

IASC Humanitarian Financing Task Team – Meeting Notes

27 May 2015

Co-Chairs: Cecilia Roselli (ICVA), Darla Silva (UNICEF)

Agenda

Update on Objective 2: “Re-negotiate donor requirements or conditions that contribute to reducing the burden,” and related activities

1. Update on Activity 2.1 on donor conditions (UNFPA and WFP)
2. Update on status of InterAction study on donor agreements (InterAction)
3. Update on ICVA study on UN agreements (ICVA)
4. Discussion on way forward on donor conditions workstream (activity leads)
5. Update on Activity 1.5: ICVA/FCS study on partner capacity assessments (ICVA)

Other business

6. Upcoming meeting of the Pooled Fund Working Group (OCHA/FCS)
7. Update on High-Level Panel on Humanitarian Financing (HLP secretariat)
8. New IASC website (IASC secretariat)
9. Upcoming meeting of the CERF Advisory Group (OCHA/CERF)

1. Update on Activity 2.1 on donor conditions

Darla Silva, UNICEF and co-chair of the Task Team, introduced the meeting. Marina Skuric Prodanovic, UNFPA, and Caterina Galluzzi, WFP, both activity co-leads for Objective 2, provided an update on Activity 2.1, under Objective 2 in the Task Team’s workplan, “Re-negotiate donor requirements or conditions that contribute to reducing the burden” (see the presentation for further details). The objective and activity were included in the workplan at the Task Team’s retreat in January 2014, when members discussed the increasing pressure from donors, including limited predictability, transparency requirements, visibility, value for money, and others.

In 2014, in line with the initial plan, the top donor conditions were identified and guiding principles with regard to donor conditions were agreed, and mapped to the conditions. But some agencies were reluctant to name donors or link donors to specific conditions, which made it difficult to draft targeted key messages.

At the Task Team’s January 2015 retreat, it was agreed that members would provide more detailed

Quartile	Conditionality
HIGH IMPACT	Financial Restrictions
	Earmarking
	Reporting
	Risk Management
	Limited predictability
MEDIUM IMPACT ¹	Disclosure/transparency
	Counter-terrorism
	Due diligence
	Environmental impact/Climate change
	Anti-corruption/fraud/misuse of funds
SMALL IMPACT	Visibility
	Value for Money
	Lobbying
	Restrictions on staff with donor country's nationality

¹ This category includes the middle two quartiles.

inputs and UNFPA and WFP, the activity co-leads, would further develop the methodology to analyze donor conditions.

Despite some limitations, seven out of ten potential UN respondents provided inputs, and there was only one NGO respondent. Therefore, results that are being presented may change if all of the potential respondents were to provide inputs before the exercise is completed. Based on these inputs, conditions were grouped into quartiles according to their impact, and only conditions in the top quartile, with 'significant' or 'large' impact, were considered for the analysis. The 14 top donor conditions were identified and also ranked by 'scope for improvement;'

Most of these conditions are financial restrictions (27%, measured by the combined severity score), related to earmarking (15%), reporting (11%), risk management (10%) and limited predictability (7%). That is, 70% of the impact level of donor conditions is linked to these five areas. Conditions linked to limited predictability have significant and conditions linked earmarking large scope for improvement, the others, medium, small or no scope. Ms Skuric asked the group to decide on next steps, particularly with regard to engaging donors (GHD, individually, etc.) and whether the engagement should be governed by the expected scope for improvement of certain conditions.

Task Team members thanked the activity co-leads for their work and discussed the way forward. Anne Street, CAFOD, suggested further to unpack the ranking by scope for improvement. The NGO consortia could help to get more NGO inputs. Monika Brühlhart, UNHCR, said that the overall ranking was similar to what individual agencies would have listed, thus, there are no surprises. However, the analysis is powerful because it provides an overall view of the IASC on donor conditions. David Matern, HLP secretariat, agreed that the analysis was groundbreaking because it was the first time that donor conditions had been compiled in an interagency process. This should be taken to the Good Humanitarian Donorship (GHD) initiative and the High-Level Panel for Humanitarian Financing (HLP). Cecilia Roselli, ICVA and co-chair of the Task Team, said that ICVA will encourage NGOs to provide more inputs to make sure the NGO perspective is properly captured. As a result of NGOs' contributions some of the rankings in the study might change, e.g., with regard to counter-terrorism or due diligence, which NGOs may rank higher than the wider humanitarian community.

