

IASC Humanitarian Financing Task Team – Meeting Notes

18 March 2015

Co-Chairs: Lisa Doughten (OCHA/CERF), Cecilia Roselli (ICVA)

Agenda

1. Evaluation of WFP's use of pooled funds (WFP)
2. Future of Humanitarian Financing: GHD and IASC Working Group (FAO)
3. SG's High-Level Panel on Humanitarian Financing (OCHA)
4. UNICEF/WFP study on return on investment for emergency preparedness (WFP)

Any other business

5. FCS action points from last meeting (OCHA/FCS)
6. Mid-year retreat of the Task Team (co-chairs)
7. Upcoming Task Team meetings (co-chairs)
8. Inputs for IASC newsletter (co-chairs)

1. Evaluation of WFP's use of pooled funds

David Matern, WFP, introduced Nick Maunder, an independent consultant who led an evaluation of WFP's use of pooled funds. The evaluation has been presented to WFP's Executive Board. Mr Matern said that while the evaluation had been commissioned by WFP and while recommendations were directed at WFP, many of the findings were of interest to the broader humanitarian community and in particular the IASC Humanitarian Financing Task Team.

Mr Maunder said that WFP was the largest recipient of pooled funds, with \$825 million received between 2009 and 2013, most of which came from CERF. See the presentation for additional details.

The main findings and conclusions include:

- From WFP's perspective, the comparative advantage of humanitarian pooled funds lies in their focus on life-saving humanitarian action.
- Funding preparedness, resilience building, and social assistance is better met through other funding instruments.
- WFP uses PF money mostly for in-kind food assistance but also for cash and nutrition activities, common services, such as UNHAS, common logistics services and pipelines, and shared operational hubs but not for continuing operating costs of common services.
- Contrary to a perception that pooled funds (PFs) have replaced other (bilateral) funding, according to the data this does not seem to be the case. WFP accesses additional donors via PFs that do not provide bilateral funding. Thus, there may be a case for WFP and other agencies to advocate for larger PFs.
- The CERF rapid response window is perceived to support a timely response by WFP, and there were concerns about the CERF window for underfunded emergencies.

- CERF provides timely funding, faster than most other funding channels. Delays mostly occurred during the prioritization process at country level.
- WFP relies more on internal advances than PFs but PFs complement pooled funds.
- PFs reinforce good coordination structures but do not provide enough incentives to improve structures that do not function well.
- Transaction costs for WFP from PF grants are small but possibly increasing.
- Although WFP increasingly engages with coordinated strategy development and project appraisal, PFs do not influence WFP programmatic approach in a substantial way.

The evaluation's recommendations include:

- Maintain and strengthen the life-saving focus of PFs
- Reduce earmarking
- Improve the targeting of CERF grants for underfunded emergencies
- Maintain and increase the capacity to use PFs as collateral for the release of internal advances
- Enhance the contribution of PFs in supporting the operation of common services in emergencies
- Consolidate fulfillment of WFP's coordination responsibilities to improve support for effective use of PFs
- Define strategic and operational responsibilities for using and reporting on PFs at all levels
- Strengthen the quality, efficiency and utility of monitoring and reporting on the use of PFs

Sandra Aviles, FAO, said that WFP is a large organization and that the food sector has usually been well funded, thus the finding on additional funding should be considered in this context. The finding on impact and lack of information on the CBPFs and how this relates to monitoring was interesting in that there have been discussions on the exclusive monitoring of the impact of CHF and ERFs and agencies have been vocal in noting that the CBPFs cannot be monitoring for impact in isolation. The push for exclusive monitoring of CBPFs implies large transaction costs for agencies. FAO advocated that this finding be taken forward for discussion in the Pooled Fund Working Group. Anne Street, CAFOD, asked whether there were any findings or recommendations with regard to partnerships. Caroline Nichols, InterAction, asked for more details on PF transaction costs. Given the transaction costs, is it worth to engage with these funds? Cecilia Roselli, ICVA, asked for more details on the findings on timeliness, in particular with regard to sub-grants.

Mr Matern said that WFP is already engaged in bilateral discussions with the CERF secretariat and OCHA's Funding Coordination Section to agree on follow-up on the evaluation, including with regard to monitoring and reporting. This could also be discussed in the Pooled Fund Working Group. The evaluation team has developed a methodology to calculate transaction costs, which a WFP team is currently refining. Mr Maunder said that transaction costs had been calculated based on WFP staff time spent on PF processes, and only include the incremental costs of PF processes, not costs for participation in cluster and other coordination structures. Overall, given the transaction costs, PF grants are worth it, at least as long as average budgets do not become too small (about \$500,000 for WFP, varying by country). Other donors impose larger transaction costs. Mr Maunder said that PFs had not significantly impacted partnerships between WFP and its partners. Clusters sometimes increase transparency and improve partnerships, and PF processes can contribute to this but this

varied across countries. Mr Maunder said that implementing partners' work was not much delayed by WFP's disbursement of sub-grants since they were able to pre-finance or continue work under existing agreements (although partners complained about the time it took WFP to reimburse them).

