

For many years, **multi-year funding** for frontline implementers has been a challenge within the humanitarian system.

In March 2022, ECHO and IRC launched the **quality funding caucus** to unlock more and better funding.

In July 2022, the participants agreed on commitments around **increases in multi-year funding, transparency in data reporting** and **improved accountability**.



The caucus members were ECHO, the US Agency for International Development/Bureau for Humanitarian Assistance, the US State Department Bureau of Population, Refugees, and Migration/PRM, Sida and the Swedish Ministry of Foreign Affairs, UNICEF, WFP, UNHCR, OCHA, ICRC, InterAction and NEAR. **All Grand Bargain Signatories are encouraged to implement the commitments.**

## MAIN COMMITMENTS OF THE CAUCUS ON MULTI-YEAR FUNDING



- 1 Recognising **multi-year funding as a preferred modality**, especially in protracted crises.
- 2 Agreeing that multi-year funding should have at least some **flexible arrangements** to enable recipient organisations to respond efficiently and effectively.
- 3 Recognising that multi-year funding should be channelled **as close to the frontline as possible**.

## LESSONS LEARNT



### Clear direction and goals are necessary

Understanding the purpose and goals of the caucus at the very start of the process is integral to help the direction of travel and ensure a strong outcome at the end.

### The most relevant actors must be at the table

Representation of key constituents at senior level provides the opportunity for open dialogue on some of the barriers and solutions to humanitarian financing. In addition, having high-level interlocutors to kick-start and close the process can influence the relevant actors being at the table.

### Getting accurate and comparable data is essential

The Caucus highlighted the need for a shared understanding of definitions, data and tools to measure progress on multi-year funding. These discrepancies must be addressed for credible monitoring of the commitments made in the Outcome Document.

### External facilitation on specific blockages helps

On two occasions the quality funding caucus held workshops facilitated by external partners. This was a great opportunity for stakeholders to work through some of the challenges with the help of a trusted external facilitator.

### Informal Advisory Groups can add significant value

Receiving advice and feedback from donors, and NGOs that are not a part of the caucus can add a lot of value if they are engaged thoughtfully and consistently.

## WAYS FORWARD



### All Grand Bargain Signatories should endorse the Outcome Document

All Grand Bargain Signatories have the opportunity to endorse the Outcome Document and implement the agreement to maximise the impact of multi-year funding on people affected by crisis.

### Agree a common methodology to monitor progress against commitments

The Facilitation Group should embed reporting on the Outcome Document in the annual Grand Bargain self-reporting cycle. Basic indicators, such as multi-year funding percentage increases year to year, should be developed and agreed with the help of external data experts as soon as possible.

### Need for a similar dialogue on flexible funding

Quality Funding Caucus discussions highlighted how predictability and flexibility must go hand in hand if we want to see best-quality results. The Facilitation Group should consider establishing a dedicated high-level dialogue to address the political challenges around flexible and unearmarked funding.