

**IASC Results Group 5 on Humanitarian Financing
Key Messages on Funding Flexibility in Partnership Agreements**

June 2021

*A repeated theme in the dialogue on funding flexibility is the need to engage with donors to ensure consistency throughout the humanitarian system, not only between IASC members. The [current IASC funding flexibility measures in the context of COVID-19](#) – endorsed by the IASC’s Operational Policy and Advocacy Group (OPAG) in June 2020 – apply to all pass-through funding in partnership agreements. To maintain and improve this level of flexibility between IASC members, it is important that levels of quality funding in general – i.e. unearmarked funding, flexible funding, and multi-year funding – coming from donors is increased. This need is also reflected in external initiatives, such as the Grand Bargain, which has proposed quality funding (including flexibility) as a key enabling priority, in addition to the existing commitments to expand both flexible and multi-year funding. **Individual members of RG5 to report that levels of flexibility in funding continue to decrease from donors rather than increase.***

RG5 proposes below a set of key advocacy messages to guide high-level engagement between IASC OPAG members and donors focused on the following points:

- **To have an impact on the ground, the volume of quality funding, including flexible funding, needs to increase. This is in line with the Grand Bargain commitment of 30% of all humanitarian contributions to be non-earmarked or softly earmarked.** Quality flexible funding is a critical element of effective humanitarian response, not just to benefit UN agencies and their partners, but to ensure that humanitarians are able to remain agile and meet the ongoing challenges of Covid-19 and respond to new emergencies.
- **Accountability is not sacrificed by increasing use of quality flexible funding.** Mechanisms for accountability can be adapted to quality flexible funding to ensure that all stakeholders, including donors, have access to the level of information and monitoring feedback required to ensure accountability.
- **In line with the Grand Bargain commitment to increase the visibility of unearmarked funding, IASC members have documented the use of quality funding received in a range of reports compiled by the IASC** (available [here](#)). This includes how quality funding provides added value at the country level, in protracted crises, and how it enables emergency deployments,
- **The high risk and constantly changing environments that inherently make up the contexts where humanitarians work require flexibility to remain effective.** Accountability can be enhanced when we set up the system up-front to work better with the challenges we know we will face in humanitarian response.
- **Without an increase in quality flexible funding from donors, IASC members are limited in the additional measures that they can take themselves. This is a particular concern for cascading funding to local partners.** Grand Bargain signatories, including donors and IASC members, have recognized the need to ensure that the benefits of quality flexible funding are cascaded more effectively to local partners, a goal that is difficult to achieve with current levels of quality funding.