Marina Skuric, UNFPA, asked whether PFs had led to increased or decreased donor conditions. Mr Matern said that PFs play an important role and that WFP will share the positive findings from the evaluation more widely. WFP will support a larger CERF. WFP will also continue discussions with OCHA on PF conditions and reporting requirements, with a view to reducing or simplifying them. Ms Roselli said that this discussion could be continued in the context of the Task Team's work on donor conditions.

2. Future of Humanitarian Financing: GHD and IASC Working Group

Ms Aviles briefed the Task Team on the IASC Working Group meeting on 10-11 March in Rome, and the Working Group's discussion on the Task Team's work stream on the future of humanitarian financing (FHF). The discussion was very positive and the Working Group endorsed the FHF report. The report is seen as a collective vision of the Task Team and now the wider IASC. The Working Group endorsed a proposal to send a two-page summary of the FHF report to the High-level Panel on Humanitarian Financing. The same two-pager can be sent to the IASCC Principals for discussion at their meeting on 27 May.

The FHF report was also discussed with the GHD as well as with the GHD representatives that lead the humanitarian financing workstream of the GHD workplan (Germany, Sweden, and the UK). Donors were particularly interested in research on the localization of aid and funding for protracted crises. DFID encouraged the Task Team to share the report with the High-Level Panel on Humanitarian Financing and other stakeholders. As requested by the IASC WG, the activity leads have put together a matrix with the main recommendations from the report. The matrix will be aligned with the Task Team's workplan. Daniel Kull, World Bank, said that the findings on protracted crises were particularly helpful for the Bank's work in the Middle East and Africa, including research on the long-term economic impact of the crises in Syria and the Sahel. Ms Aviles said that the report would be officially launched during the ECOSOC meeting in Geneva in June and possibly at the IASC Principals meeting in Nairobi in May. Anne Street noted that the Deputy ERC and Chair of the IASC WG Kang will be signing a Forward as a preface to be included in the FHF Report.

Christelle Loupforest, IASC secretariat, said that the Working Group meeting also discussed counter-terrorism measures and their impact on humanitarian financing. The minutes will be shared shortly. If the executive summary of the FHF report will be shared with the IASC Principals, some key questions for the principals' discussion should be drafted. Ms Aviles said that the matrix also shows the link between financing and counter-terrorism measures. Using the opportunity of the fact that the ECOSOC Humanitarian Segment will be focused on humanitarian financing, Ms Aviles encouraged the Task Team's co-chairs to see if a collective position could be sent from the IASC Hum Finance TT to OCHA in charge of ECOSOC in order to highlight key issues and possible proposals to be incorporated into the Secretary-General's report. Ms Roselli said that the discussion, especially on the matrix, could be continued at the 15 April meeting of the Task Team, ahead of the June retreat

Action Circulate two two-page documents with summaries of the ‘future of humanitarian financing’ report, for use as inputs to the High-Level Panel

 Share matrix of recommendations with the Task Team

3. SG’s High-Level Panel on Humanitarian Financing

Lisa Doughten, CERF, introduced Julie Belanger, the new head of the secretariat of the Secretary-General’s High-Level Panel on Humanitarian Financing. Preliminary work has been going on, though there are some delays. The Secretary-General has not yet officially appointed the panel. On 13 March, the ERC sent a list of potential candidates to the Secretary-General, although this list may not be the final one. The SG will send official letters to the invitees in the coming days. Kristalina Georgieva, EU Commissioner for Budget and Human Resources and former EU Commissioner for International Cooperation, Humanitarian Aid, and Crisis Response, has agreed to be co-chair. Most other people on the list are not traditional humanitarian stakeholders. They have experience in the private sector, foundations, civil society, and governments. The timeline of the panel covers the next six to eight months, during which the panel should have three face-to-face meetings. Ideally, the panel’s report will provide preliminary findings at the global consultation for the World Humanitarian Summit in Geneva in October and launch its report at OCHA’s Policy Forum in early December. The secretariat will have about six members, including Ms Belanger and Tensai Asfaw from OCHA, David Matern from WFP, and seconded staff from UNICEF, UNHCR, and Denmark. Ms Belanger appreciated the work done by this Task Team and others, and said that financing was linked to many other areas in humanitarian aid. The FHF report and summary could form the core of a scoping document for the panel, and could be discussed during a first meeting (by video link) of the panel during the second week of April.

Ms Doughten said that the Task Team would have to revise its timeline for finalizing inputs to the panel. Mr Matern asked about the links between the panel and the Task Team. Ms Belanger said that links would remain flexible rather than formal, and that the panel’s secretariat would keep all relevant stakeholders informed and give the opportunity to provide inputs.

