
IASC Results Group 5 on Humanitarian Financing

Progress Report (April – October 2019)

2019 Priority Areas of Work

*[List below the OPAG-agreed Priority Areas of Work and describe the **concrete deliverables** under each priority area, leads or co-leads, status of implementation and key non-IASC bodies/partners engaged with to complete work. When describing the status, choose from ‘completed, ongoing, outstanding or continuous’ and provide additional comments on anticipated timelines, where applicable.]*

PRIORITY AREAS OF WORK AS AGREED BY OPAG	CONCRETE DELIVERABLES	LEADS	STATUS	PARTNERS
1. Map and promote financing instruments supporting humanitarian interventions with development co-benefits <i>[Ensure that this is done in collaboration with Results Group 4 on Humanitarian-Development Collaboration].</i>	1.1 Identify and promote policy recommendations for the improvement of financing instruments that support humanitarian interventions with development co-benefits. This will be conducted through a study 'Financing the Nexus' which maps financing instruments in Cameroon, the Central African Republic (CAR), Chad, the Democratic Republic of Congo (DRC) and Ukraine.	NRC, FAO, UNDP	Completed: Published in July 2019.	Good Humanitarian Donorship Grand Bargain WS 7+8 on Quality Funding
	1.2 Building on the findings of the 'Financing the Nexus' study, identify, review and document successful funding and financing instruments used at country level for joint humanitarian development programming and share findings with donors	NRC, FAO	Ongoing: Work is underway in Q4 to identify top priorities and focus countries.	Grand Bargain, Good Humanitarian Donorship OECD
	1.3 Contribute to the financing element of the RG4-led light guidance on collective outcomes.	NRC, FAO	Outstanding: RG5 has formally linked with the RG4 sub-group focused on collective outcomes to participate in the development of guidance.	Grand Bargain, Good Humanitarian Donorship OECD
2. Facilitate the development of innovative approaches to humanitarian financing that deepen and widen the resource base.	2.1 Develop and disseminate a best practices/ lessons learned document providing guidance for IASC members on how to utilize Islamic Social Financing (ISF) tools and provide practical recommendations for collaborative approaches to scale up access to ISF.	ICVA	Ongoing: An initial draft of a guidance paper has been developed. As of October, a specialist in ISF has been engaged to assist in the final stages of drafting a guidance document with recommendations.	IRW
	2.2 Develop guidance for IASC members to support country-level financing solutions for local actors.	Oxfam	Q2 2020	RG2 in relation to localization and Grand Bargain
3. Produce a business case showing the contribution of multi-year humanitarian	3.1 Complete a briefing paper on barriers to multi-year and unearmarked funding in support of the Grand Bargain Workstream 7 and 8 multi-stakeholder workshop in September 2019.	OCHA, ICVA, NRC, FAO,	Completed: Quality Funding workshop completed on 19	Grand Bargain WS 7+8 on Quality Funding

<p>planning and unearmarked funding to more cost-effective humanitarian assistance. In this regard, strengthen engagement with donor countries, including the OECD, GHD, and GB (in particular clustered Work Streams 7 and 8 on Quality Funding) including on issues of predictable financing.</p>		UNICEF and others	September in Geneva with UN, NGOs, and donor governments in attendance.	Good Humanitarian Donorship
	3.2 Provide IASC messages for donors on tackling those barriers and encourage multi-year humanitarian planning and unearmarked funding in support of the Grand Bargain Workstream 7 and 8 multi-stakeholder workshop.	OCHA, NRC, Oxfam, Save the Children, ICVA, UNFPA, WFP, IOM, UNICEF, UNDP	Completed: Recommendations paper completed on 17 September in advance of the 19 September workshop and distributed to all participants, in collaboration with RG4	Grand Bargain WS 7+8 on Quality Funding Good Humanitarian Donorship
	3.3 To support the GB Workstream 7 and 8 through a mapping of donor funding practices enabling multi-year and unearmarked financing in order to shape subsequent donor advocacy.	OCHA, ICVA FAO and UNICEF (supported by UNFPA)	For Q1 2020	This work will be done in collaboration with Grand Bargain WS7+8 as part of the follow up to the 19 th Sept workshop
	3.4 Complete and disseminate multi-year study on benefits of multi-year and unearmarked funding drawing on multiple country contexts. (Follow up work in 2020 likely to focus on addressing issues of cascading funding from UN to NGOs)	NRC, DI FAO and UNICEF (support)	Ongoing	Grand Bargain WS 7+8 on Quality Funding Good Humanitarian Donorship
<p>4. Facilitate the ongoing process of simplification and harmonization of UN systems to reduce burdens and free additional resources for humanitarian operations.</p>	4.1 NGOs to present protocol for harmonization of cost classification and financial reporting.	NRC,	Completed: Protocol presented 25 September 2019 in Brussels to UN, NGOs, and donor governments.	Humentum Grand Bargain Good Humanitarian Donorship
	4.2 Advocate with UN agencies to adopt the protocol.	NRC, UNFPA	Ongoing	Humentum Grand Bargain Good Humanitarian Donorship
	4.3 Establish a pilot project with donors and implementing organisations to test the protocols.	NRC, UNFPA	For early 2020	Humentum Grand Bargain

