

# IASC Results Group 5 on Humanitarian Financing

Progress Report (May 2020 – April 2021)

## 2021 Priority Areas of Work – Reprioritized in light of COVID-19

**[Note:** Completed deliverables are highlighted in green. Recognizing that the COVID-19 calls for system-wide reprioritization and resequencing of priorities and has an impact on the ability of the Results Groups to deliver, any changes in light of COVID-19 are noted below in terms of: (a) areas of work that can be delivered as planned, (b) activities that will have to be postponed, and (c) new activities/ deliverables that will need to be taken onboard in support of the COVID-19 response.]

PRIORITY AREAS OF WORK	“ORIGINAL” CONCRETE DELIVERABLES	REPRIORITIZATION	STATUS	LEADS	PARTNERS	
Map and promote financing instruments supporting humanitarian interventions with development co-benefits [Ensure that this is done in collaboration with Results Group 4 on Humanitarian-Development Collaboration].	In select countries, identify funding and financing instruments for joint humanitarian development programming and advocate with key donors on strengthening and bringing them up to scale. [This workstream builds upon the ‘Financing the Nexus’ study, Joint Steering Committee (JSC), DCO and OECD country mappings and RG5 outputs on promoting quality funding.] To include specific guidance to ensure global initiatives represent input from the country-level on how to best support context-appropriate programming.		<p><b>[ONGOING]</b></p> <p><u>RG5 Scoping Paper on financing humanitarian-development collaboration relevant to humanitarian actors</u> focusing on financing elements of related studies; and <u>donor advocacy messages</u> with a focus on quality funding, in keeping with the <a href="#">2019 OECD DAC recommendations on nexus financing</a>, in preparation of the 2 June OPAG meeting.</p> <p>This builds on RG5 members’ related work, such as the <a href="#">Financing the Nexus study</a>, and country case studies for <a href="#">Cameroon</a>, <a href="#">Bangladesh</a>, and <a href="#">Somalia</a>, as well as a <a href="#">synthesis report</a> - with a non-exclusive focus on financing.</p>	DI  With contribution from sub-group chaired by FAO/ICVA	RG4	
	Convene a <b>crisis financing round table</b> in collaboration with the GHD and the World Bank (tbc).	<b>[DEPRIORITIZED]</b>	No lead stepped forward. There was RG5 agreement that initially a clear deliverable based on DI’s country-level nexus studies would have to be prioritized.			RG4
	Contribute to the <b>financing element</b> of the RG4-led light <b>guidance on collective outcomes</b> .			<b>[COMPLETED]</b> This work is led by RG4 with contributions from RG5 on the financing side. The input has been provided to RG4 and the <a href="#">light guidance</a> has been issued by Principals in June 2020.	Save the Children	

<p>Produce a business case showing the <b>contribution of multi-year humanitarian planning and unearmarked funding to more cost-effective humanitarian assistance</b>. In this regard, strengthen <b>engagement with donor countries</b>, including the OECD, GHD, and GB (Work Streams 7 and 8 on Quality Funding) including on issues of predictable financing.</p>	<p>Map <b>donor funding practices with respect to multi-year and unearmarked financing</b> in order to shape subsequent donor advocacy.</p>		<p><b>[COMPLETED]</b> NRC/DI/FAO issued the <a href="#">quality funding practices catalogue</a> in July 2020, which was then presented to the GHD co-chairs on 17 September 2020, and to the entire GHD on 20 November 2020.</p> <p>In 2021, RG5 members' focus will be on advocating for donors' contributions of quality funding. These considerations will also feed into the Grand Bargain's work on quality funding.</p>	<p>NRC DI FAO</p>	<p>GHD Grand Bargain Workstreams 7&amp;8 on Quality Funding</p>
	<p>Provide a <b>concrete business case for efficient and effective quality financing</b> (flexible multi-year and unearmarked funding) and cascading benefits to local actors; advocate with donors.</p>		<p><b>[COMPLETED]</b> UNICEF issued its <a href="#">Internal Assessment on Cascading Quality Funding to Implementing Partners</a> in June 2020.</p> <p>UNICEF will roll out the pilot in early 2021.</p>	<p>UNICEF</p>	<p>Grand Bargain Workstreams 7&amp;8 on Quality Funding</p>
	<p>In collaboration with the OECD, convene <b>donor/UN agencies/INGO regulators around compliance and risk issues</b> and with the objective to identify and overcome barriers to quality funding.</p>		<p><b>[DEPRIORITIZED]</b> This deliverable was deprioritized by Save the Children and OECD due to reasons related to COVID-19 and reduced capacity by the co-organizers. Should an opportunity arise, the deliverable will be revived.</p> <p>A joint meeting was planned led by Save the Children and OECD.</p>	<p>OECD Save the Children</p>	<p>OECD, Grand Bargain Workstreams 7&amp;8 on Quality Funding, Financial Action Task Force, Human Security Collective</p>
		<p>Develop <b>collective advocacy messages to donors</b> on how they can better support the pandemic response against <b>COVID-19</b> and ongoing operations, especially in terms of flexible funding [<i>follow-up on the Principals action point agreed on 23 March ad-hoc meeting on COVID-19 response</i>]</p>	<p><b>[COMPLETED]</b> Finalized in <b>Q4 2020</b>.</p> <ol style="list-style-type: none"> <li>The <a href="#">IASC key messages on flexible funding</a> have been endorsed by the IASC Principals in April 2020.</li> <li>Exchange of correspondence between ERC and GHD co-Chairs</li> <li>IASC Principals Meeting with GHD co-Chairs on 5 June 2020 on flexible funding</li> <li>Meeting btw RG5 co-Chairs and GHD co-Chairs on flexible funding on 17 September.</li> <li>Webinar btw RG5 and entire GHD on quality and flexible funding and accountability on 20 November, in which the below guidances were discussed. The meeting concluded that follow-up engagement on this</li> </ol>	<p>RG5 (led by co-Chairs)</p>	<p>GHD GB workstream 7/8</p>

