Field perspectives on multi-year humanitarian funding and planning

How theory has translated into practice in Jordan and Lebanon

September 2019 – Working draft
Contents

Executive summary .................................................................................................................. 3
Introduction ............................................................................................................................... 5
MYHFP in Lebanon and Jordan ............................................................................................. 6
Context of the responses in Jordan and Lebanon ................................................................. 6
Field definitions of MYHF ........................................................................................................ 7
Proportions of first level MYHF in Jordan and Lebanon ..................................................... 8
Extent of multi-year humanitarian sub-grants ...................................................................... 12
Synergies with flexibility for MYHF ..................................................................................... 14
Linking MYHF with strategic and programmatic planning .................................................. 14
Field perspectives on benefits of MYHFP .......................................................................... 17
Efficiency through multi-year funding .................................................................................. 17
Effectiveness through multi-year programming ................................................................... 18
Conclusion ............................................................................................................................... 21
Annex 1. Interviewees ........................................................................................................... 22
Annex 2. Interview questions ............................................................................................... 24
References ............................................................................................................................... 25
Executive summary

The research below seeks to support the Grand Bargain workstream on enhanced quality of funding by providing evidence from two countries – Lebanon and Jordan – on multi-year humanitarian funding and planning (MYHFP).

Both sample crises have experienced protracted humanitarian crises with consistently large numbers of displaced populations. Total humanitarian funding to both responses has remained high since 2013, though steadily decreasing in recent years. These conditions, coupled with the presence of multi-year strategic response plans, seem conducive to realising MYHFP.

The key informant interviews in both countries indicate the lack of a commonly agreed definition of multi-year humanitarian funding (MYHF) in terms of the time frame of grants. According to their own definitions, donors’ and implementers reported a wide variation in the share of multi-year funding provided and received. There was a shared sense in Lebanon and Jordan that the overall proportion of MYHF has not been significant enough to transform the humanitarian response, despite increases since 2016. The provision of multi-year grants beyond the first level of funding was reportedly even more limited across all international implementers. Those cited a lack of their own budget visibility, limited capacity by downstream partners to absorb long-term funding and restrictions on the original grant as obstacles to providing multi-year sub-grants.

Donors and implementers in both contexts reinforced the need for MYHF to be flexible to unlock its potential in improving the response. This can reportedly be achieved through low levels of earmarking or by allowing for adaptive programming. The latter requires the ability to move funds between budget lines, activities, geographical regions or years with minimal delays.

In terms of the links between the timeframe of funding and planning processes, all interviewed actors in Jordan and Lebanon plan strategically for the longer term, though this tends to be marginally influenced by the funding available. The link between time frame of funding and that of programmes varied by the size of operations, with the largest implementers relying on a mix of income streams with different time frames and levels of earmarking, making it more difficult to implement multi-year funding as multi-year programs.

The perceived efficiency gains through MYHFT in both contexts were through lower administrative burdens of grant management and higher staff retention for implementers. The internal capacity building through the latter was identified to be of particular importance to local and national actors.

Interviewees further identified a range of effectiveness gains unlocked by flexible MYHFP. These include a continued presence, resulting in greater trust with affected populations, and better baselines through a longer start-up phase. Through flexible and predictable funding, implementers cited the benefit of being able to adapt programs.
based on learning and changing need. It might also provide the opportunity in more stable crisis contexts to facilitate a transition from humanitarian to development response.

Throughout the research, several recommendations for the global workstream to address are identified based on field perspectives from all stakeholders. These include the need to establish a shared understanding of how to define MYHF and what its role should be in different contexts: to more effectively meet humanitarian need or to transition to a development response. There also seems to be scope for donors of multi-year funding to share their lessons learned, and for implementers to outline more clearly of what MYHFP has and might enable them to do. The provision of multi-year sub-grants remains a challenge that requires stronger efforts to realise the benefits of MYHFP through the entire humanitarian system.
Introduction

At the Grand Bargain Annual Meeting in 2019, progress in the provision of higher quality humanitarian funding was identified as key enabler to move towards a more efficient and effective humanitarian response. Since the merging of the Grand Bargain workstreams on multi-year humanitarian funding and planning (MYHFP) and on reduced earmarking, the newly formed workstream on quality funding has sought to build an evidence base on presence and impact of predictable and flexible funding (NRC, 2017; Development Initiatives, 2019).

The purpose of this research is to contribute to an improved understanding of how predictable and flexible funding affects the reality in the field and to identify recommendations for the global workstream to address, based on these field experiences by donors and implementers alike. Jordan and Lebanon were selected as two sample contexts, given their protracted and relatively stable crisis contexts with a degree of comparability.

The report is structured in two sections. First, it explores the field perceptions on definitions and extent of MYHFP in both Jordan and Lebanon. This includes evidence on the proportions of multi-year humanitarian funding at the first and second level. It further outlines the perceived synergies between flexible and predictable funding, before analysing how the time frame of funding links with that of strategies and programming.

