Discussion paper on research focus and approach:
Multi-Year Funding for Humanitarian Response

The current study has been commissioned to respond to Activity 6 of the IASC Humanitarian Financing Task Team’s workplan under output 1: “Commission a study exploring the scope and implications of multi-year financing in the context of multi-year planning, including on work across the humanitarian – development nexus.” The study comprises two sequential stages:

1) Determine to what extent multi-year funding is actually being provided to meet the needs as stated in a select number of multi-year or annual Humanitarian Response Plans (HRPs) through a desk review and baseline data gathering exercise.
2) Undertake an analysis of multi-year funding and its implications for humanitarian organisations in particular how it affects budgeting, resource mobilisation, relationships with donors, agreements between first-level funding recipients and implementing organisations, possibilities for innovative financing solutions, and operations in the field. This analysis will include MYF that is exclusively for humanitarian response, as well as MYF for humanitarian organisations working across the humanitarian – development – peacebuilding nexus.

The following discussion relates to the second stage of analysis, which in exploring the research themes outlined above, will look to capture evidence of added value, best practices, and innovation, as well as identifying challenges. Suggested expanded research questions include:

(a) In what ways does multi-year financing benefit the humanitarian system?
   • Building on the desk review and baseline data gathering exercise, what different types of multi-year funding are in existence (earmarked and un-earmarked funding at the global and country-levels; multi-year commitments/awards); who provides them (including distinguishing humanitarian or development donors; bilateral, multilateral, private donors); who receives them; and what they use them for (programmatic focus; internal institutional purposes)?
   • What are the theoretical efficiency and effectiveness gains and at what levels of the system do they accrue, for each of the different types of multi-year funding (donor, recipient, sub-recipient)?
   • What evidence is there that these expected gains have been delivered where multi-year funding is in place?
   • What evidence is there to demonstrate additional added value and/or innovation has resulted at the institutional or system-level?
   • Where these gains have not delivered as expected, what were the barriers and disincentives?
   • What are the costs and drawbacks of multi-year funding at each level of the system (includes responsiveness, traceability/visibility)?
(b) In what ways does multi-year financing contribute to an improved humanitarian response and better outcomes for crisis-affected people?
- What are the theoretical benefits of multi-year funding for response outcomes and impact (could include response times, flexibility, innovation and learning)?
- How do the benefits vary according to the type of crisis and its duration?
- To what extent are the benefits of multi-year funding and approaches being measured?
- What evidence is there to demonstrate expected improved response outcomes?
- What are the barriers and challenges to delivering against expected improved response outcomes?
- What can we learn from recent experiences – what unexpected gains, innovation and learning has resulted?

(c) How does multi-year funding benefit working across the humanitarian-development-peacebuilding nexus?
- What are the theoretical gains to be derived from multi-year funding and improved programming across the humanitarian-development-peacebuilding nexus? And are these made explicit in programme design?
- To what extent, where and how do humanitarian actors use multi-year funding to deliver activities and objectives which span or complement development and peacebuilding?
- From the perspective of recipient organisations, what does their funding portfolio for programming which is longer-term and/or linked to development and peacebuilding activities and objectives comprise? What role does development funding already play?
- In what ways does multi-year funding facilitate coordination across the humanitarian-development-peacebuilding nexus?
- What lessons and evidence of good practice and/or innovation in multi-year financed humanitarian action facilitating better working across the humanitarian-development-peacebuilding nexus?
- What barriers and other challenges exist?

(d) Based on findings, lessons and examples of good practice derived from (a), (b) and (c), do we need to adjust our understandings and expectations of multi-year funding, and how should we refine our policy asks in light of this?