

INTER-AGENCY STANDING COMMITTEE  
WORKING GROUP

**IASC Subsidiary Bodies**

**Report on Sub-Working Group on Humanitarian Financing  
Activities in 2011**

*6 January 2012*

**I Report on Activities Undertaken in 2011**

In 2011, the IASC Sub-Working Group on Humanitarian Financing Group (SWG) continued its work initiated during the previous year to implement recommendations endorsed by the Working Group in November 2010. In particular, the Group focused on the following priority areas:

- a) Enhancing links and dialogue with other humanitarian and/or development financing entities;
- b) Improving funding for preparedness;
- c) Increasing the efficiency of humanitarian pooled funds;
- d) Exploring modalities of programme approaches for consolidated appeals and Common Humanitarian Fund (CHF) allocations.

In total, the SWG held 14 regular and extraordinary meetings in 2011, including a session on consultations with the International Network on Conflict and Fragility (INCAF) on proposed transition financing guidelines, an all-day retreat in Geneva followed by a meeting with the Joint Inspection Unit (JIU) as well as a brown-bag lunch in NY on funding for preparedness.

The SWG conducted its work in significant parts through the three subsidiary Task Teams (TTs):

***The TT on Funding for Preparedness***

In 2011, the TT on Funding for Preparedness commissioned a synthesis report prepared by consultancy group Development Initiatives entitled "Analysis of financing mechanisms and funding streams to enhance funding for emergency preparedness", as part of a two-phased project aiming to improve the quality and predictability of preparedness funding. The study examined the current financing of emergency preparedness at the global level as well as the structures that promote or hinder that financing, highlighted the challenges and opportunities that are inherent in the current humanitarian system and made recommendations for change. In 2012, Phase 2 of the project will complement this global overview with country-based work, supporting the five pilot countries of the Sub Working Group on Preparedness (SWG), in addition to a further four to five countries with significant humanitarian caseloads.

***The TT on the Programme-Based Approach (PBA)***

The TT examined ways of integrating PBAs into the consolidated appeals process (CAP) and common humanitarian funds (CHF) by commissioning a scoping paper which laid out some of the opportunities and challenges associated with the introduction of a PBA in the CAP and in pooled funding mechanisms. The study identified possible working definitions of the terms "project", "programme" and "programme-based approach". In addition, the study identified two broad options for integrating PBAs into CHFs and CAPs.

In 2012, work in this area will continue. As the paper was not exhaustive, its findings will require further investigation, in particular on the differential impacts on the CAP and CHFs. Consultations will be held with the CAP SWG and the Cluster SWG on the proposed definitions as well as consultations with donors and NGOs on the possible implications of the outlined policy options and a review of PBAs already in place in the DRC and Zimbabwe to assess their strengths, weaknesses and suitability for wider adoption.

***TT on Making Country-Based Pooled Funds More Efficient***

The TT on Country-Based Pooled Funds developed a draft standardized UN agency agreement for Emergency Response Funds (ERFs). The draft is currently under review with OCHA's Administrative Office in Geneva. Following approval of the draft standard UN agency ERF agreement, the work of this TT will be concluded.

## **1.1 Achievements in line with the 2011 workplan**

- 1.1.1 Engagement with INCAF on Transition Financing: Members of the SWG collaborated with the OECD's International Network on Conflict and Fragility (INCAF) on the development of guidelines on transition financing. These guidelines underpin the "New Deal" document which was presented at Busan and endorsed by resources partners as a new business model by which they commit to changing their current engagement in fragile states and transition environments..
- 1.1.2 Study on Financing for Preparedness: The SWG's Task Team (TT) on Preparedness commissioned a study on the tracking of funding for preparedness. Development Initiatives, submitted the report of this study in September 2011. This represented the completion of phase one of a two-phase project.
- 1.1.3 Standardization of ERF Agreements: The TT on Country-Based Pooled Funds developed a draft standardized UN agency agreement for Emergency Response Funds (ERFs). This agreement should be finalized in early 2012.
- 1.1.4 Scoping Study on Programme-Based Approach: The TT on the Programme Approach commissioned a study from Humanitarian Outcomes to assess the potential for integrating a programme-based approach into the Consolidated Appeals Process (CAPs) and Common Humanitarian Funds (CHF). This was submitted in July 2011.

