



GBDRRRF

**THE GLOBAL BANK
DISASTER RISK REDUCTION
AND RECONSTRUCTION FUND**

*Public Affairs Section of the
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Global Bank Group Launches Central Emergency Response Fund to Promote "Early Action" and "Rapid Response" to Reduce the Loss of Life



Los Angeles, CA – December 1, 2019 — Today, in advance of the United Nations Climate Change Conference (COP25) to be held from 2 to 13 December 2019 in Madrid, Spain, the Global Bank Group announces the launch of the Global Bank Central Emergency Response Fund (GB-CERF). The GB-CERF was established in 2019, as a multi-donor partnership and grant-making financing mechanism. Its purpose is to ensure a more **predictable**, **flexible** and **timely** response to disasters, conflict and fragility.

The objectives of the Global Bank Central Emergency Response Fund are to promote **early action** and **rapid response** to **reduce the loss of life**, **enhance response to time-critical requirements** and **to**

strengthen Global Bank Group's core elements of humanitarian response particularly in underfunded crises, based on demonstrable needs and priorities identified in consultation with the affected State as appropriate.

“Despite global development gains in the past decades, one in every 57 people around the world is caught up in crisis and urgently needs humanitarian assistance and protection. More people are being displaced and affected by conflict,” says [Ron Nechemia](#) (@RonNechemia), President of the Global Bank Group (@GlobalBankGroup). He added, “The number of forcibly displaced people rose from 59.5 million in 2014 to 68.5 million in 2017. Today, an estimated 2 billion people live in fragile and conflict-affected areas of the world, where they are extremely vulnerable to the impact of conflicts and disasters.”

GB-CERF ENSURES A MORE PREDICTABLE, FLEXIBLE AND TIMELY RESPONSE TO COMPLEX HUMANITARIAN EMERGENCIES

The Global Bank Central Emergency Response Fund (GB-CERF) is a *humanitarian fund* established by the Global Bank Group *for all nations and for all potential victims of disasters*. It was designed to spearhead the Global Bank Group's efforts to address *natural and man-made humanitarian emergencies*. The GB-CERF is primarily focused on what happens a day after survivors have been rescued, and the lifesaving aid has been delivered. *While meeting lifesaving and life-sustaining needs*, the GB-CERF kick-starts funding for larger-scale critical projects by Global Bank and their partners. Its purpose is to ensure a *more predictable, flexible, and timely response* to complex humanitarian emergencies. The rapid and flexible support offered by the GB-CERF makes it a **central pillar** of the Global Bank Group agencies' crisis response.

Key elements of the new fund include:

- > The Global Bank Central Emergency Response Fund **Operates Autonomically** from any other actor's humanitarian objectives, including political, economic, military or other purposes in areas where humanitarian action is being implemented.
- > The Global Bank Central Emergency Response Fund grant element is divided into two windows: one for **Rapid Responses** (approximately two-thirds of the grant element) and the other for **Underfunded Emergencies** (approximately one-third of the grant element).
- > **The Rapid Response window** provides funds intended to mitigate the unevenness and delays of the voluntary contribution by providing seed money for life-saving, humanitarian activities in the initial days and weeks of a sudden onset crisis or a deterioration in an ongoing situation. In parallel to the Global Bank Central Emergency Response Fund Rapid Response grant, agencies will be looking for other sources of funding to complement the GB-CERF funds.
- > The **Underfunded Emergencies** window supports countries that are significantly challenged by “**forgotten**” emergencies. With technical support from the CERF Secretariat, the GB-CERF Steering Committee selects countries to benefit from the GB-CERF underfunded emergencies window.
- > A 18 member Advisory Board appointed by the president of Global Bank Group provides policy guidance and expert advice to the CERF Steering Committee on the use and impact of the fund.
- > An Annual Donor Conference will ensure regular replenishment of the Global Bank Central Emergency Response Fund.

Getting ahead of crises: Moving from reactive to proactive humanitarian action

Every year, major earthquakes, floods, fires, and hurricanes occur. These natural hazards disrupt daily life and, in the worst cases, cause devastation. Events such as the 2010 Haiti earthquake, the 2004 Indian Ocean earthquake and tsunami, the 2005 Hurricanes Katrina, the 2011 Tōhoku earthquake and tsunami, and the 2012 Hurricanes Sandy unleashed total devastation, killed thousands of people and generated billions of dollars in losses.

Each year, humanitarian aid organisations save and protect tens of millions of people caught up in crises across the world. Their interventions are more timely, relevant and capable than ever. But humanitarian action is not always as fast as it should be, and needs are unevenly met. Even as record sums are raised, growing levels of vulnerability worldwide have resulted in a stubborn and harmful gap between need and response.

