typhoon Haiyan</p> <p>Typhoon Haiyan was one the most powerful tropical cyclones and deadliest typhoon ever recorded, and killing 6,300 people in the Philippines</p>

Combined damage costs from these disasters alone are estimated at a staggering **US\$22.5 billion**, with **278,000 fatalities**

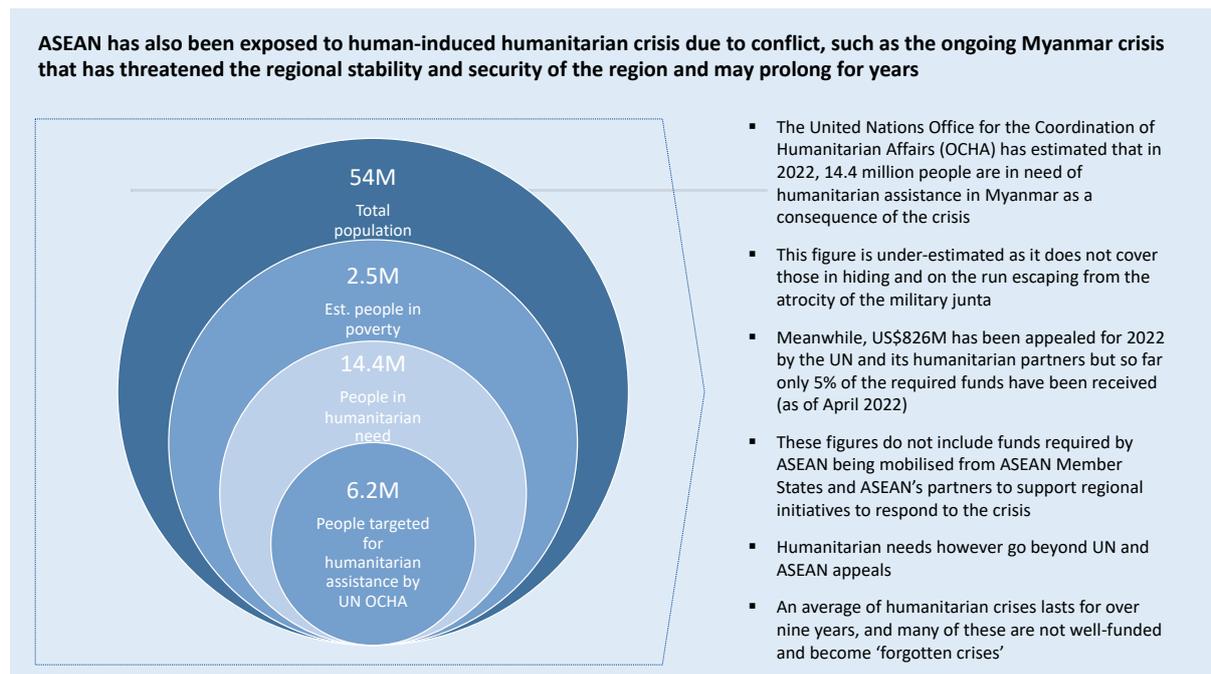
Natural hazards can be classified into geophysical hazards, such as earthquakes and volcanic eruptions which are common threats particularly for Indonesia and the Philippines; and hydro-meteorological hazards, such as storms which form the dominant risks for Philippines, Viet Nam, Myanmar, Thailand, Lao PDR, and Cambodia, and floods which are the most persistent for all ASEAN countries.

Floods and other hydro-meteorological disasters hazards represent more than 90% of disasters monitored annually, and these disasters can be anticipated. But natural hazards do not always have to become destructive disasters with high fatalities and losses, if governments and society can work together to mitigate the impacts^{xix}.

ASEAN recently has also been exposed to humanitarian crisis due to conflict. The ongoing Myanmar crisis has threatened the regional stability and security of the region and may prolong for years.

The UN OCHA has estimated that in 2022, 14.4 million people are in need of humanitarian assistance in Myanmar as a consequence of the crisis^{xx}. This figure however is under-estimated as it does not cover those in hiding and on the run. Meanwhile, US\$826 million has been appealed for 2022 by the UN and its humanitarian partners but only 5% of the required funds so far have been received^{xxi}.

These figures also do not include funds required by ASEAN from ASEAN Member States and ASEAN's partners to support regional initiatives to respond to the Myanmar crisis. Humanitarian needs however go far beyond UN and ASEAN appeals.



The ongoing crisis in Myanmar may potentially prolong for years. This would further add burden to the trillion-dollar disaster landscape of ASEAN. Meanwhile, an average of humanitarian crises lasts for nine years, and many of these are not well-funded and have become the '*forgotten crises*'.

Section 4

ASEAN'S MECHANISM IN DISASTER MANAGEMENT AND HUMANITARIAN ASSISTANCE

To collectively address disaster threats in the region, the ten ASEAN countries have long decided to come together and take proactive measures by turning its concept of ASEAN's solidarity into comprehensive policy and operational frameworks with well-structured institutional, implementation and financial arrangements.

The concept of ASEAN's solidarity, or '*ASEAN-help-ASEAN*' – essentially '*helping your neighbour*' - underpins the spirit of the ASEAN cooperation on disaster management. Countries with '*surplus*' of resilience, such as Singapore, Brunei Darussalam and Malaysia, complement and improve other countries who generally rank lower. Meanwhile, Indonesia and the Philippines, which are among three ASEAN Member States most at-risk to multi-hazards, hold sufficient resilience due to their status as middle-income countries. Their wealth of experience and knowledge in responding to and recovering from large-scale disasters could also benefit other ASEAN countries in their resilience building efforts.

Compared to other areas of sectoral cooperation, the disaster management cooperation in ASEAN has come a long way, from just merely a project-based, information sharing and capacity development platform, to a higher level of regional cooperation, manifested through its ability to respond collectively to disasters, in line with the slogan of #OneASEANOneResponse tagline popularised by the AHA Centre. The progress has been significant that other regional organisations such as those in Africa, South Asia, the Caribbean and the Pacific, have come to ASEAN to learn from ASEAN regional cooperation on disaster management and the AHA Centre.

There is also very rich knowledge and experience in responding to and recovering from large-scale disasters in the region, that Southeast Asia has also been referred to as the '*laboratory of disasters*'. ASEAN also has an ambitious goal to become the future global leader on disaster management by the year 2025, in line with the ASEAN Vision 2025 on Disaster Management^{xvii}.

