

IASC Humanitarian Financing Task Team – Meeting Notes

18 February 2015

Co-Chairs: Lisa Doughten (OCHA/CERF), Melissa Pitotti (ICVA)

Agenda

1. Draft 'Future of Humanitarian Financing' report (CAFOD, FAO, WVI)
2. Update from the Task Team on Principled Humanitarian Action and OCHA/FCS on risk studies
3. Capacity assessments of implementing partners (ICVA)
4. Studies on review of CERF (OCHA/CERF)
5. Any other business
 - a. Update on Global Humanitarian Facility (OCHA/FCS)
 - b. Workplan of the Pooled Fund Working Group (OCHA/FCS)
 - c. Co-chair coverage (co-chairs)

Melissa Pitotti updated the Task Team about a letter sent on behalf of the UN Secretary-General by the Under-Secretary-General for Management to INTOSAI, the International Organization of Supreme Audit Institutions, on their proposal for the UN and other aid agencies to adopt the International Financial Accountability Framework (IFAF). The letter was based on the advice of the Task Team.

1. Draft of 'Future of Humanitarian Financing' report

Anne Street, CAFOD, reminded participants of the presentation by Lydia Poole, the independent consultant who compiled the report, during the Task Team's retreat in January and that the draft report had been shared. The advisory group for the 'future of humanitarian financing' (FHF) activity met in Geneva on 23 January to discuss the report. Ms Street summarized next steps: The report is currently being finalized taking into account all the comments received. The findings will be fed into several other workstreams and activities. A summary paper will be presented to the IASC Working Group at its meeting on 10-11 March and the activity leads will meet with representatives of the Good Humanitarian Donorship (GHD) initiative, also in early March. The findings will also feed into the World Humanitarian Summit process and the SG's High-Level Panel on Humanitarian Financing.

Sandra Aviles, FAO, said that the primary target was the High-Level Panel. The FHF report was discussed at the World Humanitarian Summit regional consultations for Europe and other regions in Budapest in February, where the Deputy Emergency Relief Coordinator had said it was 'groundbreaking'. The leads of the GHD's workstream on humanitarian financing, Germany, Sweden, and the UK, are interested in presentations and discussions on the report. The report will be officially launched during the ECOSOC Humanitarian Segment in Geneva in June (the Humanitarian Segment will focus on humanitarian financing). Germany has invited the activity leads to launch the report in Berlin, and it will also be launched in New York. In addition to the Working Group, the report will also be presented to the IASC Principals in Nairobi. The activity leads are working with OECD/DAC on how to use the findings and conclusions of the report, particularly in regards to the

Financing for Development meeting in Addis, July 2015. The report is an IASC product and all are invited to use and promote the report.

On the content, Ms Aviles said that the report covered many areas that the Task Team was or has been working on under other activities, e.g., transaction costs.

Julian Srodecki, World Vision, said that the activity leads were also working with the Steering Committee for Humanitarian Response (SCHR) on using the conclusions of the report. It would be good to have a calendar of events.

Rachel Criswell, World Vision, and Lisa Doughten, OCHA/CERF and co-chair, supported the idea of having a calendar of events. Ms Street said that a calendar of events would be compiled and shared. Ms Criswell said it would be good to agree on a definition of what 'localizing aid' means. Axel Bisshop, UNHCR, asked whether the report was still open for comments. For instance, the gap between financial requirements and needs should be clarified. Mr Srodecki said that the report was still in draft and that the activity leads were in the process of finalizing the report. Ms Aviles said that comments should be submitted as soon as possible and that it was important for the Task Team to review the draft report in detail.

Elena Garagorri-Atristain, ICRC, asked how the FHF report was coordinated with other workstreams on the future of humanitarian financing, such as a study undertaken by Denmark. Ms Aviles said that the Danish study focused on incentives and would cover financing only as one aspect, and that the two reports were being compiled by the same author, Ms Poole. Ms Doughten said there was no concrete update on the status of the High-Level Panel and that any update would be shared with the Task Team as soon as it was available.

