FUTURE OF FINANCING

The gap between humanitarian and development needs and financing is growing, yet largely we still rely on just a few traditional sources of funding. How do we mobilize alternate sources of capital to support communities?

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FUTURE OF FINANCING

Global humanitarian appeal 2017 set a record of

US$ 23.5 BILLION

TARGETING **93 MILLION PEOPLE**

5 times more than a decade before for more that 3 times as many people

The UN estimates developing countries will need

US$ 2.5 TRILLION

a year to achieve the sustainable development goals by 2030

Humanitarian assistance costs are predicted to rise to

US$ 50 BILLION **PER YEAR** **BY 2030**

Emerging financing streams and their growth estimation:

SUSTAINABLE INVESTMENTS

$8.7 TRILLION

IMPACT INVESTMENT FUNDS

$1 TRILLION BY 2020

CROWDFUNDING INVESTMENTS

$93 BILLION BY 2025

ISLAMIC FINANCE

$3.5 TRILLION BY 2021

For more information visit
ifrc.org/s2030

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POWER AND GOVERNANCE

Shifting powers structures and increased scepticism is challenging institutions. How can the network continue to build trust against this backdrop?

POWER AND GOVERNANCE

The past decade has shown the fragility and inability of today's global governance mechanisms, to adequately address world issues. At the same time, forms of cross-border governance are changing, and emergent countries and cities are also asserting their geopolitical power on the world stage.

The private sector is wielding more influence on global issues than some countries, most recently recognized by the Danish government appointing an ambassador to Silicon Valley.

In 2017, trust in humanitarian organizations **DRASTICALLY DECLINED**

FROM 66% **TO 54%** **IN ONLY THREE YEAS**

A long way from 2001, when they were perceived as a rising influence globally.

Fall of trust has been fuelled by a belief that the overall system is not working for citizens, particularly among youth.

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NEW COMMUNITIES AND CITIES

Migration, urbanisation, the youth bulge, ageing populations and, highly networked citizens are changing the make-up of society. How will National Societies engage with communities when the very nature of community is changing?
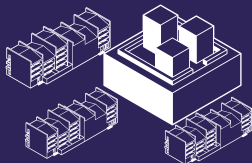
NEW COMMUNITIES AND CITIES

By 2020,
a majority of the world's population will live in middle-class households **FOR THE FIRST TIME EVER**.
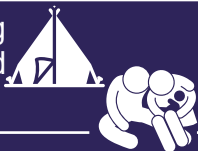
However, in some countries the middle class is hollowing and inequality is sharply rising.

Mobility and digital connectivity are increasingly globalizing communities creating new opportunities and dynamics.

By 2030, as many as 1 in 3 people living in cities will be in informal settlements and experience significant deprivation.

Migration and displaced people are weaving more fluid, mobile, and diverse communities with distinct, and sometimes divergent, world-views.

Civil society is pushing back against the status quo, refusing to be spoken for and demanding change from both governments and institutions.

EMERGING TECHNOLOGY

The technological revolution is dramatically changing how we live and work. How do we support communities to take advantage of these opportunities and invest into these rapid changes to enhance the effectiveness of our work?

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EMERGING TECHNOLOGY

Data and Artificial Intelligence can help forecast disasters and crises and provide stronger analysis and insight on a range of issues.

Blockchain technology is being tested to provide greater transparency, efficient financial flows and digital identities.

However, there are risks with emerging technologies.

Ethics and biases inbuilt into AI

Data privacy rights

Social and mental health issues

Cyberwarfare and malicious intents

The convergence of multiple technologies emerging at once can create unpredictable opportunities and risks. We will need;

A constant process of horizon scanning

Embracing a culture of experimentation

Diffusion of new technologies and approaches

PARTICIPATION AND ENGAGEMENT

The nature of volunteering is changing; communities are engaging with social, humanitarian, and development causes in new ways. How will we adapt to these new contexts to ensure we are able to mobilise communities and volunteers in the support of humanitarian and development causes?
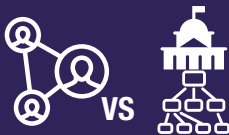
PARTICIPATION AND ENGAGEMENT

Citizens are increasingly living horizontal, connected lives, whereas governments and large institutions function vertically.