These significant achievements are made possible by three key elements:

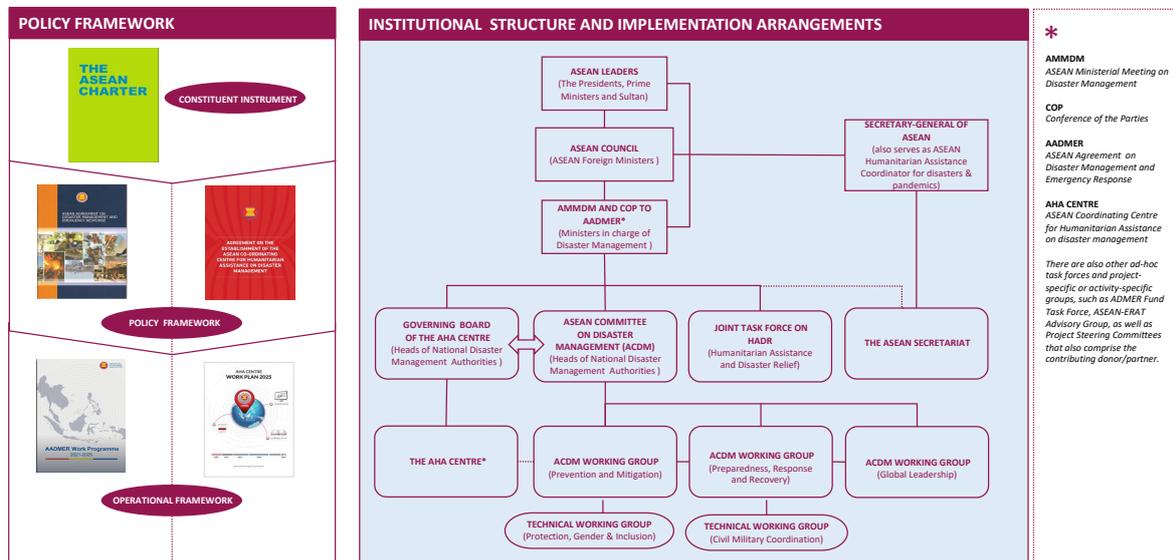
- Policy frameworks - Clear policy decisions made possible due to solid legal frameworks, established decision-making structure, clear processes, governance and actionable work programmes,
- Institutional structure and implementation arrangements - Strong operational coordination capacity and readiness to translate the legal mandate, policy decisions and work programmes into actions,
- Financial mechanisms - Availability of financial resources and arrangements that allow for the policy decisions to be translated into concrete actions on the ground.

Policy frameworks

The ASEAN Charter^{xviii}, which is the legal constitution of ASEAN, provides the overall policy guidance for decision-making and implementation of its activities. Among the most notable principles enshrined in the ASEAN Charter that may be relevant for this study are: shared commitment, collective responsibility, ASEAN centrality, inclusivity and non-discriminatory. In terms of decision-making, the ASEAN Charter highlights consultation and consensus as its basic principle. When consensus cannot

be achieved, the Heads of Government/ State of the ASEAN Member States will decide on how specific decision can be made at the ASEAN Summit, which is the highest-level decision-making forum of ASEAN.

ASEAN has put in place comprehensive policy frameworks with well-structured implementation arrangements



ASEAN has two legally-binding agreements that provide a clear legal mandate on how ASEAN countries should work together and help one another in the event of major natural hazard-induced disasters, and how the AHA Centre as the operational coordinating agency should facilitate a collective ASEAN’s response. These are the 2005 ASEAN Agreement on Disaster Management and Emergency Response or AADMER^{xxiv}, and subsequently, the 2011 ASEAN Agreement on the Establishment of the AHA Centre^{xxv}, both have been ratified by all ten ASEAN Member States. These two regional treaties are further enhanced by the 2016 ASEAN Declaration on One ASEAN One Response: ASEAN Responding to Disasters as One in the Region and Outside the Region^{xxvi}, whereby the ASEAN Leaders tasked the AHA Centre to serve as the primary ASEAN regional coordinating agency for disaster management and emergency response.

This Declaration, adopted and signed by the supreme decision-making authority in ASEAN and backed by the two regional treaties, provides clarity that is required to make operational coordination works and answer the questions that may arise from international humanitarian actors as well as those within the ASEAN countries and beyond regarding the AHA Centre’s regional coordination mandate.

Institutional structure & implementation arrangements

The ASEAN Committee on Disaster Management or the ACDM has been mandated as the lead ASEAN sectoral body and decision-making authority to oversee the implementation of AADMER. Those sitting in the ACDM serve as the AADMER National Focal Points or NFPs. These are heads of national disaster management authorities of the ASEAN Member States. As NFPs, they serve as the points of contact for matters relating to AADMER and AHA Centre, and are also in charge of coordinating with competent authorities within their respective countries. Since AADMER is a regional treaty ratified by all ASEAN countries, it amplifies the position and voice of the NFP within the country.

The AADMER as a regional treaty needs to be operationalised. For this purpose, the ACDM has come up with five-year rolling Work Programmes to translate the legal articles of AADMER into actions. The

ACDM started the first cycle of the AADMER Work Programme in 2010, immediately after the AADMER came into force in December 2009. The AADMER Work Programme is ASEAN-driven, with outcomes and outputs determined by the ACDM in consultation with other ASEAN sectoral bodies and partners. The progress is reviewed regularly by the ACDM using agreed monitoring & evaluation indicators.

There is also clarity in terms of decision-making process, the reporting lines and the authority. The AHA Centre directly reports to a Governing Board composed of the heads of national disaster management authorities of the ten ASEAN countries, which are essentially the same officials sitting in the ACDM. The ACDM cum the AHA Centre Governing Board reports to a ministerial body, i.e. the AADMER Conference of the Parties cum ASEAN Ministerial Meeting on Disaster Management. This ministerial body subsequently reports to the ASEAN Leaders through the ASEAN Coordinating Council or ACC, which are essentially the Foreign Ministers of ASEAN.

The AHA Centre serves as the operational engine of AADMER and the home of One ASEAN One Response. It manages a roster of over 320 deployable experts from all ten ASEAN countries, known as the ASEAN Emergency Response and Assessment Team or ASEAN-ERAT, and it is formally recognised by the ASEAN Leaders '*as the official resource of ASEAN under AADMER*'. ASEAN-ERAT members are trained using regional curriculum and guidelines developed by the AHA Centre together with the ASEAN countries. ASEAN-ERAT was modelled based on the concept of UN Disaster Assessment and Coordination (UNDAC) team managed by the UN.

The AHA Centre also manages regional stockpiles of disaster relief items in three locations, i.e. Malaysia, the Philippines and Thailand, under a programme called the Disaster Emergency Logistics System for ASEAN or DELSA. When there is a disaster emergency, the AHA Centre will offer ASEAN relief items available in the stockpiles, based on the AHA Centre's assessments of disaster situation and in close consultation on the needs of the affected country. The AHA Centre would then coordinate with the host of DELSA to mobilise ASEAN relief items either by air, land or sea. Currently, the AHA Centre is working towards making DELSA more inclusive to allow ASEAN citizens and other stakeholders to contribute to the DELSA and making DELSA less reliant on external funding.