The second section provides a summary of perceived and experienced efficiency and effectiveness gains for the response in both countries through MYHFP. Alongside a summary of anecdotal evidence, it analyses in greater detail how longer-term funding and programming might benefit the localisation agenda and activities with a gender focus.

The research was funded by Canada and jointly carried out by NRC and Development Initiatives. The researcher is most grateful for the support provided by the NRC country teams in Jordan and Lebanon and for the interviewees’ contributions. The research methodology is largely based around insights from semi-structured key informant interviews and complemented with quantitative data on multi-year humanitarian funding (MYHF) directly collected from implementers in both countries. Quantitative data collected in Jordan is limited and therefore conclusions from that data treated with caution below. The interviewees were selected to present a range of stakeholders (humanitarian donors, UN, INGOs, local/national NGOs, development actors), but the short time frame of the research limited the scope to consult more widely and to achieve a balance across groups. The interviews were largely conducted in person during field trips over 10 days in each country, with few additional responses provided through remote interviews or in writing. The list of interviewees is provided in Annex 1.
MYHFP in Lebanon and Jordan

This section outlines how multi-year humanitarian funding, planning and programming are perceived in both countries. After a brief description of the two country contexts it explores how MYHF is defined and to what extent it exists in both countries, at both first and subsequent levels of funding. This is followed by synthesis of views on synergies between flexible and predictable funding, before finally exploring how the time frame of funding links with that of programming.

Context of the responses in Jordan and Lebanon

The relatively stable crises in Jordan and Lebanon, with consistently high levels of need and a continued influx of humanitarian assistance, seem like suitable contexts for MYHFP.

Both country contexts have experienced a large influx of Syrian refugees since the escalation of the Syria crisis in 2012. The numbers of registered Syria refugees in Lebanon between 2013 and 2019 were consistently between around 900,000 and 1,100,000 million people, and for Jordan consistently between around 600,000 and 700,000 over the same time period. These numbers exclude large numbers of unregistered Syria refugees and are in addition to significant numbers of Palestinian refugees in Lebanon and Iraqi refugees in Jordan. The crisis response plans in both countries also target large numbers of impacted and vulnerable host communities, in 2019 those were 1,005,000 people in Lebanon and 520,000 people in Jordan (3RP, 2019).

Total international humanitarian assistance to both countries since 2013 remained on a high, though since 2016 steadily decreasing level (Figure 1). Humanitarian funding to Jordan, according to UN OCHA Financial Tracking Service, reduced from US$959 million in 2013 to US$679 in 2018, while remaining above US$900 million between 2013 and 2016. Lebanon in turn received US$1,045 million 2013, increasing to US$1,303 in 2015 before falling first the first time in six years below US$1,000 in 2018 (US$973).

Given the protracted nature of crises in Jordan and Lebanon, both are with multi-year strategic crisis response plans. They are part of the Syria Regional Refugee and Resilience Plan (3RP), which has a rolling 2-year time frame. Individually, they each have a country-specific crisis response plan jointly designed by the respective governments and humanitarian agencies. Those both also have a multi-year time frame, the Lebanon Crisis Response Plan (LCRP) from 2017 to 2020 (Govt. of Lebanon & UN, 2019) and the Jordan Response Plan from 2017 to 2019 (MOPIC, 2018).
Field perspectives on multi-year humanitarian funding and planning
Development Initiatives and Norwegian Refugee Council

Figure 1: Humanitarian assistance to Jordan and Lebanon as reported to UN OCHA FTS, 2012–2019

![Graph showing humanitarian assistance to Jordan and Lebanon from 2012 to 2019](image)

Source: Development Initiatives based on UN OCHA FTS data. Downloaded on 09/09/2019.

Notes: Data in the chart includes commitments that are legally binding funding obligations and disbursements. Funding data for 2019 is preliminary and therefore shaded lightly in the graph.

Field definitions of MYHF

There was no commonly agreed definition of multi-year funding in relation to duration or conditions of contracts, though areas of consensus on what this might entail were evident. The absence of this definition makes analysis of the scale and impact of MYHF challenging. The variety of understandings from actors in Jordan and Lebanon of what MYHF entails, especially in terms of its time frame, reflects the absence of a shared definition at the global level (Development Initiatives, 2019). This variety exists in both countries, within and between all interviewed stakeholder groups (donors, UN, NGOs).