## **1.2 Opportunities and constraints faced by the subsidiary body**

- 1.2.1 Arriving at a definition of the "Programme Approach" proved challenging given the potential impact of any definition over a broad array of stakeholders and IASC subsidiary bodies.
- 1.2.2 Operationalizing findings and recommendations of studies commissioned has proven challenging as some of the work of the SWG cuts across several subsidiary bodies making the operationalization of findings and recommendations particularly challenging.
- 1.2.3 Securing consistent representative participation from NGO consortia and operational NGOs has been an ongoing concern.
- 1.2.4 Intensifying engagement with the Good Humanitarian Donorship (GHD) initiative was difficult, though began to improve with the new Co-Chairs..
- 1.2.5 Going forward, the IASC Principals transformative agenda may present opportunities for the work of the SWG in its proposed linkages between the work of the SWG on Humanitarian Financing to that of other IASC subsidiary bodies.

## II Status Update with Reference to Objectives Set in the 2011 Work Plan

Objectives	Activities	Focal point(s)	Timeframe	Status / Results
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<p>1. Effectively engage with other entities, including GHD, OECD/DAC, INCAF, World Bank and others</p>	<ul style="list-style-type: none"> <li>▪ Meet/discuss with GHD Chair with the aim of providing inputs to GHD work plan and meeting agendas</li> <li>▪ Meet with other entities to identify possibilities for collaboration</li> <li>▪ Invite representatives of other entities to attend and/or brief HFG meetings/sessions</li> <li>▪ Represent HFG at meetings/sessions of other entities</li> </ul>	Co-chairs	Year round	<p>In 2011, the SWG engaged with the OECD/DAC International Network on Conflict and Fragility (INCAF) initiative on transitioning financing. This took place the form of repeated input by the SWG from a humanitarian financing perspective on INCAF's draft guidelines on transition financing. INCAF representatives participated at several SWG meetings, including an extraordinary one held on 14 January 2011 in Geneva to discuss the draft guidelines. There have been close and regularly contacts between the GHD co-chairs and the Task Team on Funding for Preparedness. There was a meeting in Geneva on 7 November 2011 between the SWG co-chair and the GHD co-chairs to determine parameters for collaboration over the next year. It was agreed that the informal dialogue between the GHD and the IASC SWG would continue on preparedness and that an informal donor "Friends of Preparedness" be formed. In addition, dialogue on the programme based approach would begin in January 2012.</p>
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<p>2. Carry forward recommendations accepted by WG regarding funding for preparedness</p>	<ul style="list-style-type: none"> <li>▪ Carry out a year-long tracking and analysis of funding for preparedness through FTS</li> <li>▪ Liaise and collaborate with CAP SWG on evaluating options for a standing section in CHAPs and budget line in CAPs</li> <li>▪ Review country-based pooled funds to determine capabilities to fund preparedness (in countries to be determined with SWG on Preparedness)</li> <li>▪ Engage with GHD to increase discussion on preparedness funding at global and country levels</li> </ul>	<p>TT on 'Funding for Preparedness', CAP SWG and OCHA/CAP/FTS</p>	<p>December 2011 July 2011 December 2011 March 2011</p>	<p>In 2011, the TT on Funding for Preparedness commissioned a synthesis report prepared by consultancy group Development Initiatives entitled "Analysis of financing mechanisms and funding streams to enhance funding for emergency preparedness". The study examined the current financing of emergency preparedness as well as the structures that promote or hinder that financing, highlighted the challenges and opportunities that are inherent in the current humanitarian system and made recommendations for change. In 2012, Phase 2 of the project will compliment this global overview with country based work, supporting the five pilot countries of the Sub Working Group on Preparedness (SWG), in addition to a further four to five countries yet to be decided.</p>