While the AHA Centre is not part of the ASEAN Secretariat, it works very closely with the Secretariat, which provides policy coordination support for the implementation of AADMER. The AHA Centre also has a coordination line with the Secretary-General of ASEAN, who also serves as the ASEAN Humanitarian Assistance Coordinator in times of large-scale disasters and pandemics. The terms of reference of the Secretary-General as the ASEAN Humanitarian Assistance Coordinator is currently being reviewed, to possibly cover other types of disasters and emergencies^{xxvii}.

Under the Declaration on One ASEAN One Response, the Secretary-General of ASEAN being the ASEAN Humanitarian Assistance Coordinator provides overall coordination particularly in mobilising resources at the highest level and reporting the progress of One ASEAN One Response to the ASEAN Leaders through the ACC^{xxviii}, while the AHA Centre is responsible in operational coordination for the implementation of One ASEAN One Response^{xxix}.

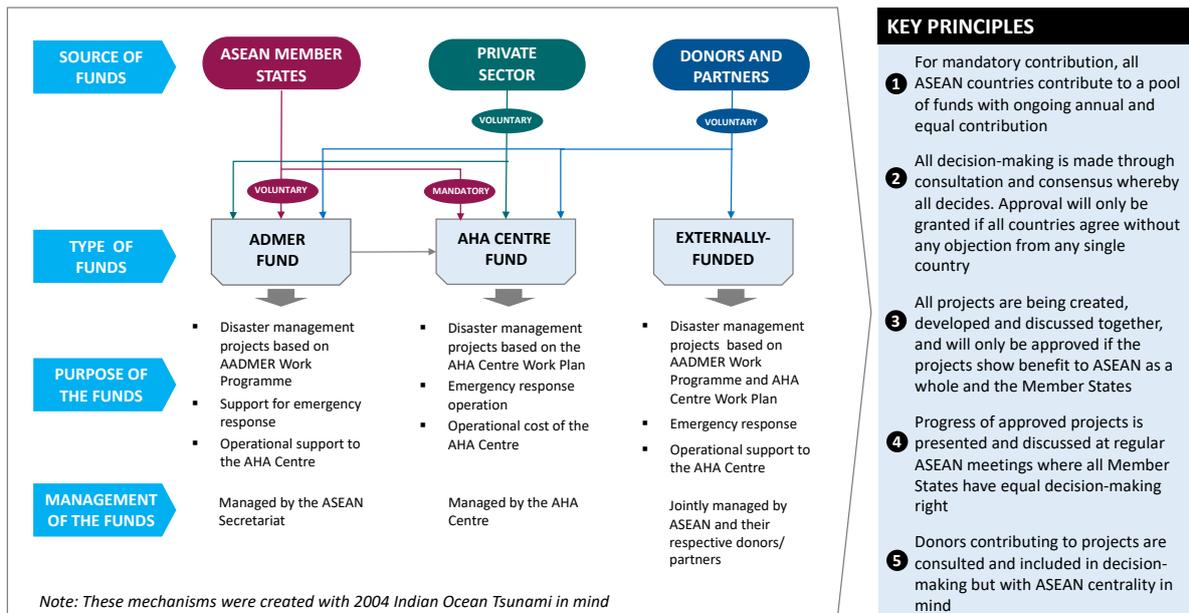
Financing mechanisms

The ASEAN regional mechanism in addressing disasters in the region is also equipped with financing arrangements, both in the form of ASEAN-managed funds as well as externally-funded funds.

The ASEAN Agreement on the Establishment of the AHA Centre requires all ASEAN Member States to provide annual and equal contributions to the AHA Centre Fund. These regular contributions provide predictability for the AHA Centre's operations, and ensure its sustainability in a long run.

During the establishment of the AHA Centre, mandatory contribution, instead of voluntary contribution, was identified as a critical element that would define the sustainability of the AHA Centre. Donors' contributions may decrease and therefore, regular contributions from the ASEAN countries will ensure that the AHA Centre will continue to exist even without donors' support. This indicates ownership of the ASEAN countries to the AHA Centre, and attracts more donors' funding as they are assured of the sustainability of the Centre.

The ASEAN regional mechanism in addressing disasters in the region is also equipped with financing arrangements



In the past ten years, mandatory annual and equal contributions of the ASEAN Member States to the AHA Centre Fund have increased three-fold. This indicates the confidence of the ASEAN Member States to the AHA Centre. Individual ASEAN Member States have also contributed to projects and activities of the AHA Centre and served as 'donors' to the AHA Centre. Indonesia as host country provides additional contribution in terms of office space, office facilities and utilities, helping in reducing the running operational costs of the AHA Centre.

The AHA Centre has also received generous contributions from its partners to implement the activities assigned to it under the AADMER Work Programme. The financial contributions from partners are quite significant, amounted to 90% of the total funds entrusted to the AHA Centre so far.

The AHA Centre Fund is supplemented by portions of the ASEAN Disaster Management and Emergency Relief or ADMER Fund, which is based on voluntary contributions of the ASEAN Member States. ADMER Fund is intended for three purposes, i.e. to finance the implementation of activities under the AADMER Work Programme, to support ASEAN's emergency relief operations, and to serve as a supplementary contribution to the AHA Centre Fund. The ADMER Fund is managed by the ASEAN Secretariat. It is currently under review and being revitalised so that it can attract public funding and other non-traditional sources of funding.

Brunei Darussalam as Chair of ASEAN in 2021 initiated the idea of a People's Fund whereby the citizens of ASEAN countries would pool their money into one common pot to be used to finance emergency relief and recovery activities^{xxx}. The idea came from a crowd-funding initiative organised by Brunei Darussalam whereby the funds generated were channelled through the AHA Centre to

support the construction of the first-ever ASEAN Village in Central Sulawesi, Indonesia which got hit by earthquake and tsunami in 2018.

In addition to the AHA Centre Fund and ADMER Fund, there are also externally-funded funds jointly managed by ASEAN and the respective partners to contribute to various projects and programmes under the AADMER Work Programme and the AHA Centre Work Plan. The different Dialogue and Development Partners of ASEAN would normally establish their support through project proposals or financing arrangements or specific pools of funds agreed by both ASEAN and the concerned partner.

As an example, Japan, the largest supporting partner for ASEAN in the area of disaster management, provides its financial contribution through a common pool of funds administered by the ASEAN Secretariat, called the Japan-ASEAN Integration Fund or JAIF, whereby disaster management is considered as one of its highest priority agenda. ASEAN proponents, such as the AHA Centre, could write proposals to seek for financing support through JAIF. A project steering committee consisting of Japan and ASEAN members would be established to oversee the management of the project funds.

Another example is European Union (EU), who is the second largest supporting partner for ASEAN in the area of disaster management. EU provides its contribution through a financing agreement agreed by both ASEAN and EU. Likewise, a programme steering committee consisting of ASEAN members and EU has been established to oversee the management of the programme funds.

