

## IASC's Operational Policy and Advocacy Group (OPAG) Meeting

SESSION II

28 May 2020

### Summary Record

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#### INTRODUCTION

The Operational Policy and Advocacy Group (OPAG) of the Inter-Agency Standing Committee (IASC) held the second session of its third regular meeting on 28 May 2020. The primary objective of this second virtual session was to discuss concrete proposals to address the inconsistency in unlocking and dispersing funds to NGOs in light of the current COVID-19 crisis and to discuss progress made by the Results Group 5 on Humanitarian Financing on the OPAG-agreed 2020 workplan and its reprioritization as a result of COVID-19.

#### SESSION 2.1: DONOR CONDITIONALITIES/FLEXIBILITY AND REPORTING IN LIGHT OF COVID-19

In their introductory remarks, the OPAG co-Chairs, Ms. Valerie Guarnieri and Mr- Geir Olav Lisle, expressed their thanks to the Results Group 5 on Humanitarian Funding for their flexibility and proactiveness in pivoting to the COVID-19 pandemic so quickly, including responding to the IASC Principals' request to identify concrete proposals to address the inconsistency in unlocking and dispersing funds to NGOs. They noted that NGO representatives had raised concerns at the Principals meeting about the speed and flexibility of funding to NGO partners and the slow pace of funding trickling down to front-line responders at country level. They stressed that numerous partners were stepping up advocacy efforts in this regard and that various actions were being taken to adjust internal procedures and ensure that concerns were addressed. The co-Chairs highlighting examples of the Results Group's work such as the ERC letter to the Good Humanitarian Donorship (GHD) forum on 6 April to appeal for flexible funding and simplified procedures in particular for NGOs and the upcoming call on 5 June between the Principals and the GHD with a focus on flexible and quality funding. Several UN agencies had also engaged with NGOs to harmonize approaches and minimize transaction costs to direct funds to front-line responders, reflected in the Results Group's guidance on key messages on funding flexibility.

In their presentation to OPAG members, the co-Chairs of the Results Group 5 on Humanitarian Funding noted that the group's focus in responding to the impacts of COVID-19 was around three key deliverables: (i) reinforcing the need to ensure that funding levels for existing humanitarian operations remain are sustained to protect vulnerable populations, with new funds directed to support COVID-19 response; (ii) encouraging funding flexibility to allow front-line partners are able to both meet existing humanitarian needs, and adjust to the demands of COVID-19 response in an agile manner; and (iii) developing *Proposals to Address the Inconsistency in Unlocking and Disbursing Funds to NGOs in COVID-19 Response*, which was tasked to the Results Group by IASC Principals and was also being finalized.

They further highlighted key achievements made by the Results Group in response to COVID-19, notably [Key Messages on Flexible Funding for Humanitarian Response and COVID-19](#). The Key Messages, finalized at the end of March, were developed to support the Principals' advocacy efforts to encourage donors on the implementation of harmonized, simplified approaches to funding flexibility on the following

four key areas: (i) No-cost extensions; (ii) Budget flexibility; (iii) Reprogramming; and (iv) Simplified due-diligence and risk management process. The Results Group was also currently finalizing the *Proposals for a harmonized approach to funding flexibility in the context of COVID-19*, which identifies more specific recommendations for improved harmonization under each of the four areas. The co-Chairs elaborated on the status of the Principals' tasking around addressing the inconsistency in unlocking and dispersing funds to NGOs. They also stressed close linkages between unlocking and dispersing funds to NGOs and the wider localization agenda, noting that, in this vein, inputs from financing angles were provided to the development of the [IASC Interim Guidance on Localisation and the COVID-19 Response](#), developed by IFRC and UNICEF in coordination with IASC Results Group 1 - Operational Response Sub-Group on Localization. They suggested bringing together various strands working on this issue at the OPAG level.

In the ensuing discussion, OPAG members welcomed progress made by the Results Group and Proposals presented on flexible and quality funding. They urged that efforts should continue beyond the pandemic in line with the commitments of the Grand Bargain. Several members reiterated that the OPAG should look beyond disbursing funding to NGOs but also consider how UN agencies can better engage with local partners ahead of the next iteration of the COVID-19 Global Humanitarian Response Plan (GHRP) and how to overcome the obstacle around donor accountability measures.

UNICEF welcomed the Proposals suggested by the Result Group 5, noting that it was already making relevant efforts with 10 per cent of its funds reaching NGO partners, another 10 per cent for government partners and 50 per cent for procurement and supplies. UNICEF noted that recent flexibility observed in donor practices may be temporary and suggested close monitoring of donor trends, underlining the importance of engaging donors in discussing shared risk management and reviewing conditionalities.