Ms Street, in response to a question from Christelle Loupforest, IASC secretariat, said that a two-page summary would be prepared for the Working Group. Marina Skuric Prodanovic, UNFPA, asked whether the summary would be endorsed by the Task Team. Ms Aviles said that the report is being written by an independent consultant and should therefore only receive a "light" endorsement by the Task Team, but the Task Team was not expected to endorse every finding, conclusion, and recommendation. A disclaimer will be added to the final version of the report to this effect.

2. Updates from the Task Team on Principled Humanitarian Action and OCHA/FCS on risk studies

Peter Holtsberg, WFP and Task Team on Principled Humanitarian Action (PHA), briefed the Humanitarian Financing Task Team on a workstream on risk. The workstream has mapped Enterprise Risk Management measures and gaps, relying on a survey and other methods. The PHA Task Team is working on toolkits on counter-terrorism measures and civil-military relations. In 2015, the PHA Task Team aims to identify common principles and a framework on the adaption of risks at the operational level. WFP, UNICEF, and NRC are leading this activity. The draft framework will be shared with the PHA Task Team soon, for eventual discussion with other task teams and IASC bodies. With regard to the Humanitarian Financing Task Team's workplan, one area of complementarity are the activities on NGO capacity assessments and Objective 3 on bridging the humanitarian/development gap. The risk activity has just begun and further updates will be provided later.

Zu Mian, Mercy Malaysia, asked about the target audience of this workstream. It is primarily the IASC members, who should agree on common principles and a common framework. This would include guidance to aid agencies' country offices on how to manage risk in specific situations, and cover contextual, programmatic, and operational risks. Ms Criswell asked about the "3Cs" concept. Ms Pitotti asked about the process of getting IASC endorsement. Mr Holtsberg said that the risk workstream would have to take into account other activities, including under the Humanitarian Financing Task Team. Ms Aviles asked whether the GHD would be involved. This is being considered but the IASC PHA members should discuss the draft first.

Jock Paul, OCHA/FCS, briefed the Task Team on an OCHA/FCS study on risk, or 'appetite for loss.' The study specifically examines the tolerance for loss in country-based pooled funds. This is based on an understanding that in insecure environments some loss may be unavoidable but the scope of potential loss was unclear. How much loss is acceptable? An independent consultant will carry out the study over the next three months, including a survey, interviews, and a desk review of existing documents. The study will describe a common understanding, if there is one, of the scope of acceptable potential loss in country-based pooled funds. FCS will share the terms of reference of the study, and the report will be presented to the Pooled Fund Working Group.

In response to a question from Ms Mian about sample size, Mr Paul said that the main targets were donors that contribute to country-based pooled funds but consultations would be as wide as possible, including aid agencies and NGO consortia. Some larger organizations may already have official policies on this issue. Ms Aviles asked about synergies with the CERF secretariat's work on risk tolerance. Ms Doughten said that the CERF Advisory Group had discussed communication on potential fraud or misuse of funds at its last meeting, which was different from the focus of the FCS study. Ms Aviles also asked about the origins of this study: Did donors or OCHA initiate it? Mr Paul said that the study would help OCHA to understand different positions and expectations around tolerance for loss among donors and different parts of the UN Secretariat. This arose from past cases of fraud under certain country-based pooled funds. Ms Aviles said that the level of risk was increasing in many crises and that it would be useful to get inputs from operational agencies better to understand risk levels. Ms Criswell said it would be useful if OCHA could define 'risk appetite' in different situations (e.g., remote programming). In response to a question from Ms Silva about timing, Mr Paul said the report would be available in May, and that the donors in the Pooled Fund Working Group had discussed the terms of reference of the study and had found it useful. In response to a question from Paulette Jones, WFP, about links with a recent WFP evaluation of its use of pooled funds, Mr Paul said that this would be taken into account. He said that the study would not focus on standard operating procedures on communicating potential fraud, which are covered elsewhere, including the UNDG which is working on risk management policies.