In summary, the following **five key principles** are observed in the management of these ASEAN-managed and externally-funded funds:

1. For mandatory contribution, all ASEAN countries contribute to a pool of funds with ongoing annual and equal contribution in absolute terms.
2. All decision-making is made through consultation and consensus, whereby all decides. Approval will only be granted if all countries agree without any objection from any single country.
3. All projects are being created, developed and discussed together, and will only be approved if the projects show benefit to ASEAN as a whole and the Member States.
4. Progress of approved projects is presented and discussed at regular ASEAN meetings where all ASEAN Member States have equal decision-making right.
5. Donors contributing to projects are consulted and involved in the decision-making and overseeing the management of the funds, but with ASEAN centrality in mind.

There are also some challenges observed with regard to the current financing mechanism in the area of disaster management and humanitarian assistance:

1. ***Good but much more is needed*** - The AHA Centre Fund provides a steady, regular and predictable source of funding to cover the basic annual running costs of the AHA Centre, in view of its mandatory nature as prescribed in the Agreement on the Establishment of the AHA Centre. In fact, the AHA Centre is one of the very few ASEAN entities, apart from the ASEAN Secretariat, that receives regular contributions from the ASEAN Member States. However, as the mandatory contribution in ASEAN is based on absolute terms and the amount shall be agreed through consensus by all, the agreed amount has always been pushed to the lowest that all countries can agree to. To illustrate, the initial amount agreed in the first three years of the Centre was less than 30% of what was asked. Over the years, the AHA Centre has managed to increase the mandatory contribution to three-fold, but it is still small as it only represents 10% of total financial contributions received so far by the AHA Centre.

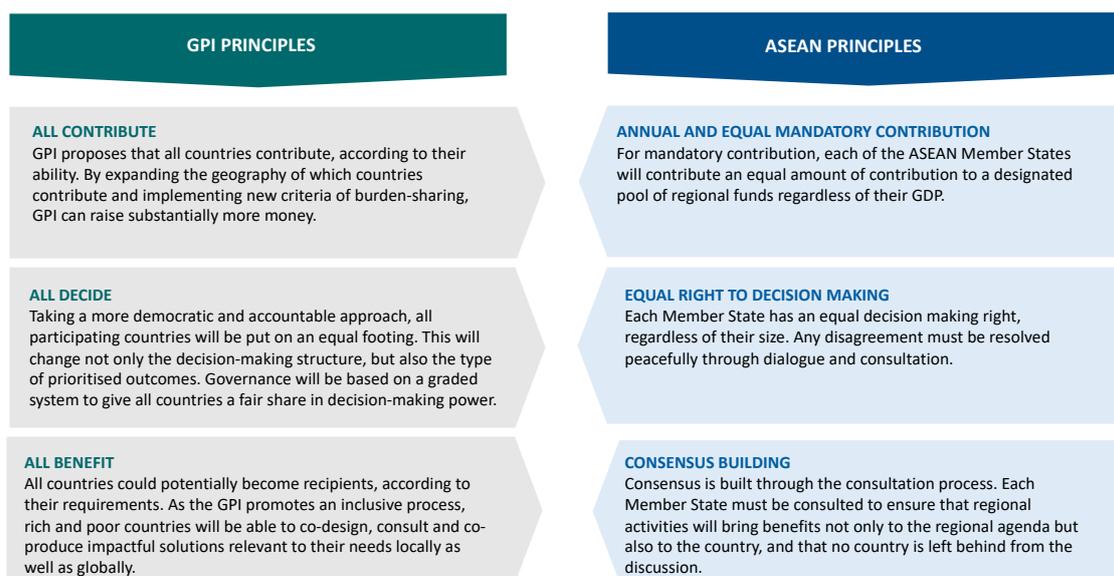
2. ***Tremendous external support but more is needed from ASEAN to match this support*** - The majority of costs for operationalising activities under the AHA Centre Work Plan are covered by external funding from partners, which represents 90% of funds gathered by the AHA Centre over the decade. The ASEAN relief items which are pre-positioned in three regional warehouses located in Malaysia, Philippines and Thailand are mostly financed through AHA Centre's projects with partners, with some basic operational costs covered by the ASEAN countries co-managing the warehouses.
3. ***In-kind contributions not monetised*** - Some ASEAN countries provide in-kind contributions, such as Indonesia being the host country of the AHA Centre, Malaysia providing military aircrafts to transport ASEAN relief items to disaster zones, and Thailand & Philippines providing vehicles to transport ASEAN relief items from the warehouses. ASEAN countries also bear some costs when leading certain activities or hosting trainings and events under the AADMER Work Programme. These in-kind contributions could be significant, but are not translated into monetary terms and counted.
4. ***Financial resources not fully tapped*** - The ADMER Fund in particular has not been able to attract a large and sustainable amount of financial contributions from ASEAN Dialogue and Development Partners and non-traditional partners such as the private sector. A study to revitalise the ADMER Fund was initiated in 2021, to establish a mechanism to increase voluntary contributions of ASEAN countries to the Fund, and attract external funding not only from partners of ASEAN but also from the people of ASEAN and non-traditional partners such as the private sector.
5. ***Project-specific versus pool of funds***: Partners prefer to channel their contributions through specific project funds or financing arrangements, not through a common pool of funds such as the ADMER Fund, as it may be considered less visible to do so. There were some cases in the past whereby ASEAN was able to mobilise external public and private funding into pools of funds following a few major disasters, such as the 2008 Cyclone Nargis or the ongoing crisis in Myanmar, but these have been adhoc in nature.
6. ***More complex challenges in the future***, beyond natural hazard-induced disasters. It should be noted that all the above-regional frameworks, structure, implementation arrangements and financing mechanisms, have been designed with natural hazard-induced disasters in mind, anchored on the ASEAN Agreement on Disaster Management and Emergency Response or AADMER and inspired by the 2004 Indian Ocean Tsunami. The policy decisions, the arrangements and the mobilisation of resources for other types of emergencies and crises, have been made on an adhoc basis as in the case of the current ASEAN's response to the Myanmar crisis. These will over stretch the current resources and capacity particularly if there are more complex challenges in the future.

Section 5

THE APPLICABILITY OF GPI IN ASEAN

Some of the principles of GPI have been practised for many decades in ASEAN, including within the disaster management and humanitarian assistance context. The following diagram attempts to compare the principles of GPI and how ASEAN, to some extent, have practiced some of these GPI principles.

Some of the principles of GPI have been practised for many decades in ASEAN, including within the disaster management and humanitarian assistance context



GPI principle 1: All contribute

GPI proposes that all countries contribute, according to their ability. By expanding the geography of which countries contribute and implementing new criteria of burden-sharing, GPI can raise substantially more money.

As part of the funding arrangements, there are two broad categories on how ASEAN countries contribute to agreed regional endeavours, i.e. through mandatory contribution, or voluntary contribution. For mandatory contribution, each of the ASEAN Member States will contribute an equal amount of contribution to a designated pool of regional funds, regardless of their GDP. The regional funds are managed by an ASEAN entity, such as the ASEAN Secretariat or an ASEAN centre, and governed through certain financing arrangements agreed by all ten ASEAN countries. As such, the GPI principle of “all contribute” has been practiced in ASEAN.