InterAction noted its continued advocacy efforts with donors, particularly vis-à-vis the US government, for additional funding, flexible conditions and rapid disbursement. InterAction further highlighted the need to capitalize on ongoing discussions on efficient funding flows from UN agencies to partners, in addition to joint donor advocacy for increased funding. Both InterAction and SCHR stressed the need for better communication and consultations with front-line NGOs on funding timing and further opportunities, considering that little funding reached front-line NGOs.

UNFPA underscored the importance of time-bound measures in partnership agreements, linkages with localization, including by involving women-led organizations and including disaggregated data in reporting. UNFPA further suggested additional elements to be reflected in the Proposals presented, including (i) increased focus on the participation of women in at-country processes; (ii) a stronger focus on capacity development for local NGOs as outlined in the Grand Bargain commitments; (iii) challenges and realities faced on the ground; and (iv) thematic funds, including pass-through mechanisms for NGOs. UNFPA further inquired the OPAG's role in reviewing guidance, given that the Proposals were submitted directly to the IASC Principals prior to the OPAG's review.

The Coastal Association for Social Transformation Trust (COAST) emphasized the need for balancing quick disbursement with due diligence, as well as considering the notion of "capacity convergence" as opposed to "capacity development" acknowledging that local actors have unique capacity to offer. These issues would also be highlighted during the localization discussion at the next OPAG session.

Christian Aid noted that the "Charter for Change" could be a tool to organize consultations with local and national NGOs at the regional and national level. OCHA's efforts to optimize funding flows by Country-Based Pooled Funds (CBPFs) were welcomed as well as the proposal for donors to invest more in the NGO's Start Fund, especially as CBPFs received US\$ 960 million a year, while the Start Fund received some \$10 million

a year. DFID, in particular, was commended for their demand that international NGOs pass on an equal share of the overhead cost to national partners.

OCHA underscored the need to explore additional factors which were impacting the funding situation of NGOs, such as challenges with unrestricted private resources and delays from some bilateral funding from first-mover donors, noting a particular convergence of challenges which had not been seen in the past. OCHA further underscored the need to report to donors on the benefits of flexible funding in terms of the response.

CAFOD suggested encouraging the Results Groups 1, 2 and 5 to address complexity around monitoring and evaluation, compliance and assurances in light of COVID-19 to help unlock funding to local actors, considering that several donors repeatedly raised concerns given lockdowns/movement restrictions and reliance on local actors.

IOM commented that flexible funding also implied parameters on partners. WFP noted that discussions had been held with partners regarding how due diligence was maintained. UNHCR noted its ongoing efforts, including around no-cost extensions, highlighting the importance of disaggregated data. UNHCR also stressed the need to further support efforts to report on achievements and impact, including support to ensure improved reporting on Financial Tracking Service (FTS) which would benefit from self-reporting by NGOs.

In their response to OPAG members, the Results Group 5 co-Chairs highlighted the importance of engaging with partners beyond the IASC, particularly donors such as the GHD and G12 to address inconsistency in unlocking and dispersing funds to NGOs. Regarding the query by several members on the impact of COVID-19 on funding for pre-existing situations, they stressed the absence of evidence that COVID-19 had resulted in less funding for ongoing humanitarian operations, while noting that it may affect support for humanitarian operations in 2021 in light of economic recession.

The OPAG co-Chairs noted the broad support for efforts and measures proposed by the Results Group 5 and progress being made with donors, including from individual agency level. They also acknowledged the need to further refinement of proposals to unlock funding, the need to consider capturing the experience and lessons learned of agencies in this regard, including on due diligence, accountability, and oversight while increasing flexibility in humanitarian operations, the need to continue efforts for joint advocacy with donors and the need for further efforts among IASC members (especially UN agencies) to accelerate funding to NGOs. All OPAG members were requested to support efforts around reporting on achievements/impact, including by addressing capacity issues in the FTS and aligning the FTS with automated reporting systems run by NGOs.

**Follow-Up Actions:**

1. Support efforts and measures proposed by Results Group 5, including the need to further develop and implement proposals to unlock funding to NGOs [OPAG members]
2. Share further details regarding efforts to facilitate accelerated disbursement of funds to a larger number of NGOs, including national NGOs [OCHA]
3. Support reporting on achievements/impact of IASC efforts around the response to the COVID-19 pandemic which will be key to support resource mobilization efforts [OPAG members]
4. Ensure regular reporting of funding on the FTS by OPAG members and ensure that capacity issues in FTS are addressed to ensure more timely updates on the system [OCHA]

5. Continue reporting and communicating on the positive work being done by the IASC around flexible funding [OPAG members]