The time span of what both donors and implementers perceive as multi-year funding ranges between longer than twelve months to at least three years. Twenty-five of the thirty interviewed organisations specified a time frame of a minimum of either twelve or twenty-four months, evenly split between the two. Some organisations in the latter group cited the Organisation for Economic Co-operation and Development definition of MYHF (OECD, 2017) as referential guidance. Five multi-mandated organisations, including all three national actors that were interviewed, considered funding with a time span of at least three years to be multi-year.
There was agreement across all interviewees on two points. Firstly, these definitions would only count funding that is tied to legally binding agreements, and thereby exclude informal commitments. This is not to say that there are no other ways of providing predictable funding, which could also be ensured through donor support groups or other strategic, long-term partnerships between individual donors and implementers. Those alternative arrangements were however regarded as separate from MYHF. Secondly, there was also a consensus that the time frame of consideration would be the one at the outset of the funding agreement. Funding that would become multi-year through (no-)cost extensions should not be included, given these extensions usually come at short notice and therefore do not allow for longer-term planning or funding predictability from the outset.

**Recommendation 1:** To develop a globally shared definition of what constitutes MYHF. This should be informed and endorsed by HCTs. While a common interagency definition should not limit agencies in maintaining their own, context-specific understandings, it would enable better tracking of progress in the level of MYHF at the global and country level, while providing a shared point of reference for both donors and implementers.

**Proportions of first level MYHF in Jordan and Lebanon**

In both countries there was a wide variation in the extent to which donors’ and implementers’ country portfolios were multi-year funded, alongside a shared sense across all stakeholders that at the system level, the proportion of MYHF was not significant enough to transform the humanitarian response.

Before delving into the detail of the distribution of MYHF in both countries, it is crucial to note the protracted and relatively stable nature of the crisis contexts. This means that lines between the humanitarian and development response, and thereby also funding, are increasingly unclear and sometimes not helpful. Both donors and implementers reported that the same activities might framed interchangeably to have a humanitarian or development focus. The same ambiguity will therefore apply to actors reporting their respective proportions of MYHF, depending on their mandate and how narrow the respective definition of humanitarian is. The multi-year funding referred to below might therefore be more accurately described as humanitarian related.

With that in mind, there reportedly is a large range of MYHF provided by donors in both countries. Of the interviewed group, two donors – Canada and Australia – launched multi-year response strategies for the regional Syria response¹, with the funding provided

¹ For more information on Canada’s ‘Middle East engagement strategy’, which includes its multi-year response to the Syria crisis, please refer to: [https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sea-moe/strategy-strategie.aspx?lang=eng](https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sea-moe/strategy-strategie.aspx?lang=eng)
matching the same multi-annual time frame. Two additional donors – UK and the German Federal Foreign Office – have reportedly been almost exclusively providing humanitarian funding as multi-year in both Jordan and Lebanon, based on the relatively stable context and feedback from their implementing partners. An additional two donors provide between 20 and 30%, with the remaining three having been largely unable to provide funding beyond annual cycles due to restrictions through budgetary approval processes. Interestingly, one of those three donors noted that while the humanitarian department is largely unable to provide multi-year funding at the country-level, the development counterpart routinely does, despite being subject to the same budgetary processes. Another factor in deciding the time frame of funding provided, especially for donor agencies with a strictly humanitarian mandate, is therefore the notion that humanitarian assistance should only respond to immediate needs and be nimble if those were to change. In contexts such as Jordan or Lebanon there is a fear that funding with a purely humanitarian mandate might ‘disappear in the grey areas of the nexus’ (quote from donor interview). This points to the need of clarifying the role and expectations of MYHF crisis contexts to ensure that humanitarian donors and implementers, and non-humanitarian actors, are on the same page.

**Recommendation 2:** Donors routinely providing MYHF in certain contexts to share their lessons learned. This applies to lessons for both internal processes and external results. The sharing and learning can occur at both global and country level. It might point to ways for donors who are largely unable to provide MYHF of how this could be achieved, either through internal changes or by establishing external financial instruments with the ability and a clear mandate to provide MYHF.

Figure 2: Percentages of multi-year humanitarian funding received by individual implementers in Jordan and Lebanon, 2016–2018

Source: Development Initiatives based on data collected bilaterally from implementing agencies through a quantitative survey and key informant interviews.
There is a similarly wide range of MYHF as proportion of the implementer’s country portfolios. Figure 2 shows that while since 2016 an increasing number of organisations received a higher proportion of their humanitarian country portfolios in the form of multi-year funding, almost 70% of implementers in 2018 reported a receipt of 30% or less in MYHF with around 40% remaining between 0% and 10%.

This image of unstable progress in levels of MYHF since the Grand Bargain commitments in 2016 is reflected for the total volumes of funding available to the response (Figure 3). Large increases in the proportion of total MYHF in both countries from 2016 to 2017 were followed by a drop in 2018. The sense from the interviews was that this proportion will at best remain at this level but might well decrease with overall volumes of humanitarian funding also decreasing (Figure 1).

**Figure 4: Volumes and proportion of total MYHF received by implementers in Jordan and Lebanon, 2016–2018**

![Graph showing volumes and proportion of MYHF](image)

Source: Development Initiatives based on data collected bilaterally from implementing agencies through a quantitative survey.