However, unlike the GPI principle where contributing countries will put their *‘fair share’* according to their ability to contribute, the mandatory contribution in ASEAN applies in absolute terms whereby each country contributes the same amount of money, regardless of their ability to pay.

This practice however has often held back other countries who are able to pay more, and lowered the amount below the intended target or need, in order to appeal all countries to a common amount that can be agreed by every ASEAN country.

GPI principle 2: All decide

GPI applies a democratic and accountable approach, where all participating countries will be put on an equal footing. This will change not only the decision-making structure, but also the type of prioritised outcome.

All decide principle of GPI is similar to the ASEAN's principle of equal right to decision-making. In line with the ASEAN Charter which serves as the constitution of ASEAN, each ASEAN Member State has an equal decision-making right, regardless of their size. Voting is sometimes practiced in ASEAN's decision-making. But when it is practiced, all ASEAN countries will have to agree to it first. They all also need to agree to the outcome of the voting. Eventually, it goes down to consensus.

In contrast, while GPI encourages equal footing for decision-making, it offers a graded system, giving participating countries a fair share in decision-making power.

GPI principle 3: All benefit

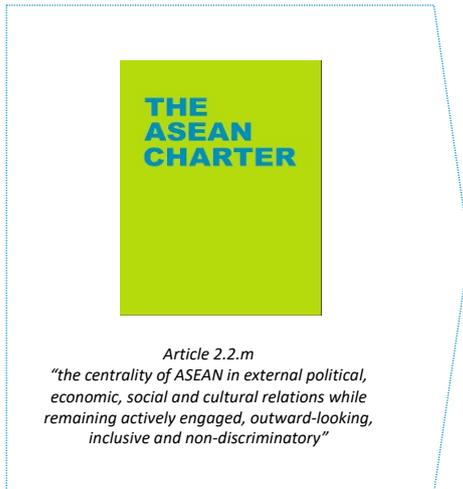
Based on the GPI, all participating countries could potentially become recipients, according to their needs and requirements. GPI also promotes an inclusive process, whereby rich and poorer countries will be able to co-design, consult and co-produce impactful solutions relevant to their needs locally as well as globally.

In ASEAN, the benefits are ensured through consultation process and consensus building. Each Member State must be consulted to ensure that regional activities will bring benefits not only to the regional agenda but also to the country, and that no ASEAN country is left behind from the discussion.

The benefit could vary from one country to another, depending on the type of regional interventions and activities. In the case of ASEAN's cooperation in disaster management, those affected by disasters would receive tangible benefits in the form of ASEAN relief items and support from the AHA Centre, but other countries could also claim their share to the regional support and showcase it as part of their solidarity to the country affected by disaster. For regular activities such as capacity building and training programmes, the all benefit formula is applied religiously, as no ASEAN country should be excluded from benefiting from any ASEAN activity.

ASEAN also has a unique fundamental principle in the form of ASEAN centrality that may challenge the applicability of GPI.

Article 2.2.m of the ASEAN Charter illustrates that *"the centrality of ASEAN in external political, economic, social and cultural relations while remaining actively engaged, outward-looking, inclusive and non-discriminatory"*. In this regard, any ASEAN's engagement with external parties shall adhere to the principle of ASEAN centrality, to maintain its role as the primary driving force in its relations and cooperation with external parties.



Any ASEAN's engagement with external parties will adhere to the principle of ASEAN's centrality, to maintain its role of as the primary driving force in its relations and cooperation with external partners. As such, ASEAN's partners engage with ASEAN on terms and conditions set by ASEAN.

The above analysis shows that:

- ***ASEAN principles of equal right to decision-making, consultation to ensure benefits to all, and inclusivity throughout ASEAN's consultation and implementation process, are in line with the spirit of the GPI.***
- ***However, while all ASEAN countries contribute in the event of mandatory contribution to certain regional pools of funds, there could be a potential challenge in applying the GPI principle of a 'fair share' formula, as ASEAN has been practising equal amount of contribution in absolute terms.***
- ***In view of ASEAN centrality as one of its fundamental principles in external relations, ASEAN's partners are required to engage with ASEAN on terms and conditions set by ASEAN and through the 'ASEAN-led' mechanisms.***

Section 6

CHALLENGES IN DISASTER MANAGEMENT AND HUMANITARIAN ASSISTANCE IN ASEAN, AND HOW GPI CAN HELP

While practising some principles of GPI has addressed many issues relation to how disaster management and humanitarian assistance is managed in ASEAN, challenges remain.

1	The increasing intensity, scale and complexity of disasters	Triple threats of COVID, climate crisis and conflicts, and more complex challenges at present and in the future will require significant resources and probably a more innovative and sustainable financing mechanism.
2	Lack of incentives to increase a sizeable regional fund from ASEAN Member States	ASEAN is the 5 th largest economy in the world with collective GDP of US\$3.2 trillion and over 660 million people, but 90% of funding support for disaster response and humanitarian assistance comes from external parties.
3	Minimum availability of funding for disaster prevention, mitigation and recovery	Most of the funding from ASEAN and the partners are for emergency response (ER), while the needs are much greater in disaster risk reduction (DRR), recovery & rehabilitation (RR), which are longer-term investments and part of sustainable development agenda.
4	Lack of resources to support local capacity as the frontliner in managing disasters and building resilience	Most of external funding either from ASEAN Member States or partners is channeled to support national government capacities, while resilience building should have been more emphasised not only at national but more importantly at the local level, either non-government or government, since impact of disaster is mostly felt at the local level and the local & national actors are always first to respond.
5	Long decision making process, in particular for new and significant initiatives	ASEAN decision making process is based on a consensus that requires agreement from all countries. Meanwhile, development of ASEAN agreements normally takes a long time as it requires several steps including feasibility study, negotiation, adoption, and ratification processes, before it gets to implementation stage. In some cases, the process could be halted when a consensus is not reached because one of the ASEAN countries cannot agree.

The above five key challenges are further illustrated below:

1. The increasing intensity, scale and complexity of disasters

Southeast Asian region where ASEAN is located is the most disaster-prone region in the world. The exposure of ASEAN's capital stocks to disasters amounts to US\$12.17 trillion, which is almost four times the total ASEAN's economy in 2019, estimated at US\$3.1 trillion. In view of climate crisis, all ASEAN countries, including those with strong coping capacities, will be exposed to more frequent, more intense and longer-lasting extreme weather events. The diverse range of socioeconomic and environmental vulnerabilities and coping capacities further adds to the complexity of disasters. However disaster costs grow at a rate much faster than disaster management and coping capacities. If ASEAN as the most disaster prone region in the world is not able to reduce disaster risks significantly, the Sendai Framework for Disaster Risk Reduction^{xxxi} will unlikely achieve its target by 2030 in view of ASEAN's large share in achieving these targets.

