



The Grand Bargain: Three Years On Multi-Year Humanitarian Financing

Long-term crises, short-term funding

It is estimated that **132 million people are in need of humanitarian assistance** in 2019, a number that has been steadily rising over the past decade.¹ As needs rise, the length of time that people are in need of assistance also continues to grow. At the end of 2018, **78% of refugees—15.9 million people—were in protracted displacement situations.**²

Donors have been more generous than ever before, yet humanitarian aid is still not suited to today's challenges. Typical humanitarian assistance awards are still short-term (less than 12 months) and restricted. This prevents aid actors from long-term planning, create delays in delivering services, especially between contracts, and incentivize short-term results rather than sustainable improvements in people's lives and livelihoods.

Today's humanitarian crises require adequate, predictable and flexible funding. At the World Humanitarian Summit in 2016, 34 donors, multilateral agencies and implementing organizations signed the Grand Bargain and committed to increase the amount of multi-year humanitarian financing (MYF) available—a key step toward more efficient and effective humanitarian assistance. **Many have stepped-up; however, overall progress remains slow—and often difficult to track.**

The benefits of multi-year financing

A growing evidence base suggests MYF can drive **improved efficiency and effectiveness of humanitarian response.** MYF can increase effectiveness of program outcomes in emergency settings and create cost-saving measures that reduce the gap between available funding and humanitarian needs.³ MYF can **lower staff costs**, enabling longer staff contracts and decreasing staff turnover, and **reduce administrative burdens** resulting from constant cycles of proposal submission and reporting that derive from short-term grants. World Food Programme in Ethiopia estimated that reduced administrative requirements saved more than \$38,000 over a three year period.⁴

Case studies suggest predictable and flexible humanitarian financing **enables early and rapid response**, increasing the ability to be prepared, plan programming and procure items before market prices spike. Organizations have also reported that MYF helped build **greater trust with local communities** by enabling for consistent community engagement.⁵ MYF can help align responses with changing needs as crises evolve.

Progress since 2016, but not enough

The Grand Bargain created momentum and put pressure on donors to provide more MYF. Self-reporting shows some progress from bilateral donors, but it is still unclear how MYF is flowing to first-line responders and what impact MYF has for beneficiaries. There is a **lack of regular, transparent data and significant evidence gaps.** It is difficult to know where MYF is going—what regions, sectors, partners—and there is scant analysis of long-term cost savings and program impact.

Our review of Grand Bargain self-reports suggests **UN agencies—which are overwhelmingly the first beneficiaries of bilateral humanitarian financing—are not passing MYF received to first-line implementing partners.**⁶ In 2017, 65% of all humanitarian funding went to just three UN agencies: WFP, UNICEF and UNHCR. Only half (5 of 10) UN agencies—UNICEF, WHO, WFP, and OCHA, UNFPA—are in a position to pass down MYF (those with an operational presence and work with/through implementing partners) and reported that they had done so; UNICEF was the only agency to report an actual figure.⁷ Although UNHCR now pursues multi-year planning cycles, it has not passed on MYF to implementing partners.

¹ UN OCHA (2018). [Global Humanitarian Overview 2019](#), 5.

² UNHCR (2018). [Global Trends: Forced Displacement in 2018](#), 22.

³ CITE FAO Report <http://www.fao.org/3/a-i8040e.pdf>

⁴ Cabot Venton, C. and Sida, L. (2017). [The Value for Money of Multi-Year Humanitarian Funding Emerging Findings](#), 37.

⁵ Canada (2018). [Grand Bargain Self-Report 2017](#), 27.

⁶ Overseas Development Institute (June 2019). [Grand Bargain Annual Independent Report 2019](#), 21.

⁷ Overseas Development Institute (June 2019). [Grand Bargain Annual Independent Report 2019](#), 50

Funding Flows: Donor Landscape

Progress towards more and better MYF arrangements⁸ has been made since 2016. More than half of Grand Bargain signatories reported activities in the MYF workstream, of which 75% scored “good” or “excellent” on progress—a significant increase from 30% of signatories who scored in this range in 2017.⁹ A closer look at major actors reveals there is room for improvement on flows to first-line responders and on transparency.

Donor	Overview	% MYF 2017 ¹⁰	% MYF 2018 ¹¹	% Change 2017-2018	Transparency ¹²
<i>German Federal Foreign Office</i>	Due to multiple agencies giving humanitarian funding and limited data available, it is difficult to discern the full picture of Germany’s MYF allocations.	34.6	50%	+44%	3
<i>Global Affairs Canada</i>	Canada previously made great strides in increasing their allocation of MYF (14% to 55% between 2015 and 2017), but no significant change between 2017 and 2018. ¹³	55%	55%	+0%	2
<i>European Civil Protection & Humanitarian Aid Operations</i>	Multi-annual planning and contracting is increasingly ECHO’s preferred option, but progress remains constrained due to concerns over slow implementation when beneficiaries have immediate needs. ¹⁴	17.5%	40% ¹⁵	+129%*	4
<i>Norwegian Ministry of Foreign Affairs</i>	Norway signed its first multi-year agreement with and announced multi-year support for OCHA (2019-2021). Norway continues to hold multi-year pledges for the Syria and the Lake Chad regions, and parliament approved MYF to the UNHCR and WFP for 2019-2022. The percentage of MYF has not been released. ¹⁶	21.4%	Statistics not provided	Statistics not provided	2
<i>Swedish International Development Cooperation Agency</i>	In 2018, Sida’s humanitarian unit entered into four-year strategic partnerships with the OCHA, WFP, UNHCR and UNRWA for 2018-2021. Sida approved 22 MYF programs in 2018, but the number of	<5%	41.7%	+734%	3

⁸ For the below data, with the exception of ECHO, MYF can be understood as contracts with funding provisions for 24 months or longer.