She and Clemence Boutant, Handicap International, said that the matrix was complex for NGOs to fill in. Juan Chaves, OCHA/FCS, said it was not clear whether for pooled funds, the Funding Coordination Section should complete the matrix from the point of view of a provider or receiver of funds. When taking the analysis to the donors, the positive implications of change should be emphasized over the negative impact of conditions, to encourage a dialogue between the IASC and donors.

2. Update on status of InterAction study on donor agreements

Caroline Nichols, InterAction, gave an update on the status of an InterAction study on donor agreements (ICVA conducted a similar study on UN agreements, see below). This initiative dates back to August 2014, when InterAction (separate from the task team's workstream) approached its members for inputs on donor conditions on a for-attribution, open-ended basis. InterAction and ICVA realized that they were undertaking similar work and decided that ICVA would take on UN donors and IA would take on the bi-lateral government donors. Over the past few months InterAction reviewed the guidelines of DFID, ECHO, Europe Aid, SIDA, USAID (non-OFDA, non-OTI), USAID/OFDA and PRM, defining a condition as something that impacts and NGO's ability to

implement efficient, principled humanitarian assistance. The review focuses on conditions in four broad categories; contractual obligations (grant duration, staffing, administration, financing), program design and implementation (partnership, partner vetting, program location, targeting), monitoring and reporting (frequency and complexity of reporting, evaluation and audit requirements) and visibility.

InterAction has consolidated information from the donor guidelines, shared with members and asked them to share their feedback on it. The aim is to have a short review completed by July 2015.

3. Update on ICVA study on UN agreements

Ms Roselli briefed the Task Team on an ICVA study on UN agreements, which ICVA conducted in November 2014, and which has been finalized.² The document includes a brief analysis of the main UN agreements conditions and a matrix comparing procedures on different categories of conditions. This is a living document to be used as an easy reference by NGOs. It is currently being updated as OCHA and UNICEF are implementing some changes to their agreements. The top conditions in UN agreements are quite similar to the top conditions identified by UNFPA and WFP. A particular concern that emerged from the study is the difference in treatment of personnel costs by UN agencies.

ICVA and InterAction will work together to harmonize results of the two studies to identify key advocacy messages on the issue on behalf of NGOs. ICVA and InterAction have already engaged the Brussels-based NGO consortium Voice on this work to integrate the result of their analysis of donor conditions of ECHO and some other EU member States.

4. Discussion on way forward on donor conditions workstream

Ms Skuric said that further inputs from NGOs on donor conditions were welcome and asked Handicap International to help simplify the methodology for NGOs. She and others were in favor of compiling key messages for the GHD, HLP, and the process leading up to the World Humanitarian Summit (WHS). Ms Skuric suggested to distinguish between conditions that can be traced back to donor requirements, which should be discussed with donors, and conditions that are imposed by UN agencies, which should be discussed between NGOs and the UN. Ms Nichols agreed to make this distinction. Ms Skuric suggested, and others agreed, to form a small task force to take the work on donor conditions forward. Rachel Criswell, World Vision, asked for better guidance for NGOs and Ms Roselli agreed to draft a one-pager. Task Team members agreed to engage the GHD on donor conditions, instead of specific donors bilaterally, at least as a first step.

Ms Silva summarized the Task Team's agreement:

Action ICVA to compile brief guidance for NGOs on how to provide inputs on donor conditions by Wednesday, 3 June and further stimulate NGOs inputs.

All, but especially NGOs, to provide further inputs by the end of June.

WFP, UNFPA, ICVA, InterAction, Handicap International, IOM, and World Vision to form task force to take work on donor conditions forward.

² <https://icvanetwork.org/resources/comparison-review-un-partnership-agreements>

Task force to analyze inputs, integrate different components (donor conditions, ICVA and InterAction studies), and draft key messages for GHD, HLP, and WHS by the end of July.

Task Team to review draft key messages and endorse them, in July, and provide to HLP and WHS.

Task Team to meet with GHD representatives in September and discuss donor conditions.

5. Update on Activity 1.5: ICVA/FCS study on partner capacity assessments

Ms Roselli introduced a presentation by Thomas Lewinsky, an independent consultant, on partner capacity assessments. This work is the result of a productive collaboration between ICVA and FCS under the leadership of ICVA; in addition, Handicap International, Germany, UNFPA, and UNICEF were part of the study's steering group.

Mr Lewinsky gave the presentation (see slides for further details). One of the questions of the study was whether organizations carrying out partner capacity assessments (PCAs) are asking the right questions. The study's methodology included a mapping of PCA tools and methodologies, an analysis of commonalities and differences, an attempt to identify prospects to harmonize PCAs, actionable opportunities for 'good enough' PCAs, and recommendations for the Task Team to influence donors and make PCAs more fit for purpose.