COVID-19 has also further pushed back ASEAN's development gains. As outlined in the recent ASEAN Development Outlook, ASEAN is unlikely to meet most of the Sustainable Development Goals^{xxxii}. Further, the region has also been affected by protracted crisis, such as the ongoing political crisis in Myanmar and this may prolong for years. ASEAN is also vulnerable to other types of disasters, including technological and health-related hazards. All these further increase the probability of intense complex crises unfolding in the region, threatening the prosperity, stability and security of ASEAN.

Considering the triple threats of COVID-19, climate crisis and conflicts as well as other complex challenges in the future, ASEAN will require significant resources and a more innovative and sustainable financing mechanism.

Recommendation

Establish a permanent and sustainable multi-hazard, all-crises financing mechanism. ASEAN needs to adopt a multi-risk approach with a coordinated, inclusive and long-term crisis mechanism, and this includes a financing mechanism. In this regard, the concept of GPI could be utilised to establish a permanent and sustainable multi-hazards, all-crises financing mechanism, not only for anticipating and responding to large-scale future crises, but also reducing risks and building ASEAN's resilience to absorb future shocks.

2. Lack of incentives to increase a sizeable regional fund from ASEAN Member States

ASEAN is the 5th largest economy in the world with a collective GDP of US\$3.2 trillion and over 660 million people. However, 90% of funding support for disaster response and humanitarian assistance comes from external parties.

ASEAN countries' contributions to regional funds come from government budget sources whereby different ASEAN countries have different political will, national priority and ability to contribute. Disaster however is still perceived as government's business and the private sector as the main driver of ASEAN's economy, has not become the significant target of funding sources. While ASEAN's population is over 660 million, the mechanism and system to enable crowd-funding in times of disasters is not yet in place.

Meanwhile, ASEAN's partners are still very keen in proposing and contributing large amounts of funding to support ASEAN in disaster response and humanitarian assistance in particular, as part of their diplomacy efforts, geo-political positioning, pursuing investment and trade potentials, and ensuring visibility through solidarity and good faith.

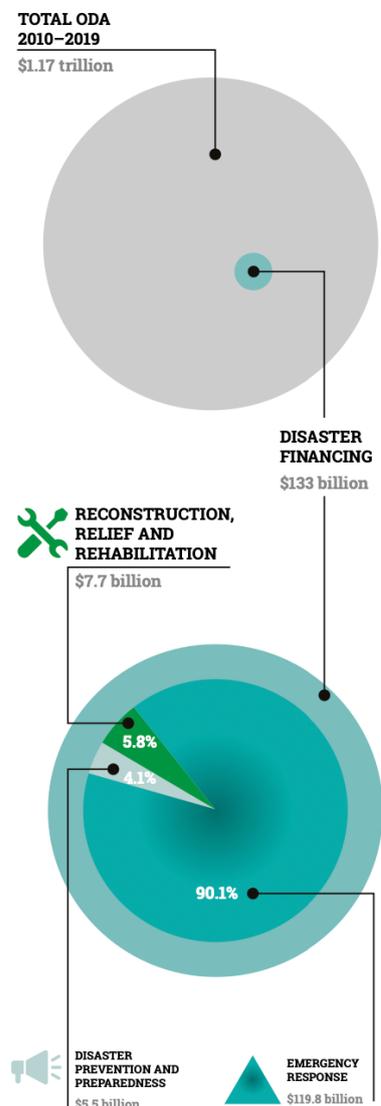
As such, a sufficient funding stream from ASEAN's partners will continue to flow to regional disaster management and humanitarian assistance efforts in ASEAN, even with minimum fund-raising and resource mobilisation efforts. There is a lack of incentives for ASEAN Member States to scale up their funding contributions as funding from various partners is perceived as '*good enough*'. Further, national priorities in addressing different challenges in home countries, including disaster management and humanitarian issues, will always be above regional and global priorities, and as such '*dis-incentivise*' the need to scale up regional funds.

Recommendation

Create an incentive strategy to encourage ASEAN Member States to scale up their funding contributions. Considering ASEAN's highly dependence on the external funding in areas that could potentially threaten the regional prosperity, stability and security, ASEAN will need to create an incentive strategy to encourage ASEAN Member States to scale up their funding contributions, while at the same time ensure that partners will continue or increase their contributions to ASEAN. Collectively, this ASEAN-plus all-crises funding mechanism could significantly serve as a good source for financing '*regional public goods*'.

3. Minimum availability of funding for disaster prevention, mitigation and recovery

Figure 2.33. Disaster-related financing as share of total ODA



Source: UNDRR analysis based on OECD.Stat (OECD, 2021a)

Most of the funding from ASEAN and the partners are for disaster emergency response (ER), while the needs are much greater in disaster risk reduction (DRR), and recovery and rehabilitation (R&R), which are longer-term investments and part of the sustainable development agenda.

This challenge has persisted for decades and is not unique only to Southeast Asia. As shown in the figure on the left, drawn from the latest 2022 Global Assessment Report for Disaster Risk Reduction^{xxxiii}, disaster-related funding forms a relatively small portion of overall ODA. From a total \$1.17 trillion of overall ODA over the past decade (2010-2019), only 11% or \$133 billion was disaster related. A small fraction - \$5.5 billion – was the share allocated for disaster prevention and preparedness, compared to \$119.8 billion earmarked for emergency/disaster response and \$7.7 billion for reconstruction, relief and rehabilitation. Thus, of overall aid financing between 2010-2019, only 0.5% of the total amount was spent on disaster risk reduction measures in advance of disaster.

This shows that pressure for governments in investing in DRR and R&R are not as high as in ER. Investing in DRR and R&R is often sidelined or not prioritised because there are other development priorities within the countries that are considered more urgent.

Political interest and pressure from the public for their governments to spend more in DRR and R&R as part of the ODA are not as high as during ER when the visibility and sense of urgency is higher.

There are also other competing political interest in spreading out the ODA to other crises and disasters as well as other priorities to enlarge the political influence. Consequently, DRR and R&R efforts may continue to suffer from significant funding gaps.

Recommendation

Prioritise on longer-term and under-funded investments, in particular Disaster Risk Reduction (DRR) and Rehabilitation and Reconstruction (R&R) efforts. The new financing mechanism shall be able to generate resources that will substantially cover the funding gaps in DRR and R&R efforts that are significantly under-funded. This is also in line with the concept of GPI that prioritises on longer-term and ongoing investments, which are the intrinsic nature of DRR and R&R efforts.

4. Lack of resources to support local capacity as the frontliner in managing disasters and building resilience

Most of funding either from ASEAN Member States or partners is channelled to support national government capacities, while resilience building should have been more emphasised not only at national but more importantly at the local level, either for non-government or government actors/entities.