Notes: Data for Lebanon in the graph includes funding figures reported by 8 implementing agencies, that on average represent 80% of the total humanitarian funding to the response as reported to FTS. Data for Jordan in the graph is preliminary as it only includes funding figures reported by 3 implementing agencies, that on average represent 52% of the total humanitarian funding to the response as reported to FTS.

Most actors across all stakeholder groups agreed that on a systemic level, MYHF in both Jordan and Lebanon has not reached a critical mass to transform the humanitarian response. Reasons behind this are detailed below when exploring the link between multi-year humanitarian funding and programming. On an organisational level, most actors were unable to specify how what level of MYHF would be required to significantly change their operations. Some were however able to provide examples of how enough long-term funding can transform their programming, planning and fundraising (Box 1).
Box 1. Tipping the scale of MYHF
An organisational example of leveraging a multi-year grant

An international NGO in Jordan that is part of the refugee response currently receives less than 5% of their country portfolio in the form of multi-year funding. However, it is in the process of finalising a multi-year grant for a livelihoods programme that would represent an additional 15% of the total funding received. The Head of Programmes outlined how they plan to leverage this funding to transform programming and fundraising in Jordan:

- Given the scale of the programme and being at the core of the NGO’s activities in-country, it will influence the entire planning process for activities in Jordan by providing a fully funded core activity that other interventions can be built around. It can thereby allow for the development of a new country strategy linking livelihoods and protection that matches the three-year time frame of the project.

- In terms of fundraising, there have been ongoing conversations with donors who are keen to provide longer-term funding if operational sustainability was not fully dependent on their contributions. This multi-year, fully funded project provides the NGO with a reference point for potential donors on where their contribution fits in.

Recommendation 3: Implementers to build evidence base of how existing multi-year funding, even if relatively small, improved their response, while specifying potential gains to be unlocked by greater amounts of MYHF. Throughout the research process there was a recurring ‘catch-22’ situation: donors stated that improvements through existing levels of MYHF are not clearly visible to them, with implementers responding that this is due to small amounts provided. Evidence-sharing by organisations receiving higher proportions of long-term funding on how it benefits their response might unlock more MYHF available to all actors, and potentially lead to a virtuous cycle of collective learning resulting in a more sustainable and collaborative response.

Extent of multi-year humanitarian sub-grants

The provision of multi-year humanitarian funding beyond the first funding level by all international implementers, e.g. in the form of sub-grants, is reportedly much more limited. Limited evidence of such multi-year sub-grants at the country-level in Jordan and Lebanon mirrors the global picture (ODI, 2019; Development Initiatives, 2019). This therefore remains a key challenge to be overcome for the perceived benefits of MYHF to be realised for downstream partners.

Out of all the interviewed public donors, only one required its implementing partners to transfer the terms from the initial grant to all related sub-grants. Some other donors that provided MYHF in turn encouraged their implementing partners to also provide multi-year sub-grants, but not monitor
whether this was the case. The remaining donors left the decision on which terms to apply to sub-grants entirely up to the implementing partner.

From the interviews with international implementers it became clear that it can by no means be an automatic process of received multi-year grants and passing them on as multi-year sub-grants. There are several preconditions to be met from their perspective to be able to provide multi-year sub-grants:

- Income visibility must be given for the programme of the corresponding sub-grant. This is especially challenging for implementers funding their own programmes with multiple income streams that come with different time frames and levels of earmarking.
- The sub-grantee must have the organisational capacity to absorb multi-year funding and to plan and implement operations for the longer term.
- There are no restrictions on the original grant as to which types of organisations might receive sub-grants, or for how long.

The interviewed UN actors identified the first point as biggest obstacle. Given they often simultaneously implement and fundraise for the same programmes, their income is reportedly not predictable enough to provide budget visibility for their partners in following years even though the cooperation might continue. There are efforts in early stages of improving this for partners, for instance UNHCR is trialling in Lebanon multi-year agreements over two years with selected partners. Still, it remains challenging to provide full predictability of sub-grants, as the funding in the second year is still conditional on UNHCR securing the required funds first.

There was a variation across NGOs on whether and how multi-year sub-grants are provided. Partnership-based organisations carefully screen their local and national partners and tend to fund their long-term cooperation by default. Other international NGOs referenced the three preconditions above as limiting their ability to provide long-term funding to downstream partners, while recognising that more could be done to enable this. One identified solution to the challenges of providing multi-year sub-grants is to apply for funding as a consortium. The consortium members would then share the terms of the grant as equal partners, including the time frame, thereby circumventing power imbalances between sub-grantee and grant holder. However, this solution might also come with a risk for the consortium lead as sole grant holder, who would have to deal with potential mismanagement by other consortium members to avoid being penalised.