				Good Humanitarian Donorship
	4.4 Propose and negotiate revised 2020 partnership agreements between NGOs and UNHCR, OCHA, UNICEF, WFP, and UNFPA.	ICVA, other UN	Ongoing: Initial analysis of agreements completed in April 2020, final negotiations for agreements underway in October 2019.	

Achievements

➤ Achievement 1:

- Overview of achievement/ deliverable: Completed a study that identifies and promotes recommendations towards the improvement of financing instruments that support humanitarian interventions with development co-benefits: Financing the Nexus study (<https://interagencystandingcommittee.org/results-group-5/documents/financing-nexus-gaps-and-opportunities-field-perspective-2019>). The findings draw on evidence gathered from Cameroon, the Central African Republic, Chad, the Democratic Republic of Congo, and Ukraine. This study complements a country analysis undertaken by the JSC, which focused on Burkina Faso, Cameroon, Chad, Ethiopia, Niger, Nigeria and Somalia.
- Potential impact on the ground: This workstream facilitates an improved understanding of gaps and challenges to financing the nexus, with an aim to strengthen financing instruments that support humanitarian interventions with development co-benefits. There are particular benefits to better coordination between humanitarian and development operations in contexts that suffer from ongoing protracted crises. In those cases, a focus on how to better finance work within the humanitarian-development-peace nexus can serve to both reduce overall humanitarian need, as well as ensure that a broader range of resource can be redirected to meet humanitarian need when it arises. The study concludes (and is consistent with outcomes of the Joint Steering Committee) that there is minimal attention to financing collective outcomes, and a need to better understand both traditional and non-traditional funding streams and instruments.
- Complementarity pursued with other Results Groups and/or IASC-associated entities: RG 5 is contributing to the financing element of the RG4-led light guidance on collective outcomes which is currently underway. It is already evident that effective action in this workstream requires close collaboration between RG4 and 5, and the co-chairs of both groups have developed a good working relationship.
- Engagement/partnerships pursued with non-IASC bodies/partners for the completion of this body of work : The 'Financing the Nexus' study was enriched by the specific experience in five countries and presented to and discussed with a wide audience of donors, UN agencies, and NGOs. There is a particular need to engage better with development actors in order to achieve effective results, and the OECD has now been invited as a special guest to join RG 5 work on the Nexus.
- Follow-up plans: RG5 is planning to deepen the workstreams findings in a webinar with key humanitarian partners. Furthermore, RG 5 is now working with the activity leads (NRC, FAO, and UNDP) to define follow-up steps that build on the 'Financing the Nexus' study and the JSC country mapping. The aim is to identify and propose solutions in selected countries to strengthen funding and financing instruments for joint humanitarian development programming. In collaboration with RG4, the recommendations from 'Financing the Nexus' will also contribute to the development of practical field guidance for how to better understand, finance, and programme in contexts within the Nexus space.