This is due to the fact that the current arrangements for ASEAN's funding mechanisms, including those coming from external parties, are channelled to the government agencies, i.e. those serving as national focal points, because foreign assistance is G-to-G and needs to be considered at the national level, to safeguard the interest and sovereignty of the receiving country.

As a result, unless explicitly stated, funding contributions may only be consumed for strengthening capacities at the national level. Significant needs however still exist at the national level. Consequently, the capacity of local governments and actors who are the first responders cannot be sufficiently built, and subsequently, damages and losses resulted from disasters, which could have been prevented if sufficient local capacity exists, cannot be reduced.

Recommendation

Earmark a significant portion of funding to strengthen the capacity at the local level. A bigger portion of funding should be earmarked to strengthen the capacity of government and non-government actors and entities at the local level. This is in line with the long-term, ongoing 'investment' concept of GPI, which prioritises under-funded initiatives.

5. Long decision-making process, in particular for new and significant initiatives that require new financial commitments

ASEAN decision-making process is based on consensus that requires agreement from all ten ASEAN countries. Meanwhile, development of ASEAN agreements normally takes a long time as it requires several steps, including but not limited to, feasibility study, negotiation meetings, adoption process, ratification process, and implementation, which also goes through different stages. In some cases, the process could be halted when a consensus is not reached or when one of the countries cannot agree or has a question on a specific item.

Why so? The consensus mechanism in ASEAN is designed to ensure that all ASEAN Member States benefit from every decision made in ASEAN. It is a good way of bringing every country together. It is also a safeguard to ensure ASEAN centrality whenever ASEAN is engaged with external partners.

Every ASEAN country has different political set-up (i.e. monarchy, democracy, etc.) that requires different approval process within the countries. All these are to ensure that obligations under the agreements can be accommodated and implemented by the ASEAN countries and certain resources can be allocated to implement the countries' obligations under the agreements.

Consequently, it will normally require a long process with uncertainty of outcomes, in particular when the new agreement requires a new funding mechanism that is perceived as additional financial burden or a new budgetary allocation for the country.

Recommendation

Entrench or embed the overall approach and business process into the existing ASEAN mechanisms. It is important that the concept and principles of GPI are embedded, as much as possible, into the already existing mechanisms, funding arrangements and initiatives related to disaster management and humanitarian assistance of ASEAN. Building on existing mechanisms and initiatives will also increase the probability of political and cultural acceptance, and lower the cost of delivery and implementation.

Based on the above five key recommendations, two potential mechanisms can be explored, using and building the existing ASEAN-led mechanisms and initiatives:

- (i) **Close-end investment, focusing on existing pre-determined ASEAN’s partnership arrangement.** For example, the utilisation of East Asia Summit or EAS mechanism that involves ten ASEAN countries and eight other EAS participating countries, or further expansion to include ten ASEAN countries and all 19 Dialogue and Development Partners of ASEAN

In this regard, ASEAN could build on the current initiative to strengthen the ADMER Fund and turn it into a more comprehensive all-crises financing mechanism that will be open not only to contributions from the ten ASEAN countries, but also other participating countries that are official partners to ASEAN.

This will expand the funding base and increase the size of the fund. One of the most appropriate and “ready” ASEAN-plus mechanisms could be the East Asia Summit or EAS, which consists of ten ASEAN Member States and eight ASEAN Dialogue Partners, namely: Australia, China, India, Japan, Republic of Korea, New Zealand, Russia and United States of America (total 18 participating countries).

Another alternative, which provides a wider platform, could be the ten ASEAN Member States plus all 19 official Dialogue Partners, Sectoral Dialogue Partners, and Development Partners (total 29 participating countries).

To date, ASEAN has established Dialogue Partnerships with:	Special Dialogue Partnerships with:	Development Partnerships with:
1. Australia	1. Norway	1. Chile
2. Canada	2. Pakistan	2. France
3. China	3. Switzerland	3. Germany
4. European Union	4. Turkey	4. Italy
5. India		
6. Japan		
7. Republic of Korea		
8. New Zealand		
9. Russian Federation		
10. United States		
11. United Kingdom		

Most of the above partners have established cooperation with and provided funding to ASEAN in the area of disaster management and humanitarian assistance, while some others - which are minorities

- are at the exploration stage or have expressed interest to collaborate. However, a decision-making mechanism for this expanded platform is not in place, unlike the EAS.

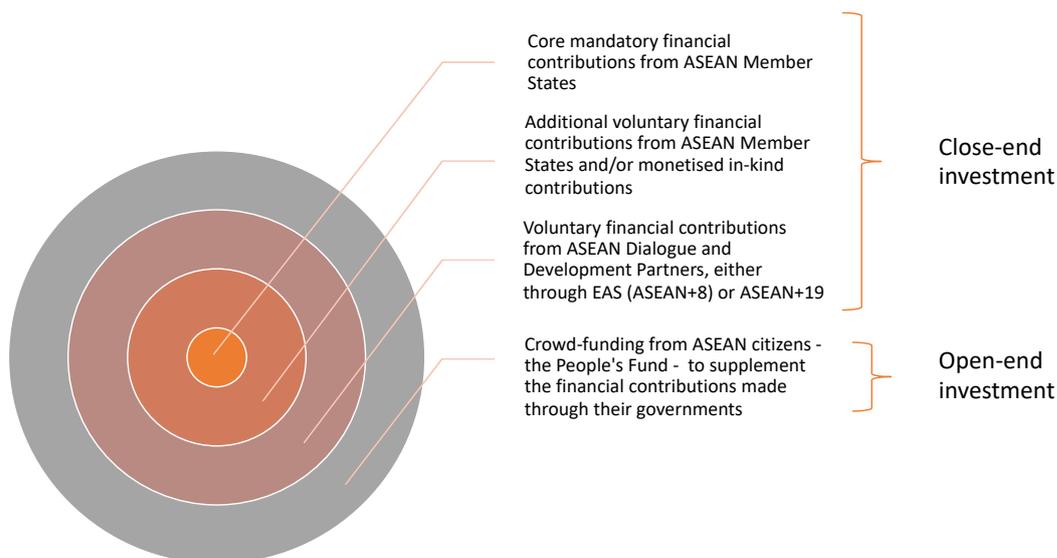
There also needs to be an incentive to encourage these partners to contribute to the regional pool - in addition to - contributing through their specific programmes or financing arrangements with ASEAN.

There is also a need for assurance that ASEAN countries' contributions are scaled up and could collectively 'match' external funding. This is to ensure ASEAN centrality and leadership in the management of the proposed multi-hazard, all-crises fund.

- (i) **Open-end investment, focusing beyond existing pre-determined partnership mechanism and open to all.** This additional but important source of funds is essentially gathered through crowd-funding of ASEAN citizens' contributions including companies and philanthropies operating in the ASEAN region

In line with Brunei Darussalam's initiative in 2021 to pursue People's Fund and link all ASEAN's relevant initiatives for emergencies and disasters, known as the ASEAN SHIELD, another additional source of funds, i.e. crowd-funding from ASEAN citizens, shall be explored. This should also include companies and philanthropies operating in the ASEAN region.

