

IASC Results Group 5 on Humanitarian Financing

Further lessons learned on quality funding and models that work

2020 Analysis for the Good Humanitarian Donorship Initiative

November 2020

The [Catalogue of quality funding practices to the humanitarian response](#), published by NRC, DI and FAO in July 2020, provides evidence of existing funding mechanisms or arrangements identified by donors and recipients to enhance the efficiency and effectiveness of responses. In so doing, it provides case studies and examples of best practices in quality funding that are available as a reference tool for policymakers and practitioners. The main properties identified as contributing to the quality of funding included: funding timeliness; flexibility to adapt; and predictability in terms of multi-year funding.

Flexible funding enables principled, accountable, needs-based and gender-sensitive humanitarian action

Flexible funding enables humanitarian organizations to independently and impartially allocate funds based on needs, as demonstrated in the [ICRC report of June 2020](#). Building on one of the case studies in the quality funding practices catalogue, NRC published [10 detailed lessons on a more flexible approach to humanitarian funding](#) called the programme-based approach (PBA). The study reflects first on how flexible funding enables more accountable and needs-based humanitarian action. This is further discussed in the UN Women's August 2020 study [Who Holds the Microphone?;](#)¹ and the July 2020 study by IRC and DI entitled [A Win-Win](#), both of which offer examples of how flexibility in funding supported gender responsive program adaptations to meet expressed needs and priorities, even in highly context-specific situations and outside conventional funding parameters of humanitarian donors.

Quality funding mobilizes front-line local actors to deliver assistance rapidly and more safely

IASC members' analysis has observed, also, that quality funding mobilizes front-line local actors to deliver assistance rapidly and more safely. This is broadly referenced in the [Interim Guidance on Localisation and the COVID-19 Response](#) by IASC RG 1 on Operational Response and detailed further in Save the Children's [Turning the Tables](#) study focused on locally-led partnerships in conflict affected contexts. [UNICEF's internal assessment on cascading quality funding to implementing partners](#) in June 2020 confirms that its internal policies and systems are overall conducive to the transfer of multi-year funding to implementing partners. The September 2020 [Grand Bargain Workstream 3 \(Localisation\) pooled funding study](#) emphasizes how key quality funding 'properties' built into pooled funding models can advance localization outcomes.

Quality funding enables nexus approaches

The [analysis of nexus financing at the country level](#), published in late 2019 by FAO, UNDP and NRC, offers additional insights on the link between quality funding and nexus approaches that deliver transformative results while addressing humanitarian needs and shocks. This builds on existing evidence in an earlier study, [Living up to the promise of multi-year financing](#) by FAO, OCHA and NRC, which demonstrated the advantage of how predictable and flexible humanitarian financing enables early and rapid response.

Quality funding is vital for the COVID-19 response and beyond

Quality funding has been particularly critical for the COVID-19 response, both in terms of agility and geographic coverage, as NRC noted in the July 2020 [Make or Break](#) study. These lessons are integrated into IASC RG5 COVID-19 specific guidance on [unlocking funds to NGOs](#) and [proposals for a harmonized approach to funding flexibility in the context of COVID-19](#). As they take stock of their impact and value, IASC members are currently outlining plans to extend these provisions into 2021 or mainstreaming them into standard practice.

¹ For instance, this research found that funding requests from local women's rights organizations may include the purchase of a motorboat for an Afro-Colombian ethnic-territorial entity to reach remote communities with lifesaving and gender-responsive support, or the provision of adequate office and meeting space for a growing Rohingya women's self-led group.