**Recommendation 4:** To explore funding modalities that facilitate sharing the benefits of a multi-year funding time frame. Funding to consortia of implementing organisations seems to be one way of sharing beneficial terms of grants. The development of internal funding processes to more easily sub-grant on a multi-year basis is already in progress for some of the largest actors but needs to continue to realise the benefits of MYHF across the humanitarian system.
Synergies with flexibility for MYHF

Donors and implementers alike in Jordan and Lebanon reinforced the need for MYHF to be flexible to unlock its potential in improving the response, through low levels of earmarking or by allowing for adaptive programming. This is in line with an increasing body of evidence on the links between flexibility and predictability (NRC, 2017; SIDA, 2018; UNICEF, 2018; Cabot Venton, 2013).

In both countries there has reportedly been an increase in levels of earmarking accompanying the increase in MYHF, matching global trends (Development Initiatives, 2019). Implementers noted that it is difficult to accept tightly earmarked multi-year funding, as it cannot be guaranteed that needs and contexts remain the same. For NGOs, given that grant agreements tend to be linked tend to be linked to the proposed programmes, the level of earmarking for MYHF is consequently high. Some exceptions with lower levels of earmarking are global framework agreements over multiple years that some NGOs have with individual donors, and appeals funded through private donations.

Interview respondents highlighted that the ability to move funds between budget lines, activities, geographical regions or years over the course of a grant agreement is another important aspect of flexibility. Interviewees across all stakeholder groups agreed that for MYHF it is indispensable to remain flexible in what the funding set out to achieve should the context and therefore the appropriateness of the response change. Some of this flexibility might be relational, based on trust built over long-term partnerships, but its importance should be recognised from the outset. Maintaining this flexibility to respond adaptively might also diminish some donors’ concerns that funding committed for the longer-term reduces their ability to reprioritise funding if needs change. However, while all donors providing MYHF recognised the need to allow for revisions based on changing needs or evidence of learning, agreeing to those changes was reported to sometimes be a lengthy process.

Recommendation 5. To build in flexibility to adapt programming for more tightly earmarked MYHF. This might be achieved through establishing swift grant amendment processes, regular review processes or contingency funds in the form of crisis modifiers.

Linking MYHF with strategic and programmatic planning

While all interviewed actors in both Jordan and Lebanon plan strategically for the longer term, the links between the time frame of funding and programming are more ambiguous. A better understanding of this link is necessary to be clear on how longer-term funding can lead to more effective, longer-term programming, as the perceived improvements in the response through the provision of MYHF (see below) often presume that it results in multi-year programs.

In terms of multi-year planning, both countries benefit from a range of interagency multi-year strategic frameworks. For the humanitarian response there are the Lebanon Crisis Response Plan 2017–2020 (Govt. of Lebanon & UN, 2019) and the Jordan Response Plan (MOPIC, 2018), as well as multi-year development frameworks between the UN and the respective governments. All interviewees stated that their own strategic planning is in line with the relevant interagency frameworks. Internally, all donors and implementers devised their own funding and response strategies for multiple years considering the relatively stable contexts in both countries with a foreseeable minimum need.

Field perspectives on multi-year humanitarian funding and planning
Development Initiatives and Norwegian Refugee Council

14
The formulation of those strategies was rarely influenced by the time frame of funding provided or received. As mentioned above, Canada and Australia both matched their multi-year strategies in the region with funding for the same period. Most other donors would use a mix of short- and long-term funding, or at most annual funding, to work towards independently formulated long-term goals. Most implementers also developed their strategies largely separately from the funding already secured. These would be informed by the mandate of the respective organisations and the current and anticipated levels of need. In two exceptional cases for NGOs a single large-scale, multi-year grant would be significant enough to shape the country strategy.

**In both countries it varied by organisation type and size of operations how closely the time frame of funding is linked to that of activities.** To most consulted NGO representatives the time frame of the grant agreement usually determines the duration of the activity linked to the funding. This is due to the usually high levels of earmarking and a small number of grants funding on activity. In the absence of multi-year funding, more established and usually international NGOs might have other ways of ensuring continuity of programmes through top-ups from HQs or flexible, private funding from appeals, but this comes with greater uncertainty of whether that funding might be available when needed.

UN representatives with large country operations indicated that for them the relationship between time frames of funding and the implemented activities is more complex. Single programmes are often of such a scale that individual grant contributions are not enough to fully fund them. Those activities therefore must be funded by a mix of income streams with different levels of earmarking and time frames. This makes it very difficult to predict to what extent or how they might be funded in the following year. Still, UN agencies manage combine different funding streams to continue and improve the same programmes over multiple years. For instance, the systems and processes developed over multiple years for the provision of cash and voucher assistance – e.g. for WFP’s general food assistance or UNHCR’s multipurpose cash programs – reportedly result in a more efficient and effective response2. MYHF therefore facilitates longer-term planning process by providing more budget visibility, but low levels or earmarking are at least equally important by providing the flexibility to plug gaps in funding wherever and whenever they might arise.