Based on the above, the following formula is proposed to constitute the ASEAN All-Crises Fund or later referred to as the ACF:



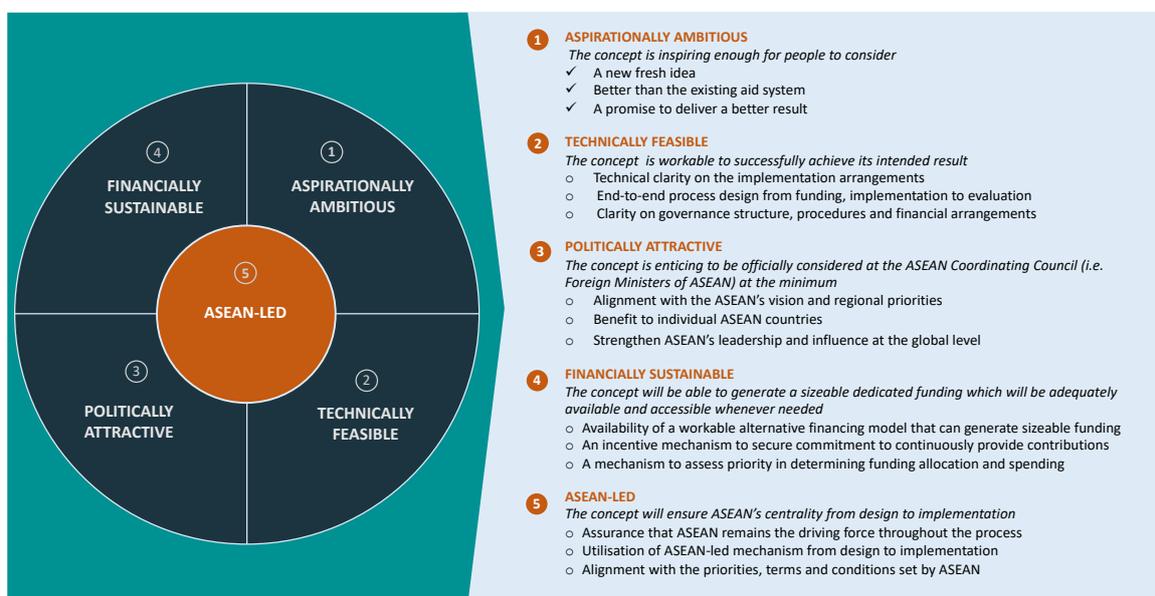
Section 7

FIVE PERFORMANCE DRIVERS

Successful application of GPI through the establishment of the proposed multi-hazards, all-crises financing mechanism – referred to as the ASEAN All-Crises Fund or the ACF - will be influenced by at least five performance drivers, as follows:

- (i) Aspirationally ambitious
- (ii) Technically feasible
- (iii) Politically attractive
- (iv) Financially sustainable
- (v) ASEAN-led

These five performance drivers could be used as guidance in determining the next steps for refining, advocating and operationalising the ACF using the GPI concept and principles.



Aspirationally ambitious: The GPI concept is already inspiring enough for people to consider, because it is a new fresh idea, it is better than the existing aid system, and it offers a promise to deliver a better result. When the GPI principles are embedded into the ACF, it offers potential solutions to ASEAN's current challenges in sufficiently financing its efforts to build disaster resilience in the region and strengthening its capacity to withstand future shocks and crises.

Technically feasible: There needs to be a concept of operation to show that ACF is workable to achieve its intended result. As such, the concept of operation shall provide (i) technical clarity on the implementation arrangements of the ACF, (ii) an end-to-end process design from funding implementation to evaluation of ACF, and (iii) a clarity on the governance structure, procedures and financial arrangements for the ACF. This concept of operation however needs to be done through co-creation, with potential stakeholders, prime movers and users.

Politically attractive: The establishment of ACF using the GPI concept and principles will require political consideration at the highest level, as it involves some fundamental changes, such as the application of a fair share contribution instead of equal contribution in absolute terms. The ACF therefore shall be enticing enough to be officially considered at the ASEAN Coordinating Council or ACC (i.e. the Foreign Ministers of ASEAN) at the minimum, to show that it is in alignment with the ASEAN's vision and regional priorities, and it provides benefit to the individual ASEAN countries. There should also be an incentive strategy to get ASEAN countries to scale up their financial contributions, and attract partners to contribute to this common pool of funds, instead of through specific-project or financing arrangements with ASEAN. The ACF will also be considered politically attractive if it can help strengthen ASEAN's leadership and influence at the global level. In view of the above, when the concept of operation is considered mature enough, an advocacy strategy will have to be developed.

Financially sustainable: The concept of operation should clearly showcase that the ACF will be able to generate a sizeable dedicated funding that will be adequately available and accessible whenever needed. In this regard, the ACF concept of operation should include (i) a workable financing model that can generate a sizeable funding, (ii) an incentive mechanism to secure commitment from ASEAN countries and the other participating countries to continuously provide contributions to the ACF, and (iii) a mechanism to assess priority in determining funding allocation and spending under the ACF.

ASEAN-led: There has to be assurance of ASEAN centrality from design to implementation, whereby ASEAN will remain to be the driving force throughout the process. In this regard, the ASEAN-led mechanism shall be utilised and be embedded from design to implementation. There should also be alignment with priorities, terms and conditions set by ASEAN.

Section 8

NEXT STEPS

This feasibility study serves as the first step in determining the applicability of GPI in ASEAN in the context of disaster management and humanitarian assistance. It provides the author with a great opportunity to shed some lights on the potential application of GPI in the region, and provides some key recommendations and guiding principles. However, the study should be considered as an ongoing effort, as constant improvements and further refinements will ensure the successful applicability of GPI in ASEAN.

To move this two-month feasibility study forward, the following next steps are proposed:

- **Refinement of the findings from the feasibility study.** This can be done through a series of discussions and consultations with members of the Steering Committee and Expert Working Group on GPI.
- **Establishing a specific Expert Working Group focusing on ASEAN.** This aims to gather new perspectives from other experts and practitioners as well as those who may be able to contribute their global perspectives with ASEAN context.
- **Developing an advocacy strategy.** This is to introduce the concept that has been refined by the ASEAN Expert Working Group and familiarise it to potential stakeholders, including ASEAN Member States, the ASEAN Secretariat and partners of ASEAN.

Indonesia as the next Chair of ASEAN in 2023 is one of the potential stakeholders and a prime mover. Other potential prime movers are the ASEAN Secretariat; Brunei Darussalam as the initiator of the ASEAN SHIELDS; and Malaysia as the permanent co-chair of the High-Level Task Force on ASEAN Community's Post-2025^{xxxiv}.

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