➤ Achievement 3:

- Overview of the deliverable: The Results Group has published several products that support the business case for increased use of quality funding (multi-year, flexible and unearmarked) as a key enabler of more efficient and cost-effective humanitarian response. This work contributed to and was developed in collaboration with the Grand Bargain workstreams 7 (Increase collaborative humanitarian multi-year planning and funding) and 8 (Reduce the earmarking of donor contributions). Deliverables include:
 - 1) A primary background document for the Grand Bargain Workstream 7 and 8 Multi-Stakeholder Accelerator Workshop in September 2019, analysing the barriers to increasing the provision and programming of quality funding.
 - 2) A study on Field Perspectives on Multi-Year Humanitarian Funding and Planning: How Theory has Translated into Practice in Jordan and Lebanon.
 - 3) Recommendations to overcome identified barriers to quality funding and adapt humanitarian systems to absorb quality funding, cascading its benefits to implementing partners and facilitating a transition from humanitarian to development response (completed in collaboration with Results Group 4 on Humanitarian Development Collaboration).
- Potential impact on the ground: emerging evidence confirms that multi-year and flexible funding is needed to enable aid organizations to work in more effective and efficient, longer-term and adaptive ways. Particularly in protracted crises, more stable and flexible funding can significantly reduce the burden placed on staff to focus on developing funding proposals and agreements rather than delivery of aid. Appropriately flexible funding also contributes to the ability of practitioners in the field to adjust as needed to meet the greatest humanitarian need. More flexible multi-year funding should not be confused with reduced accountability. Rather, these characteristics of quality funding can make response more accountable to meet the needs of affected populations when implemented appropriately.
- Complementarity pursued with other Results Groups and/or IASC-associated entities: These deliverables entailed close collaboration with RG 4 on Humanitarian Development Collaboration. As identified in the 'Financing the Nexus' study, there is a close correlation between effective work in the Nexus space and improved quality funding as both areas typically focus on contexts with protracted crises.
- Engagement/partnerships pursued with non-IASC bodies/partners for the completion of this body of work (Including the field, local actors, donors, among others): Outside of the IASC, the Grand Bargain workstreams 7 ([Increase collaborative humanitarian multi-year planning and funding](#)) and 8 ([Reduce the earmarking of donor contributions](#)) and the Good Humanitarian Donorship group are key stakeholders with which RG5 will partner.
- Follow-up plans: Since both the think piece and the associated workshop have been completed an outcome document will be drafted. It will contain links to the think piece as well as the deliverables and commitments of this workstream after the workshop. In the coming months, RG5 will support the Grand Bargain in identifying and endorsing a multi-stakeholder definition of Multiyear Humanitarian Financing with key bilateral partners/donors in order to make progress on this work. RG5 is also advocating with GB donors to identify focus countries where the evidence base can be better developed. In 2020, RG5 suggests collaboration with the OECD, convening donors, UN agencies, and INGO regulators around compliance and risk issues and with the objective to identify and overcome barriers to quality funding. RG 5 will also convene a crisis financing round table in collaboration with the GHD and the World Bank (tbc) to expand collective knowledge and learning). This would help to address the technical barriers to quality funding, noting that other barriers are of a political nature.

➤ Achievement 4:

- Overview of the deliverables: NGOs and UN agencies including UNHCR, OCHA, UNICEF, WFP and UNFPA are currently discussing adjustments to language in partnership agreements for 2020. This discussion is built upon a detailed analysis completed in May 2019 that thoroughly reviewed the language in individual agency's partnership agreements and proposed specific new language with the goal of simplifying and harmonizing agreements across agencies. The analysis focused on 4 core areas of agreements: data privacy, protection, and intellectual property; misconduct and prevention of sexual exploitation and abuse; narrative and financial reporting; and financial management. As of October, discussion is ongoing to make changes to 2020 agreements.
- Additionally, NGO members of RG 5 led by NRC have presented a protocol called 'Money Where It Counts' that aims to harmonize cost classifications and financial reporting across humanitarian donors, NGOs and UN agencies. Developed in cooperation with 9 NGO partners, detailed draft technical guidance for Money Where It Counts was shared with stakeholders on 25 September in Brussels.
- Potential impact on the ground: The core objective of this workstream is to increase efficiency in humanitarian aid by reducing the burden placed on field staff by existing systems for funding (agreements) and management of financial resources. This reduction in burden can be measured in thousands of hours of work saved at the field level – valuable time resource – which can be redirected toward better meeting humanitarian need.
- Complementarity pursued with other Results Groups and/or IASC-associated entities: N/A
- Engagement/partnerships pursued with non-IASC bodies/partners for the completion of this body of work (Including the field, local actors, donors, among others): The Co-Conveners of Grand Bargain workstreams on transparency, reduced management costs, and reporting are closely engaged in supporting rollout of Money Where It Counts and simplified and harmonized systems in general. Humentum is also a close external partner providing expertise in NGO financial management systems.
- Follow-up plans: For harmonization of partnership agreements, work will be completed before the end of October to secure any changes to be incorporated in to 2020 agreements between UN agencies and NGO partners. During 2020 it is anticipated that additional discussion building on the theme of harmonization and simplification can occur, potentially focusing on partner capacity assessment. Work on the Money Where It Counts protocol also continues. Following the rollout of draft technical tools for implementing the protocol, RG 5 will now support advocacy efforts with UN agencies (e.g. UNHCR) to adopt the protocol, and with donors and implementing organisations to establish a pilot project testing implementation in the field.