4. UNICEF/WFP study on return on investment for emergency preparedness

Andreas Wuestenberg, WFP, presented a joint UNICEF/WFP study on return on investments on emergency preparedness. See the presentation for more details. The study is part of a wider UNICEF/WFP project on preparedness, which supported 26 country offices in strengthening preparedness. The objective of the study is to strengthen the evidence base for the benefits of preparedness. The study includes a model to calculate time and financial savings from preparedness, and presents findings from Chad, Madagascar, and Pakistan. The model is used to calculate the risk of emergencies using Monte Carlo and other probability methods, as well as the time and funding required under two scenarios: with and without preparedness measures in place. The model serves mainly to collect and analyze large amounts of data. The model covers six areas of preparedness: food and non-food prepositioning, infrastructure work, long-term agreements, trainings, capacity reinforcement and external contracting. In the three pilot countries, 49 preparedness measures

were analyzed, all of which reduced response times, and most led to cost savings. The model takes into account discount factors and rotation of perishable items, and thus makes conservative estimations, as shown in two examples from Madagascar and Chad. For instance, rehabilitating an airstrip in Chad led to expected savings of more than \$5 million over five years. Overall, \$5.6 million in investments led to an expected \$12 million in savings. Some 64% investments led to both cost and time savings. Savings from prepositioning of internally sourced commodities are higher in landlocked countries with low government capacity (Chad); savings from training and increasing staff capacity higher in countries with higher government capacity (Pakistan).

Ms Doughten asked how the report would be disseminated. Ms Skuric asked for more details on the methodology, including investments done in countries where no emergency took place. Mr Wuestenberg said that three high-risk countries had been chosen for the study. The model includes the calculated risk of possible emergencies in the three countries (not actual emergencies). Thus return on investment for preparedness measures in lower-risk countries would be lower. The report is public and the model can be used by other agencies. Results will be shared with donors, and possibly presented at the World Humanitarian Summit. DFID has extended the project, and OCHA and UNHCR have joined. Additional countries will be examined. The model does not cover all measures, for instance, measure to improve the quality of the response. This may be done during the extension of the study. Carla Martinez, UNICEF, said that preparedness measures had to be adapted to each country context, which could also be included.

Any other business

a. FCS action points from last meeting

Action FCS to provide an update on participation in and the workplan of the Pooled Fund Working Group (two action points from the last Task Team meeting) at the 30 March meeting.

b. Mid-year retreat of the Task Team

Ms Doughten suggested a mid-year retreat of the Task Team during the ECOSOC event in Geneva in June, i.e., probably during the week of 15 June. Activity leads should provide updates on workplan progress ahead of the retreat.

c. Upcoming Task Team meetings

Ms Doughten said the next Task Team meetings will be on Monday, 30 March, to present and discuss the two scoping studies on a review of CERF. Nicolas Rost, OCHA/CERF, added that the next regular meeting will be on Wednesday, 15 April, with an update on the High-Level Panel, Denmark's study of humanitarian financing incentives, the Task Team's activity on CERF and CBPF reporting, and an update on the Task Team's workplan objective 4 on transparency as possible agenda items. The following meeting will be on Wednesday, 20 May, and will focus on donor conditions, with the possible participation of representatives of the Good Humanitarian Donorship initiative. The planned mid-year retreat will take place in mid-June would replace the regular June meeting.

d. Inputs for IASC newsletter

Ms Doughten encouraged all Task Team members, especially activity leads, to send items for the IASC newsletter to Mr Rost, at rostn@un.org.

Participants

Location	Name	Agency
New York	Julie Belanger	OCHA/HLP secretariat
	Mateusz Buczek	OCHA/CERF
	Lisa Doughten (co-chair)	OCHA/CERF
	Amanda Gunton	UNICEF
	Olivia Headon	IASC secretariat
	Fernando Hesse	OCHA/FCS
	Michael Jensen	OCHA/CERF
	Christelle Loupforest	IASC secretariat
	Carla Martinez	UNICEF
	Nicolas Rost (secretariat)	OCHA/CERF
	Marina Skuric Prodanovic	UNFPA
Geneva	Sandra Aviles	FAO
	Elena Garagorri-Atristain	ICRC
	Paulette Jones	WFP
	Alessio Manes	WFP
	David Matern	WFP
	Nick Maunder	Consultant for WFP
	Kate McGrane	NRC
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	By phone/Webex	Fabrizio Andreuzzi
	Tensai Asfaw	OCHA/HLP secretariat
	Clémence Boutant-Willm	Handicap International
	Monika Brühlhart	UNHCR
	Angela Hinrichs	FAO
	Natasha Kindergan	WHS secretariat
	Daniel Kull	World Bank
	Christelle Loupforest	IASC secretariat
	Zu Mian	Mercy Malaysia
	Caroline Nichols	InterAction
	Mirja Peters	IASC secretariat
	Anne Street	CAFOD
	Andreas Wuestenberg	WFP
	Faisal Yusuf	WHO