---

Box 2. Political challenges to MYHFP

The effects of domestic and international politics on longer term planning

The uncertainty around how changes in the political climate or legislation might affect the ability to plan a longer-term response was frequently raised by interviewees. Some noted for instance that the implementation of more restrictive labour laws in Lebanon immediately affected livelihood programmes, and that the demolition of refugee shelters was a setback for the humanitarian response. This raised the question to what extent an integrated and sustainable refugee response with a longer view might be possible if there is a strong focus on returns and little interest in full socioeconomic integration.

While donors reportedly navigate these challenges ad hoc in their continued engagement with the domestic government, implementers pointed out that MYHFP in fact gives them credibility in their engagement with the national authorities. It acts as a signal that their presence in the country is for the longer term to jointly address the needs in the country. Uncertainty in the political context also reinforces the need for flexible – that is unearmarked or adaptive – funding to be able to quickly react to changing circumstances.

Interviewees also recognised that changing international politics might equally have adverse effects on the predictability of funding, with funding committed over multiple years providing more continuity even if donors’ priorities were to suddenly change.
Field perspectives on benefits of MYHFP

This section provides a summary of anecdotal evidence by actors in Jordan and Lebanon on the perceived and experienced benefits of MYHFP for the efficiency and effectiveness of the response. The importance of MYHFP to the localisation agenda and activities with a gender focus is explored in greater detail.

Efficiency through multi-year funding

Interviewees in both Jordan and Lebanon quoted efficiency gains in grant management and staff retention through multi-year funding. As in other research on the topic (Levine, et al., 2019; NRC, 2017), these cost savings could not be quantified but were shared views and reported experiences by donors and implementers alike.

Both reported that longer funding time frames often ease the administrative burden by simply reducing the number of grant agreements over time. This in turn reduces the number of contracts to be negotiated, opened, managed and closed. Implementers also noted that this frees up fundraising capacity to focus on securing grants from other donors instead of having to renegotiate with the same donor in the future. Specifically in Jordan, with the requirement for the Ministry of Planning and International Cooperation (MOPIC) to approve every project in the country that is funded from international sources, these time savings are even more substantial given the potentially lengthy approval process of up to several months. A multi-year project only needs to go through this detailed approval at the outset, avoiding delays faced each year by annually funded activities. Still, most reporting processes were driven by demands through internal accountability processes and therefore marginally influenced by the time frame of grants. There was a consensus that the reporting burden is much more strongly affected by differing requirements across donors. In terms of softly or unearmarked multi-year funds, it came through strongly that certain donors feel they might lose visibility of where and how their funds are directed, making it difficult to be accountable to their parliaments. However, heavy reporting requirements on this funding can in turn limit its utility. One interviewee noted that if a core donor requires exact numbers of people reached in the reporting, there is no choice but to direct the funds to a specific activity, limiting its value to be spread across programming where gaps arise.

Recommendation 6. To progress the workstream commitment 8.1 in cooperation with the GB workstream on harmonised reporting requirements. It seems that to counter a trend of increased earmarking for multi-year funding (Development Initiatives, 2019), a balance must be struck on what reporting is necessary donors to be accountable to the taxpayer and feasible for agencies, ideally harmonised across the system.
Both donors and implementers noted that MYHF led to higher staff retention through longer contracts and thereby more internal capacity building. The benefits of greater retention of expertise spilled over into improving effectiveness, though again only anecdotal evidence is available to support this.

**Box 3. MYHF and localisation**

The need for long-term cooperation with local and national actors

The reinforcement of national and local actors’ capacity to respond through continued cooperation is a well-known aspect of the localisation agenda (IFRC, 2018). Partnership-based interviewees clearly pointed out the need for long-term funding and technical assistance to their national partners to sustainably localise the response. Perhaps unsurprisingly, short-term funding to national and local actors that is often tightly earmarked to specific deliverables does not allow for investments in administrative capabilities and staff capacity (Bruschini-Chaumet, et al., 2019). Interview respondents noted that international organisations might be able to take the risk of retaining staff despite not having secured the necessary funds, as HQ support could fill the gap if funding was not to realise. This is however often not an option for local or national partners.

The Justice Center for Legal Aid (JCLA) in Jordan showcases the potential benefits of long-term investments in organisational capacity. It managed to establish itself as the largest legal aid provider in the country with the help of two successive rounds of multi-year funding from the World Bank, spanning between 2012 and 2019. This funding sustainably improved JCLA’s ability to contribute to the humanitarian response by also providing legal assistance to refugees. This long-term financial support allowed JCLA to build a case management system and invest in data analysis skills & processes. It was also used to design standard operating procedures, training manuals and to fund the organisations’ expansion into 12 governorates. These significant returns on the start-up cost leverage the effectiveness of new funding received thereby transformed JCLA ability to respond beyond the duration of these two multi-year grants.

**Effectiveness through multi-year programming**

Interviewees cited anecdotal evidence for a range of potential and experienced effectiveness gains unlocked by flexible MYHFP. These perspectives from actors in Jordan and Lebanon reflect the established finding that effectiveness gains through MYHFP are not automatic, but need to be carefully managed (NRC, 2017; Levine, et al., 2019).