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<p>3. Enhance the efficiency of country-based humanitarian pooled funds</p>	<ul style="list-style-type: none"> <li>▪ Develop standardized ERF agreements</li> <li>▪ Explore options for standard reporting for ERFs and possibilities of standard reporting for CHFs</li> <li>▪ Develop messaging on funding staff costs associated with pooled fund (possibly in coordination with informal Task Team on Cluster Approach)</li> </ul>	<p>TT on 'Making Humanitarian Pooled Funds More Efficient'</p>	<p>July 2011</p>	<p>The TT on Country-Based Pooled Funds developed a draft standardized UN agency agreement for Emergency Response Funds (ERFs). The draft is currently under review with OCHA's Administrative Office in Geneva. Following approval of the draft standard UN agency ERF agreement, the work of this TT will be concluded.</p>
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<p>4. Explore options for integrating “programme approaches” in CAPs and CHF proposals</p>	<ul style="list-style-type: none"> <li>▪ Consult with CAP SWG, global clusters and OCHA on the viability of integrating programme approaches into CAPs and CHFs</li> <li>▪ Draft recommendations for IASC WG with the aim of implementing recommendations in 2012 CAPs and pilot CHFs</li> </ul>	<p>New TT to be established in collaboration with CAP SWG</p>	<p>July 2011  December 2011</p>	<p>The TT on the PBA examined ways of integrating PBAs into the consolidated appeals process (CAP) and common humanitarian funds (CHFs). The TT commissioned a scoping paper which laid out the opportunities and challenges associated with the introduction of a PBA. The study identified possible working definitions of the terms "project", "programme" and "programme-based approach". In addition, the study identified two broad options for integrating PBAs into CHFs and CAPs. In 2012, work in this area will continue in the form of consultations with the CAP SWG and the Cluster SWG on the proposed definitions, consultations with donors and NGOs on the possible implications of the outlined policy options and a review of PBAs already in place in the DRC and Zimbabwe to assess their strengths, weaknesses and suitability for wider adoption.</p>
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<p>5. Monitor the implementation of the IASC WG's action points regarding early recovery financing and engage with wider discussions/studies/processes regarding early recovery financing</p>	<ul style="list-style-type: none"> <li>▪ Liaise and collaborate with CWGER, CAP SWG and global clusters on the two substantive recommendations from the November 2010 WG</li> <li>▪ Liaise with UNDG-ECH Task Team on Transition Financing and provide inputs to 'transition financing' work being undertaken by INCAF</li> <li>▪ Discuss with GHD chair the possibility of including a brief early recovery follow-up session at Montreux XI</li> </ul>	<p>TT/focal point for 'Early Recovery Financing'</p> <p>Co-chairs</p>	<p>Year round</p> <p>April 2011</p>	<p>Input was provided into the INCAF transition financing imitative as described under objective one above.</p> <p>Although the possibility of including a brief early recovery follow-up session at Montreux XI was raised with the GHD Chair, there was no interest in this proposed action</p>
<p>6. Provide an effective and efficient consultation platform for the operation of the Central Emergency Response Fund and humanitarian country-based pooled funds</p>	<ul style="list-style-type: none"> <li>▪ Provide inputs into CERF policies, practices and reports</li> <li>▪ Discuss issues relevant to the establishment and management of new humanitarian country-based pooled funds</li> </ul>	<p>OCHA</p>	<p>Year round</p>	<p>The SWG provided input into a variety of policies practices and reports of the CERF and country-based pooled funds. These included the management response to the five-year evaluation of the CERF and resulting actions as well as narrative reporting. The SWG also served as a consultative forum for the organization and conduct of the 2011 CHF evaluation as well as the preparation for the corresponding management response plan.</p>
<p>7. Maintain a well-functioning and effective group</p>	<ul style="list-style-type: none"> <li>▪ Regular meetings with clear agendas, minutes and action points</li> <li>▪ Finalize 2011 Work Plan, regularly monitor implementation and revise, as required</li> </ul>	<p>OCHA</p>	<p>Year round</p>	<p>The SWG held 14 regular and extraordinary meetings in 2011, including a session on INCAF consultations, an all-day retreat in Geneva as well as a brown-bag lunch in NY.</p>