## **SESSION 2.2: PROGRESS UPDATE – RESULTS GROUP 5 ON HUMANITARIAN FINANCING**

The co-Chairs of Results Group 5 noted that existing priority areas and deliverables would be retained, while timelines and wording of deliverables were partly modified to better match COVID-19 response needs. They briefed on the progress being made in a number of priority areas of work, namely: (i) Identify funding and financing instruments for joint humanitarian development programming and advocate with key donors on strengthening and bringing them up to scale [*postponed with adaptation to COVID-19*]; (ii) Convene a crisis financing round table in collaboration with the GHD and the World Bank [*postponed with adaptation to COVID-19*]; (iii) Contribute to the financing element of the RG4-led light guidance on collective outcomes [*completed*]; (iv) Map donor funding practices with respect to multi-year and unearmarked financing in order to shape subsequent donor advocacy [*to be delivered as planned with adaptation to COVID-19*]; (v) Provide a concrete business case for efficient and effective quality financing [*to be delivered as planned with adaptation to COVID-19*]; (vi) Convene donor/UN agencies/INGO regulators around compliance and risk issues and with the objective to identify and overcome barriers to quality funding [*postponed*]; (vii) Develop collective advocacy messages to donors on flexible funding in support of the pandemic response and ongoing operations [*new deliverable in support of the COVID-19 response*]; (viii) Harmonize partnership arrangements between NGOs and UNHCR, OCHA, UNICEF, WFP, and UNFPA [*to be delivered as planned with adaptation to COVID-19*]; and (iv) Advocate with UN agencies to adopt cost classification protocol and establish a pilot project with donors and implementing organizations to test the protocols [*postponed*].

In the ensuing discussions, OPAG members commended the strong commitment of the Results Group 5 and progress made on its workplan as well as on the reprioritizations of the group's work in light of the impact of COVID-19. UNFPA expressed interest to see further progress on the work around identifying funding and financing instruments for joint humanitarian development programming, offering contributions given the close linkages to its work. OCHA noted that almost 70 per cent of resources from pooled funds were allocated to NGOs, and that CBPF flexibility guidance in the context of COVID-19 will be assessed to review risk management and accountability aspects. COAST raised the idea of a partnership policy to support further harmonization of UN policies towards local actors. ICVA requested the IASC secretariat to share a list of various documents pending approval from the OPAG to facilitate an overview.

The OPAG co-Chairs thanked members and participants for their constructive engagement throughout the discussion and their continued work in support of the normative work of the IASC, noting that the third OPAG session would take place on Thursday 4 June to discuss “Stepping up efforts around localization in light of COVID.”

### **Follow-Up Actions:**

1. OPAG support the Results Group 5 workplan, including continued efforts to reprioritize workstreams to respond to the impact of COVID-19 [*Results Group 5*]
2. Share a list of guidance documents shared with IASC members requiring OPAG or IASC endorsement [*IASC secretariat*]

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## ANNEX: PARTICIPANTS LIST

<b>OPAG Co-Chair</b>	Ms. Valerie Guarrieri, Assistant Executive Director, WFP Mr. Geir Olav Lisle, Deputy Secretary-General, NRC
<b>FAO</b>	Mr. Dominique Burgeon
<b>ICRC</b>	Ms. Avigail Shai
<b>ICVA</b>	Ms. Mirela Shuteriqi Mr. Jeremy Wellard
<b>ICVA - ACBAR</b>	Ms. Fiona Gall
<b>ICVA - COAST</b>	Mr. Rezaul Karim Chowdhury
<b>ICVA - FRD</b>	Mr. Azmat Khan
<b>ICVA - IMC</b>	Ms. Mary Pack
<b>IFRC</b>	Ms. Victoria Stodart
<b>InterAction</b>	Ms. Kate Phillips-Barrasso
<b>InterAction - Care USA</b>	Ms. Sheba Crocker
<b>InterAction - Global Communities</b>	Ms. Pia Wanek
<b>IOM</b>	Ms. Tristan Burnett Ms. Angela Staiger
<b>OCHA</b>	Mr. Rein Paulsen
<b>OHCHR</b>	Mr. Roberto Ricci
<b>SCHR</b>	Mr. Gareth Price Jones
<b>SCHR - Christian Aid</b>	Mr. Michael Mosselmans
<b>UNDP</b>	Ms. Rachel Scott
<b>UNFPA</b>	Mr. Ingo Piegeler Ms. Maryline Py
<b>UNHABITAT</b>	Mr. Filiep Decorte
<b>UNHCR</b>	Mr. Arafat Jamal Ms. Lea Moser
<b>UNICEF</b>	Mr. Manuel Fontaine Ms. Segolene Adam
<b>WFP</b>	Mr. Brian Lander
<b>WHO</b>	Mr. Rudi Coninx
<b>World Bank</b>	Ms. Lobna Hadji

### Presenters:

Ms. Marcy Vigoda and Mr. Jeremy Rempel, co-Chairs of Results Group 5

### IASC secretariat:

Ms. Mervat Shelbaya, Head of the IASC secretariat