Multi-year programming reportedly enables a continued presence geographically and with a target population. This helps to build trust with affected communities. Implementers note this to be generally beneficial to the response but of particular importance for protection and participatory activities. It was also perceived to benefit processes around accountability to affected populations. A continued presence was also cited to improve the relationships with downstream partners (see Box 3) and with responsible government ministries.
A longer time frame of funding and programming also allows for a longer start-up phase with better baselines and wider stakeholder consultations. Implementers reported this to improve targeting and coordination with other implementation partner. Long-term programmes also justify higher start-up costs of logistical infrastructure as returns on those investments are more predictable. This was cited to improve value for money, potentially beyond the duration of the programme for future funding.

Flexible multi-year funding that can be shifted between budget lines and years allowed implementers to adapt programs based on learning or changing need. To provide evidence through disadvantages of the opposite, one NGO cited an experience with overly rigid multi-year grants that ultimately changed its preference back to single-year funding to be nimble in the response. In terms of learning processes, respondents found that with a longer time frame of implementation it is feasible to obtain deeper insights through monitoring and evaluation of longitudinal outcome indicators. Several implementers also noted that their large-scale and longer-term humanitarian programs are much more likely to include parallel research or third-party monitoring processes, providing more in-depth validation and learning.

Recommendation 7. To ensure monitoring and learning is concluded before the annual review with donors of the next year’s budget for MYHP. Often the timelines of the two processes do not align, so that the budget for the following year of a multi-year activity must be set before the learning process is concluded, meaning lost opportunity to improve programming.

There is an opportunity in relatively stable crisis contexts for longer-term humanitarian funding to facilitate a transition to a development response where possible. This however requires a wider and context-specific discussion with traditionally development actors on the division of labour in these contexts. This is to avoid scarce humanitarian resources being increasingly diverted into grey areas of the nexus, while shortfalls in immediate humanitarian need might still be present. Development funding and activities also should extend into this grey area, so that the transition of the response from humanitarian to development is not a unilateral process. There is thus a distinction to be made for MYHF between funding purely humanitarian activities and those that also target development outcomes.

Recommendation 8. To agree on expectations of what is realistic for MYHFP to achieve depending on the context and to clarify roles and responsibilities.

Most of the evidence provided above on perceived or potential improvements in effectiveness through MYHFP is anecdotal. Multiple donors and implementing agencies referenced that they see more meaningful reporting and better results for longer-term activities, though these documents tend to remain undisclosed between the two parties.

Recommendation 9. To share existing reports on improved outcomes through multi-year humanitarian programming. There seems to be a pool of evidence on benefits of longer-term programming that remains between donor and implementer, thereby unavailable to other stakeholders.
Box 4. MYHFP and gender
Effects on gender-responsive and -transformative programming

The research gathered perspectives on how long-term funding might benefit programming through a gender lens. This seems particularly relevant in light of a recent finding in an evaluation of MYHF that ‘gender was the single biggest determinant of a person’s agency, in and out of crisis’ (Levine, et al., 2019).

Respondents interpreted the corresponding interview question in two different ways: whether time frame of funding and programming makes activities more gender-sensitive, or more gender-transformative. With regards to the former, most of the established implementers agreed that it is standard practice for them to design gender-sensitive programs irrespective of their time frame. However, for organisations new to gender mainstreaming, MYHF with a gender focus creates an incentive to build gender-sensitive organisational processes and culture that can trickle down from senior management to field teams. By allowing more time to build capacity on gender-sensitivity, it is more likely to become part of the theory of change and not merely a tick-box.

In terms of gender-transformative programming, many of the general potential benefits of MYHFP still apply:

- Longer start-up phases with better, gender-sensitive baselines and targeting allow for a more appropriate response, especially as literature supports that different genders experience crises differently (Lafrenière, et al., 2019; IPPF, 2019).

- Consolidation of gender-related expertise.

- More effective policy work on changing norms and attitudes around gender roles, and on the responsibility of the government in dealing with perpetrators and assisting survivors. For instance, multi-year funding enabled the Lebanese women's rights organisation ABAAD to develop a standard sexual and gender-based violence (SGBV) operations procedures and national case management curricula endorsed by the responsible ministries and by universities.

- Increased ability to work on prevention of e.g. SGBV through workshops on causes of harmful behaviours instead of purely firefighting.

- Building trust in safe spaces for SGBV survivors.

Some of these aspects, e.g. prevention and policy activities, come back to the question of what the ambition of humanitarian funding is: to respond only to immediate need, or to also address its root causes.
Conclusion

In summary, it is evident from the field experiences that the time frame of funding and planning is only one piece of the puzzle. The funding needs to be accompanied by enough flexibility to adapt to changing contexts, and a critical mass of predictable funding seems to be required to transform a humanitarian response. This would however only be the beginning of a transformative process individual organisations and the humanitarian system. Usually annual budgeting would have to become less rigid, and programming would have to change from reaching more people with the same interventions to building durable solutions through innovative approaches. More and deeper collaboration with development actors would be necessary to allow for a sustainable exit strategy.