			<p>issue to be taken forward bilaterally, with incoming GHD co-Chairs, and within GB workstream 7/8. Issuance of the IASC guidance on <a href="#">unlocking funds to NGOs</a></p> <p>As background document for the GHD meeting, RG5 issued an <a href="#">Annotated Bibliography on Further Lessons Learned on Quality Funding and Models that Work, Nov 2020</a> to showcase the evidence available on the benefits of quality funding.</p> <p>Further to the GHD-RG5 webinar, RG5 produced an <a href="#">annotated bibliography of reports enhancing the visibility of flexible funding</a> that the RG5 co-chairs shared with the GHD co-chairs in Mar. 21.</p> <p>In 2021, RG5 members and the GB workstream 7/8 co-convenors will explore opportunities for joint and complementary activities within the current and future form of the GB, as quality funding will constitute an enabling priority of the future GB.</p>		
<p>Facilitate the ongoing process of <b>simplification and harmonization of UN systems</b> to reduce burdens and free additional resources for humanitarian operations.</p>	<p>Take stock of the <b>progress to date to harmonize partnership arrangements between NGOs and UNHCR, OCHA, UNICEF, WFP, and UNFPA</b>, and recommend next steps for action.</p>		<p><b>[COMPLETED]</b> IASC guidance adapted to COVID-19 issued in June 2020 IASC guidance: <a href="#">proposals for a harmonized approach to funding flexibility in the context of COVID-19</a>. The RG5 has presented on the implementation of the guidance to the GHD on 20 November 2020. Based on a RG5 assessment, the guidance has been extended through Q2 of 2021.</p> <p>As outlined in the guidance, WFP, UNHCR, UNICEF, UNFPA, FAO, IOM, and OCHA, together with their NGO partners, have increased funding flexibility, thereby speeding up the response to the pandemic.</p> <p>In 2021, RG5 will finalize an agreement on the adoption of <u>common guidance for implementation of funding flexibility measures in partnership agreements between NGOs and UN agencies</u>, in view of enabling funding flexibility as a standard practice rather than a COVID-19 related measure.</p>	<p>ICVA UNICEF  (in collaboration with UNFPA)</p>	<p>Grand Bargain GHD</p>

			<p><b>[ONGOING]</b> In 2021, RG5 will draft an agreement on the adoption of <u>common guidance for implementation of funding flexibility measures in partnership agreements</u> between NGOs and UN agencies, in view of enabling funding flexibility as a standard practice rather than a COVID-19 related measure as per IASC <a href="#">proposals for a harmonized approach to funding flexibility in the context of COVID-19</a></p>	ICVA as RG5 co-chair	
	<p>Advocate with UN agencies to adopt <b>cost classification protocol</b> and establish a pilot project with donors and implementing organisations to test the protocols.</p>		<p><b>[ONGOING, to be delivered in Q4]</b> In August 2019, NRC published "<a href="#">Money Where it Counts</a>" - a protocol for harmonized cost classification and financial budgeting and reporting.</p> <p>Since then, UNHCR has adopted the cost definitions of the protocol for its 2021 partnership agreements paving the way for further simplification in line with the 'Money Where It Counts' protocol.</p> <p>UNHCR is also leading on inter-agency harmonisation efforts as part of the UN Partners Portal, and recently organised an exchange on the Money Where it Counts with the participation of UNFPA, UNICEF, and WFP (beside NRC). NRC is also reaching out to donors, including ECHO to influence alignment among UN agencies.</p> <p>For 2021, RG 5 will focus on expanding the <u>adoption of common cost classifications by IASC members via the development of common guidance</u> for IASC members (based on the Money Where It Counts Protocol).</p>	NRC, UNHCR	Grand Bargain GHD
		<p>Cascading of indirect cost coverage ('overheads'): i) Map <b>UN agencies' and INGOs' current practices</b> related to indirect cost coverage,</p> <p>and ii) draft <b>IASC best practices/guidance</b> based on</p>	<p><b>[ONGOING, to be delivered by Q4]</b> The IASC Principals during their 30 November 2020 meeting defined convening a discussion on overhead rates as a priority. Key elements to consider:</p> <p>Scope of work:</p>	UNICEF Oxfam	RG1

		<p>the mapping. Particular attention will be given to support for ensuring that indirect cost coverage is appropriately cascaded to local and national partners</p>	<p>A. Consider two elements: i) overall overheads/indirect costs, and ii) appropriate cascading to IPs.</p> <p>B. Mapping of UN agencies' and INGOs' current practices related indirect cost coverage, (by end of Aug 21)</p> <p>C. IASC best practices/guidance based on the results achieved. (by Nov. 21)</p> <p>D. Look at different contexts (different levels of crisis where different procedures might apply), in particular Lebanon (UNICEF's study on cascading QF; national NGO forum) and South Sudan (group on localization; GB country level dialogue).</p>		
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