Action OCHA/FCS to share terms of reference of the planned study

3. Capacity assessments of implementing partners

Ms Pitotti briefed the Task Team on a study on how donors, UN agencies, funds, and international NGOs assess the capacity of potential implementing partners. The terms of reference have been drafted by ICVA and OCHA/FCS and a consultant has been recruited. An advisory group of two UN

agencies, two NGOs, and two donors will be set up. The Task Team will be kept informed. In response to a question from Axel Bisshop, UNHCR, Ms Pitotti said that NGOs often had to undergo several capacity assessments so it would be helpful to harmonize the process, or at least highlight best practice. Clémence Boutant-Willm, Handicap International, and Ms Street said that the study would be useful for NGOs to advocate for a more harmonized approach to capacity assessments. Ms Pitotti said that discussions with donors would take place during the course of the study and that donors would be briefed on the findings. In response to a question from Ms Doughten, Ms Pitotti said that the study would cover both bilateral donors and aid agencies working with implementing partners. Juan Chaves, OCHA/FCS, said the results of the study will help to inform the implementation of the capacity assessment component included in the guidelines for country-based pooled funds. The study might help to achieve a greater degree of harmonization of capacity assessments.

Action ICVA to share terms of reference of the study

4. Studies on review of CERF

Ms Doughten gave a brief update on two studies, commissioned by the CERF secretariat, on a review of CERF. The studies should be finalized by March and then shared with donors, recipient agencies, the Task Team, and others. She will brief the Task Team in more detail at its next meeting in March. Alternatively, Ms Doughten suggested a separate ad hoc meeting of the Task Team to discuss the reports in greater detail. The CERF Advisory Group will meet on 28-29 May in Geneva and will discuss the studies, which will also be presented at a CERF side event during the ECOSOC Humanitarian Segment.

Any other business

a. Update on Global Humanitarian Facility

Mr Chaves reminded the Task Team of a study on pooled funds, which included a recommendation to set up a global facility to improve the effectiveness and efficiency of country-based pooled funds. FCS then developed a paper which presented three options: a global fund, regional funds, or a stand-by country-based pooled fund (CBPF). The paper was discussed within OCHA, by the Pooled Fund Working Group, and by the CBPF NGO Platform. Some questioned the rationale and impact of such a facility. Overall, people noted the positive impact of having a global fund to which NGOs have direct access. An independent consultant, who has been identified, will be hired to further develop the concept and provide recommendations to OCHA on the viability of a global facility. A first draft should be available in April.

Caroline Hotham, Start Fund, asked whether the study would address the issues raised in an open letter by the Start Network, which have not been answered. Alberto Pasini, NRC, asked for background documents. Ms Street asked who will be consulted. Ms Boutant said that several NGOs appreciated the idea of a global facility but also had several critical concerns, in particular on complementarities with other funds, whether funding would be additional, whether OCHA should manage the fund, accessibility and direct access for international and national NGOs. Why not simply

open the CERF to NGOs? The NGOs would like to share these concerns with the consultant. Ms Aviles said that some of the aspects of the proposal went against principles of humanitarian financing. Funds should be pre-positioned for good reason, e.g., based on risk assessments. She asked whether a global facility would help NGOs on the ground, and whether it would support the principle of subsidiarity, i.e., localization of aid. More background information and a more detailed discussion in the Task Team would be helpful.