Forward-Looking Priority Areas of Work for 2020

At present RG 5 plans to continue the focus on the same four high-level priority work areas into 2020. At the deliverable level, it is anticipated that there will be some changes in focus as 2019 deliverables are completed. For example, priority area 2 which focuses on innovative financing will likely be further developed in 2020 in partnership with the GHD group that also views this area as a priority. Each of the other three priority areas have 2019 deliverables that imply further work in 2020 to finalize pilot or other materials.

The following concrete deliverables will be added to the RG 5 priority areas of work for 2020:

Concrete Deliverables	LEADS	CONTACTS OF LEADS	TIME LINE	SYNERGIES WITH OTHER RESULTS GROUPS	NON-IASC BODIES TO ENGAGE WITH (MUST)
1.2 Map lessons and good practice implementing quality funding in selected countries. Identify and propose solutions aimed at strengthening funding and financing instruments for joint humanitarian development programming. Engage with donors to bring them up to scale and on building a stronger narrative in support of quality funding. This workstream builds upon the 'Financing the Nexus' study and <i>Joint Steering Committee (JSC), DCO and OECD country mappings,</i>	NRC FAO	Cecilia Roselli: Cecilia.Roselli@nrc.no Luca Peciarolo: Luca.Peciarolo@nrc.no Angela Hinrichs Angela.hinrichs@fao.org Rodrigue, Vinet Rodrigue.vinet@fao.org Romano Lasker: romano.lasker@undp.org Sarah Dalrymple: sarah.dalrymple@devinit.org	Q2 2020	RG 4	Grand Bargain WS 7+8 on Quality Funding Good Humanitarian Donorship (GHD) OECD financing the nexus paper and financing strategies
2.2 Develop guidance for IASC members to support country-level financing solutions for local actors.	Oxfam	Debbie Hillier: DHillier@oxfam.org.uk Sarah Badju: sarah.badju@oxfam.org	Q2 2020	RG 2 around localisation	Grand Bargain
3.6 In collaboration with the OECD, convene donor/UN agencies/INGO regulators around compliance and risk issues and with the objective to identify and overcome barriers to quality funding.	TBD		Q2 2020		OECD and Grand Bargain WS 7+8 on Quality Funding
3.7 Convene a crisis financing round table in collaboration with the GHD and the World Bank (tbc.).	TBD		Q1 2020		GHD
4.3 Establish a pilot project with donors and implementing organisations to test harmonised cost classification protocols.	NRC	Cecilia Roselli: Cecilia.Roselli@nrc.no Luca Peciarolo: Luca.Peciarolo@nrc.no Maryline Py py@unfpa.org	Q1 2020		Grand Bargain Good Humanitarian Donorship

Key Dates

- Webinar: Financing the Nexus. November 2019. Broad humanitarian audience including field colleagues to share findings of study and validate planned follow up.
- Local Partner Webinar: January 2020. Outreach to national NGOs (using IASC member networks) to share the work of the RG, ground-truth focus areas, and ensure that concerns of local partners are reflected in priority work areas.
- Crisis Financing Roundtable: With WB and GHD (tbc), discuss the broad range of tools that practically support protracted crises, and need to be considered when discussing financing. Q2, Geneva
- Event on practical barriers to quality funding: With OECD DAC and GB 7/8 (tbc), convene a meeting of regulators to discuss regulatory/legal barriers to quality funding and identify practical solutions to address them. Q2, Geneva