VS

In support of development causes and during disaster responses, many citizen-led groups coordinate through social media and innovatively respond to people's needs. At times, these efforts sideline humanitarian organizations that are not as adept at applying these new technologies.

New creative forms of volunteering continue to grow, suggesting that 'how' and 'why' people volunteer is drastically shifting:

Self-organizing communities

Skilled volunteering

Swarm volunteering

Online action

Brand loyalty is becoming less significant. People want faster access to 'making impact,' requiring a higher speed, flexibility, and diversity from humanitarian organizations.

CLIMATE AND DISASTERS

Climate-related impacts are expected to intensify significantly in the coming years, deepening struggles for many 'already' vulnerable communities. How will the already stretched humanitarian system be able to respond?

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CLIMATE AND DISASTERS

Food and water security for communities will be a growing problem beyond any easy local solutions and is anticipated to drive future conflicts.

There are several issues fundamentally changing communities' abilities to live well, including:

Commodification of natural resources

Impacts of unpredictable rainfall and droughts on agriculture

Unsustainable waste management

Every year, there are **400 EXTREME WEATHER EVENTS FOUR TIMES** as many as in 1970

Potential developments in geoengineering may also deliver both unprecedented risks and benefits to communities globally.

Climate-related displacement will force a redefinition of identity and relationships to institutions and test the capacity of the humanitarian world to respond.

CONFLICT AND POVERTY

Extreme poverty in the world will increasingly be concentrated in countries experiencing conflict and fragility. How do we better structure ourselves to respond?
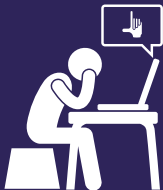
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CONFLICT AND POVERTY

While there are fewer large-scale interstate conflicts, other forms of conflict and violence have increased.

Violence and conflicts are also manifesting across multiple domains and contexts, including online via cyber warfare, bullying and radicalization.

Currently, our network is not equipped to deal with the vulnerabilities of future conflict. A recent report by ICRC notes that the next battlefield will be:

URBAN

CYBER

USING AUTONOMOUS WEAPONS

INCLUDING HUMAN MODIFICATIONS

By 2030, most of the deep and entrenched poverty is expected to be in countries affected by fragility, conflict and violence, significantly across Africa and the Middle East. This will require sophisticated, simultaneous and sustained focus on both humanitarian and development approaches.

FUTURE OF WORK

Advances in technologies will result in workforce shifts and a youth bulge grappling with the lack of productive employment. How will the network respond to a falling ratio of employment to population and, support communities and young people to adapt to a new world of work?

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FUTURE OF WORK

Technology such as artificial intelligence (AI), robotics, automation, and quantum computing might lead humanity to a "**Fourth Industrial Revolution**". Previous revolutions have created new types of jobs in the long-run while displacing countless ones in the short-term.

Some early-stage implications are disrupting not only the types of jobs but the workplaces. Examples include:

GIG ECONOMY

INCREASING AUTOMATION

DIGITAL NOMADS

LEAPFROG ECONOMIES

In developing and emerging countries where there is a significant youth bulge , there is a risk of masses of young people being left idle without jobs or without productive employment, potentially leading to unrest and further migration into cities, exacerbating urban challenges.

National Societies may see a need for change in their own workplace practices to adapt to new employment dynamics and the need for new skills and capacities.

HEALTH OF THE FUTURE

Increasing threats from pandemics, non-communicable diseases, environmental health and over-burdened health systems alongside persistent health challenges such as water and sanitation are stretching the system. How can we more effectively meet complex health crises?

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HEALTH OF THE FUTURE

Infectious disease remains a significant public health concern around the world, with the more frequent emergence of epidemics and pandemics.

The health landscape worldwide is changing.

GROWING AGEING POPULATION
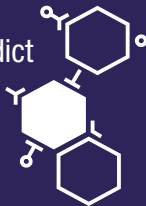
INCREASING NON-COMMUNICA-BLE DISEASES

RISING EXPOSURE TO POLLUTION.

Also, most countries are facing an overwhelming challenge to manage the rapidly increasing cost of healthcare in support of their growing ageing societies

Genetic research and technological advances are demonstrating clear potential for important medical advances against deadly diseases like malaria, tuberculosis, and HIV/AIDS, potentially saving millions of lives.

Advances in epidemic modelling intending to predict and prevent future infectious threats could be a game-changer for the upcoming years.