

Guidance

PROPOSALS TO ADDRESS THE INCONSISTENCY IN UNLOCKING AND DISBURSING FUNDS TO NGOS IN COVID-19 RESPONSE

IASC Results Group 5 on Humanitarian
Financing

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Endorsed by IASC Principals

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BACKGROUND AND PURPOSE

As raised by the Emergency Relief Coordinator at the IASC Principals meeting on 28th April, there is some progress in providing funding to NGOs which are on the front lines of the response to the COVID-19 pandemic. However, more needs to be done to ensure that funding is quickly disbursed to international, national and local NGOs with capacity and access to support a timely and effective response.[1] There has been strong NGO participation in the development of the May update of the Global Humanitarian Response Plan for COVID-19 (GHRP) and now this must also be reflected in access to funding. At the request of the IASC Principals, the Results Group 5 on Humanitarian Financing set up a subgroup of NGOs and UN agencies to identify concrete proposals to address the inconsistency in unlocking and disbursing funds to NGOs in the context of the COVID-19 pandemic response. The proposals below, which serve as a basis for further development, are the result of this work and cover planning, increased funding, and reporting. The proposals will require follow-up discussion and actions - both at global and country levels - to ensure adequate and sustained progress and broader system-wide support.

PROPOSALS

1. Strengthen national NGO involvement in planning and coordination processes

With the May GHRP update issued, a series of consultations involving representatives from UN agencies and national and international NGO staff could be instrumental in sharing reflections on good practices and challenges to contribute to HRP revisions and cluster coordination processes. These consultations would focus on connecting UN and NGO representatives at the regional and country level, promoting the contributions of international, national and local NGOs (including women's rights and women led organizations), as well as tracking progress and identifying remaining barriers and challenges to disbursing funds to NGOs. Existing NGO networks with a focus on localisation issues (for example, Charter for Change, ICVA, NEAR, A4EP, etc.) can work with OCHA, and draw on the convening power of the OCHA-NGO CBPF Dialogue Platform to support the planning of a series of such consultations, in coordination with national NGO forums and national NGO localisation working groups. Initial implementation of this approach should take place before the next update of the COVID-19 GHRP in June.

In addition, UN agencies, INGOs and donors should be encouraged to further reach out to national and local NGOs and consult them on how to facilitate their engagement in clusters, sectoral working groups, and related efforts to feed into HRPs. Such engagement should foster a practical dialogue to identify ways forward on risk-sharing, partnership and other strategic

priorities to enable NGO responses. UN agencies including IOM, UNHCR, UNICEF and WFP have ongoing dedicated fora for dialogue with NGO partners at a global level where operational issues including financing and funding are also being addressed.

2. Capitalize on pooled fund mechanisms and consider opportunities for further effectiveness and efficiency gains to improve funding to NGOs

This could entail:

- a) Continue encouraging donors to provide additional funding to Country-Based Pooled Funds, with reference to the \$2.49 billion annual funding target for CBPFs outlined in the May Update of the GHRP.
- b) Explore additional mechanisms through OCHA's pooled funds to enhance funding to NGOs and immediately address the COVID-19 response, as proposed by NGOs which are part of the OCHA-NGO Dialogue Platform.
- c) Directly fund NGO networks, for example the *Start Fund COVID-19* and existing NGO consortia. (The *Start Fund COVID-19* has been established and received 85 alerts from 69 countries totalling £20 million in immediate funding requirements but just over £5 million funding; this could be quickly topped up to allow funding of additional alerts.) Other country-level civil society funding mechanisms and consortia should also be considered, including those focused on development programmes that are now prioritising COVID-19-related response and recovery activities (e.g. Kenya Community Development Foundation, Star Ghana Foundation, Trust Africa and Urgent Action Fund for Women-Africa). Metrics to incentivise local leadership and the Principles of Partnership in consortia and programme design and implementation could be requested by donors. While wanting to retain as much flexibility as possible, donors could encourage proportions of funding to be granted to local partners and encourage similar overhead amounts to be provided to national and local partners.
- d) Expand the use of the UN Partner Portal to support due diligence processes and speed up identifying new partners for UN agencies. The Partner Portal is used by UNHCR, WFP, UNICEF and UNFPA, and its use could be extended to other UN agencies. It can also help disseminate funding opportunities to the 12,000 civil society organisations registered, which might also be able to share a copy of their organisational profiles with other donors/agencies, instead of having to fill out additional donor/agency-specific information.

3. Increase funding to NGOs via UN agencies

Further steps should be considered to quickly increase funding from UN agencies to NGOs, including scaled-up use of CERF and UN agencies' thematic funds, with a focus on channelling funding to NGOs and frontline responders as directly as possible. To ensure timely pass-through of resources through UN agencies, funding should be informed by harmonized approaches to funding flexibility during COVID-19 response currently under discussion by the IASC, including no-cost extensions, simplified procedures for release of funding, budget flexibility and, where possible, cost-extensions to expand the scope of existing programming.

All funding measures should also preserve efficiency and accountability approaches, and ensure collective results are achieved against priorities outlined in the GHRP in terms of effective, responsive delivery to those in need.

4. Ensure timely and disaggregated reporting of funding flows from UN agencies to NGOs

Timely, complete and transparent reporting would improve the ability to track second and third tier funding flows from UN agencies to NGOs, with a special consideration to disaggregating funding allocated to national and local NGOs (including women's rights and led organizations). This would allow a better understanding of whether the COVID-19 response is being adequately resourced, early identification of blockages, and the ability to quickly address those. Platforms such as the Business Intelligence Portal of the CBPF Grant Management System provide valuable information on overall funding and real-time tracking of data and funding going to local NGOs. OCHA's Financial Tracking Service has the technical capability to show pass-through from UN Agencies to NGOs. However, data must be reported voluntarily either by UN agencies or the recipient NGOs and entered by the FTS data entry team. Donors should call on all partners to report to the FTS on the volume of sub-granting to NGOs, including disaggregated data by type of recipient organisation (i.e. national or international NGOs, and when possible, on funding reaching women-led organisations). Likewise, larger NGOs should report on funds passed on to national and local partners. In addition to cash flows, a more holistic approach to reporting of funding flows for COVID-19 response should be applied, including on commodities provided to NGOs.

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[1] IASC Summary record and action points, New York, 28 April 2020