To boost the percentage of coverage, the Global Bank Group is working toward breaking out of traditional funding models that are no longer sufficient for the complex and protracted crises we face. To this end, [Global Bank](#) has proposed a more tailored engagement in different situations of building resilience to ensure that the resources are targeted towards the people, sectors and areas that need them the most; and promote efficiency so that the resources are used as effectively as possible.

“In 2020, nearly 132 million people will need humanitarian assistance and protection, the majority because of the impact of conflict,” says Ron Nechemia, President of the Global Bank Group, and he added, “A centralized source of rapidly available funding could help effectively address urgent needs in rapid-onset emergencies and swiftly deteriorating crises. As part of its policy to provide more tailored engagements, Global Bank Group responds in different situations of fragility including by investing in conflict prevention, supporting refugees and host communities, preventing and responding to gender-based violence (GBV), engaging in situations of active conflict, and supporting transitions from conflict to peace.”

The Global Bank Disaster Risk Reduction and Reconstruction Fund – An Umbrella Trust Fund (GB-DRRRF) and Global Bank are working together to address barriers to finance in adaptation, sustainable agriculture, energy efficiency, renewable energy, disaster recovery and disaster risk insurance with innovative financial instruments that have the potential for scaling up financing for a low-carbon, climate-resilient economy. The DRRRF Innovation Lab for Climate Finance is a GB-DRRRF initiative that identifies, develops, and launches cutting-edge climate finance instruments and works to improve efficiency and effectiveness of existing financial instruments and mechanisms. The Lab catalyses this process by drawing on experience and expertise from within the Global Bank Group and from around the world to identify and pilot the next generation of climate finance instruments. Including more predictable, stable, flexible aid mechanisms (notably, trust funds and other flexible instruments that enable the Bank Group to engage in a wide range of climate-related partnerships and leverage development assistance at the country, regional and global levels, including budget support, mitigation of exogenous shocks, and aid untying.

Initial Resource Mobilization

The Global Bank Central Emergency Response Fund is funded through voluntary contributions. While the GB-CERF is expecting to receive the bulk of its funding from governments, efforts are also likely to focus on reaching out to non-traditional contributors, including from the private sector and philanthropic foundations. The GB-CERF will launch its initial resource mobilization in January 2020, and expecting to rapidly gather pledges.

The need and desire to ensure successful resource mobilization led to the creation of a High-Level Advisory Group on Climate Financing (AGF) by the President of the Global Bank Group, Ron Nechemia in February 2018.

About GB-DRRRF

The Global Bank *Disaster Risk Reduction* and Reconstruction Fund – An Umbrella Trust Fund (GB-DRRRF), established in 2017, is a multi-donor partnership and grant-making financing mechanism. Its purpose is mainstreaming climate change into development to help achieve the [Sendai Framework targets by 2030](#) – a decade-long plan to help make the world safer from disasters caused by natural hazards — and to support the implementation of the [Global Climate Agreement in Paris](#), and prevent disasters undermining progress on the [Sustainable Development Goals](#). The rapid and flexible support offered by the [Global Bank Disaster Risk Reduction and Reconstruction Fund](#) makes it a central pillar of the [Global Bank Group](#) agencies’ humanitarian response architecture.

More detailed information can be found on the GB-DRRRF’s website <http://www.gbdrfff.org/>

About Global Bank

Owned by the [Global Bank Group](#), The Bank for International Development and Reconstruction, known as the [Global Bank](#) borrows in the international capital markets (the “BIDR,” or the “[Global Bank](#)”) and is the Global Bank Group’s long-term sovereign lending institution. As a development bank with an agenda driven by G-7/G-8 and G-20-priorities, its leading priority is to promote global economic and social development. Unlike the multilateral development banks (MDBs), Global Bank is not restricted to operating only in developing countries.

The Global Bank Group represents, develops, and supports the collective interests of the Global Bank and any of its business interests globally. Global Bank is a full-fledged private sector global development bank, **in formation**, – the *world’s second global development bank* – positioned next to the *World Bank Group* and next to the preeminent regional development banks. It combines the characteristics of a multilateral development bank with those of a private financial institution. The primary objective of the Global Bank is to reduce poverty in middle-income countries and creditworthy poorer countries by promoting sustainable development. To this end, Global Bank finances primarily public sector infrastructure projects and sustainable development through the provision of sovereign loans to developing countries. Global Bank’s financial objective is not to maximise profit, but to earn an adequate income to ensure its financial strength and to sustain its development activities.

For information about the Global Bank, please visit <http://www.global-bank.org>

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