The study found that the issue of PCAs is very complex and deserves particular attention from the overall humanitarian community. PCAs involve a long process, sometimes preceded by a due diligence process, which demands time and resources from all involved. This means high transaction costs and entry barriers for some NGOs. PCAs are sometimes not transparent, complicated, and may duplicate one another.

There was no correlation between detailed PCAs and the partner's performance, nor was there a link between the amount of funding and the level of detail of a PCA. Most participants called for simpler PCAs but there was limited appetite for a harmonization of PCAs, which could reduce flexibility.

PCAs are less appropriate for local NGOs, for which funders should lower their standards, than for international NGOs. Some funders see NGOs as partners, others as sub-contractors. Some participants called for more long-term capacity building.

The study includes several recommendations:

1. PCAs and due diligence procedures should be proportional to the scale of operations of NNGOs and better reflect the specific characteristics of NNGOs in various country settings, which often include smaller scale operations with less advanced organisational systems in place
2. PCA and due diligence procedures should be made more accessible by fund providers and agencies including development of simple graphical illustrations, process overviews and FAQs on their website.

3. To enhance understanding between funders and “fundees”, funders should make dedicated efforts to establish regular communication and dialogue with potential partners at country level about what is being assessed, why and how the information will be used.
4. In order to make possible collective fast tracking of humanitarian civil society funding INGOs and NNGOs must proactively coordinate needs assessments of national civil society organisations. This could be done by developing and implementing a shared set of recognised PCA criteria to be used as baseline for potential donors.
5. UN agencies and INGOs at country level should routinely engage in dialogue and coordination efforts around applied risk management frameworks, led by the Humanitarian Country Team, in order to arrive at shared terminology and collective approaches to risk management, reducing unnecessary duplication and overlap.

As a way forward, the study could be complemented by more detailed ‘tracer’ studies. The findings could be taken forward with the GHD, CBPF/NGO Platform, Pooled Fund Working Group, Future Humanitarian Financing activity, and others.

Mr Chaves added that the study is to be considered as a preliminary step in the analysis of this issue. The research could be taken forward by identifying questions that are asked in PCAs but are irrelevant from a programmatic point of view. FCS will use the study to refine its approach to PCAs. Ms Roselli said the recommendations were structured on purpose to be clear and actionable in order to be taken forward by the Task Team. The report will be shared with the Task Team as soon as endorsed by the Technical Steering Group and the discussion will continue during the Task Team’s retreat.

Any other business

Fernando Hesse, OCHA/FCS, reminded the Task Team about the upcoming meeting of the Pooled Fund Working Group on 18 and 19 June in Geneva. The invitation, agenda, and some supporting documents have been shared by email. A global evaluation of common humanitarian funds and updates from the Task Team and CERF will be part of the agenda. It was agreed that a discussion about UN representation in the Pooled Fund Working Group would continue outside of the Task Team.

Mirja Peters, IASC secretariat, presented the new IASC website, including the Task Team’s space, where all relevant documents are archived. Task Team members can use the access code that has been shared to log in (HNZ8UOD4), and they should create individual login accounts.

Nicolas Rost, OCHA/CERF and Task Team secretariat, reminded members of the meeting of the CERF Advisory Group on 28 and 29 May (an invitation and information have been shared by email).

Mr Rost reminded Task Team members to confirm their participation in the Task Team’s mid-year retreat on 16 June in Geneva, and activity leads to send an update on the status of their activities.

Participants

Location	Name	Agency
New York	Juan Chaves	OCHA/FCS
	Fernando Hesse	OCHA/FCS
	Taija Kontinen-Sharp	UNDP
	David Matern	HLP secretariat
	Lisbeth Pilegaard	HLP secretariat
	Nicolas Rost (secretariat)	OCHA/CERF
	Darla Silva (co-chair)	UNICEF
Geneva	Marina Skuric Prodanovic	UNFPA
	Clemence Boutant	Handicap International
	Monika Brühlhart	UNHCR
	Ysabel Fougery	IFRC
	Alessio Manes	WFP
	Kate McGrane	NRC
	Jordan Menkveld	IOM
	Mirja Peters	IASC secretariat
	Cecilia Roselli (co-chair)	ICVA
	Rachel Santos Garcia	FAO
By phone/Webex	Rachel Criswell	World Vision
	Caterina Galluzzi	WFP
	Caroline Hotham	Start Network
	Thomas Lewinsky	ICVA consultant
	Maureen Magee (PHA Task Team)	NRC
	Zu Mian	Mercy Malaysia
	Caroline Nichols	InterAction
	Anne Street	CAFOD
Faisal Yousaf	WHO	