Mr Chaves said that the discussion paper, which will be re-circulated, should help to answer many of these questions. The concerns of the Start Network will be taken into account and OCHA's Director of Corporate Programmes has met with the START Fund to address some of the concerns, underlining the intent to seek complementarity. Therefore, OCHA will consider establishing a global facility if it is complementary to other funds and if it fits into the humanitarian financing architecture. The study will include a cost-benefit analysis for the option of OCHA managing the facility. Three examples where a global facility with direct access for NGOs would have helped are Typhoon Haiyan in the Philippines, the Sahel crisis, and Iraq, where no country-based (or regional) pooled funds exist. In the discussion paper, it is already clear that decision-making on the programmatic use of a global facility would need to take place on the ground, under the leadership of the Humanitarian Coordinator and similarly to the way humanitarian country teams develop a strategy and coordinated application for funding when applying for CERF funds. Ms Boutant-Willm and Ms Pitotti highlighted the importance of involving local NGOs in the study. Ms Pitotti noted that many NGOs, particularly national NGOs, welcome a discussion on how they can get more direct access to funding.

Action Task Team secretariat to recirculate discussion paper on global facility and note for record from the last PFWG meeting

OCHA/FCS committed to keep the HFTT informed once the study begins, to ensure the consultant captures the views of all relevant stakeholders and findings can be presented and discussed before the final report is completed

b. Workplan of the Pooled Fund Working Group

Mr Chaves briefed the Task Team on the status of the workplan of the Pooled Fund Working Group. ICVA, InterAction, Norway, Germany, and Ireland have formed a task force to finalize the workplan for 2015, which will be shared in early March and will be discussed at the next PFWG meeting in the margins of the ECOSOC Humanitarian Segment. The two main focus areas of the workplan are (1) shaping global policy for greater effectiveness in the operations of country-based pooled funds, and (2) promoting inclusiveness and enhanced coordination through partnerships with local actors.

Ms Aviles asked that documents be shared ahead of the next PFWG meeting. She was wondering if UN agencies could still join the task force drafting the workplan. Mr Chaves will transmit this request to the PFWG. In response to a question from Ms Skuric about membership and participation, Mr Chaves said he would clarify this soon.

Action OCHA/FCS to provide clarification on membership and participation in the PFWG

OCHA/FCS to clarify whether UN agencies can still join the workplan task force

c. Co-chair coverage

Ms Doughten welcomed Cecilia Roselli, ICVA, who will step in as co-chair of the Task Team. On the UN side, Darla Silva, UNICEF, will step in as co-chair for Ms Doughten during her maternity leave. Ms Doughten and many others thanked Ms Pitotti for her co-chairing of the Task Team.

Participants

Location	Name	Agency	
New York	Fabrizio Andreuzzi	UNDP	
	Juan Chaves	OCHA/FCS	
	Lisa Doughten (co-chair)	OCHA/CERF	
	Rob Gaylard	OCHA/CPD	
	Fernando Hesse	OCHA/FCS	
	Michael Jensen	OCHA/CERF	
	Bernard Muinde	IASC secretariat	
	Andrea Noyes	WHS secretariat	
	Jock Paul	OCHA/FCS	
	Nicolas Rost (secretariat)	OCHA/CERF	
	Marina Skuric Prodanovic	UNFPA	
	Geneva	Sandra Aviles	FAO
		Axel Bisschop	UNHCR
Clémence Boutant-Willm		Handicap International	
Elena Garagorri-Atristain		ICRC	
Paulette Jones		WFP	
Linda Kelly		IFRC	
Brian Lander (co-sponsor)		WFP	
Katja Laurilia		IASC secretariat	
Alessio Manes		WFP	
Jordan Menkveld		IOM	
Liliana Mota		IASC secretariat	
Melissa Pitotti (co-chair)		ICVA	
Cecilia Roselli		ICVA	
Raquel Santos Garcia		FAO	
Lisa Walmsley		OCHA/FTS	
By phone/Skype	Rachel Criswell	World Vision	
	Angela Hinrichs	FAO	
	Mirela Hasibra	FAO	
	Peter Holtsberg	WFP	
	Caroline Hotham	Start Fund	
	Christelle Loupforest	IASC secretariat	
	Zu Mian	Mercy Malaysia	
	Alberto Pasini	NRC	
	Darla Silva	UNICEF	
	Anne Street	CAFOD	
Faisal Yusuf	WHO		