⁹ Overseas Development Institute (June 2019). [Grand Bargain Annual Independent Report 2019](#), 50.

¹⁰ Percent of total annual funding given in multi-year agreements. Figures from Grand Bargain 2017 Self-Reporting, except Sida – from FAO and NRC (2017). [Living Up to The Promise of Multiyear Humanitarian Financing](#).

¹¹ Data for all donors, except ECHO, come from: Overseas Development Institute (June 2018). [Grand Bargain Annual Independent Report 2019](#). ECHO data from: EU/DG ECHO. “[Grand Bargain in 2018: Annual Self Report – Narrative Summary](#).” Inter-Agency Standing Committee, 2.

¹² Transparency for all humanitarian aid (not just MYF) ranked on a scale of 1 to 5 (quintiles) based the [Grand Bargain Transparency Dashboard](#), 1= Very Poor, 2= Poor, 3= Fair, 4= Good and 5= Very Good.

¹³ Overseas Development Institute (June 2019). [Grand Bargain Annual Independent Report 2019](#), 50.

¹⁴ European Commission/DG Echo (2017). [2018 Grand Bargain Annual Self-Reporting Exercise](#), 21.

¹⁵ In ECHO’s 2018 self-report, the organization reported that 40% of DG ECHO contracts go beyond 12 months and up to 36 months. Figures for 24+ months were unavailable. However, in their 2017 self-report, ECHO indicated they would allocate 15%-20% of their 2018 budget to multi-annual funding. It is not clear if this was accomplished.

¹⁶ Norwegian Ministry of Foreign Affairs (21 March 2019). [Grand Bargain in 2018: Annual Self Report - Narrative Summary](#), 2.

Multi-Year Humanitarian Financing

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Donor	Overview	% MYF 2017 ¹⁰	% MYF 2018 ¹¹	% Change 2017-2018	Transparency ¹²
	MYF projects has decreased as Sida revised its selection criteria to emphasize the added value of MYF. ¹⁷				
<i>Swiss Agency for Development Cooperation</i>	The agency predicts the upward trend will increase, as high-level institutional efforts to advance multi-year planning and funding are undertaken. ¹⁸	19%	21%	+11%	2
<i>UK Department for International Development</i>	MYF is DFID's default approach to humanitarian funding. It gives the majority of assistance in multi-year awards, and has contributed significantly to research on the value for money of MYF. ¹⁹	89%	96%	+8%	3
<i>UN Refugee Agency</i>	UNHCR reported it received 50% less multi-year funding in 2018 compared with 2017. ²⁰	0%	0%	0%	5
<i>UN Children's Fund</i>	UNICEF is one of four UN agencies in a position to pass down MYF and is the only agency that reported an actual figure (\$113 million, or 22% of the MYF it spent in 2018). ²¹	Statistics not provided	22%	+100%	5
<i>World Food Programme</i>	Although the volume of MYF increased in 2018, the percentage that was multi-year decreased by 1% compared to 2017. ²²	0%	0%	0%	3
<i>Office of US Foreign Disaster Assistance</i>	The USG's increase of MYF was implemented through a select number of partners who could articulate and link funding requests to multi-year plans and had the capacity and capability to adhere to essential criteria including accountability.	20.7%	Statistics not provided	Statistics not provided	3
<i>US Bureau of Population, Refugees, and Migration</i>	In 2018, the USG's MYF totaled \$895 million (USAID/Food for Peace, USAID/OFDA and State/PRM). Overall, these figures indicate substantial progress since 2016 on the provision of multi-year funding.	37%/29% ²³	Statistics not provided	Statistics not provided	4

¹⁷ Ministry for Foreign Affairs (26 March 2019). [Grand Bargain in 2018: Annual Self Report – Narrative Summary](#), 2.

¹⁸ Swiss Agency for Development and Cooperation (SDC), Humanitarian Aid (HA). [Grand Bargain in 2018: Annual Self Report – Narrative Summary](#), 2.

¹⁹ Department for International Development (DFID) (6 July 2017). [Grand Bargain Annual Self-Reporting Exercise: DFID](#), 13.

²⁰ Overseas Development Institute (June 2019). [Grand Bargain Annual Independent Report 2019](#), 50.

²¹ Ibid

²² Ibid

²³ 37% of State/PRM's cooperative agreement and 29% of grant spending from PRM.