‘We need to evolve as a sector. Away from counting more individuals to deeper change.’

– Head of Programmes, International NGO, Jordan

The research also identified clear links with other areas and workstreams of the Grand Bargain. The challenge around providing multi-year sub-grants linked with the ability of predictable funding to build organisational capacity is highly relevant to localisation. The emphasis of the discussion might benefit from a shift away from mostly focusing on the quantity of funding to local and national actors to the quality of these funds. The workstream on the participation revolution might also want to include a focus on the time frame of participatory activities to enhance their effectiveness. Lastly, while not a separate workstream anymore, the cross-cutting issue of operationalising the humanitarian-development nexus might be dependent on finding the right arrangements of predictable and flexible funding in the right contexts. It is those contexts, such as Jordan and Lebanon, that might serve as most suitable starting points for more learning by doing more MYFHP.
# Annex 1. Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
<th>Geographical responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghida Anani</td>
<td>ABAAD</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Clare Nubel</td>
<td>ActionAid</td>
<td>Jordan</td>
</tr>
<tr>
<td>George Ghali</td>
<td>ALEF</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Heather Patterson</td>
<td>Canada</td>
<td>Regional</td>
</tr>
<tr>
<td>Nathalia Watanabe</td>
<td>COOPI</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Fadi Al-Mua’qat</td>
<td>DFAT</td>
<td>Jordan</td>
</tr>
<tr>
<td>Rana Nasser</td>
<td>DFID</td>
<td>Jordan</td>
</tr>
<tr>
<td>Tom Russell</td>
<td>DFID</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Isabelle Saade</td>
<td>DRC</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Salman Husain</td>
<td>DRC</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Suzanne Elder</td>
<td>DRC</td>
<td>Jordan</td>
</tr>
<tr>
<td>Jamale Chedrawi</td>
<td>ECHO</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Aly-Khan Rajani</td>
<td>Embassy of Canada</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Tor Håkon Tordhol</td>
<td>Embassy of Norway</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Francois Landiech</td>
<td>Embassy of Sweden</td>
<td>Lebanon</td>
</tr>
<tr>
<td>André Huber</td>
<td>Embassy of Switzerland</td>
<td>Regional</td>
</tr>
<tr>
<td>Sabine Rosenthaler</td>
<td>Embassy of Switzerland</td>
<td>Jordan</td>
</tr>
<tr>
<td>Jana Zemp</td>
<td>Embassy of Switzerland</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Ryan Knox</td>
<td>EU Regional Trust Fund</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Peer Koelling</td>
<td>Germany FFO</td>
<td>Regional</td>
</tr>
<tr>
<td>Jurg Montani</td>
<td>ICRC</td>
<td>Jordan</td>
</tr>
<tr>
<td>Ani Melikyan</td>
<td>IRC</td>
<td>Jordan</td>
</tr>
<tr>
<td>Ayesha Al Omary</td>
<td>JCLA</td>
<td>Jordan</td>
</tr>
<tr>
<td>Hadeel Abdel Aziz</td>
<td>JCLA</td>
<td>Jordan</td>
</tr>
<tr>
<td>Marion Cassiat</td>
<td>Jesuit Refugee Service</td>
<td>Regional</td>
</tr>
<tr>
<td>Amy Schmidt</td>
<td>NRC</td>
<td>Jordan</td>
</tr>
<tr>
<td>Chiara Fabrizio</td>
<td>NRC</td>
<td>Jordan</td>
</tr>
<tr>
<td>Dan Sissling</td>
<td>NRC</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Kate McGrane</td>
<td>NRC</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Muriel Tschopp</td>
<td>NRC</td>
<td>Jordan</td>
</tr>
<tr>
<td>Bachir Ayoub</td>
<td>Oxfam</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Isa Miah</td>
<td>Oxfam</td>
<td>Jordan</td>
</tr>
<tr>
<td>Name</td>
<td>Organization</td>
<td>Location</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td>Emily Whitehead</td>
<td>Trócaire</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Magalie Salazar</td>
<td>UN OCHA</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Amani Salah</td>
<td>UN OCHA</td>
<td>Jordan</td>
</tr>
<tr>
<td>Filippo Busconi Ricci Oddi</td>
<td>UN OCHA</td>
<td>Jordan</td>
</tr>
<tr>
<td>Zola Dowell</td>
<td>UN OCHA</td>
<td>Jordan</td>
</tr>
<tr>
<td>Tom Lambert</td>
<td>UNDP</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Carla Calvo Manosa</td>
<td>UNHCR</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Fiona Allen</td>
<td>UNHCR</td>
<td>Jordan</td>
</tr>
<tr>
<td>Francesco Bert</td>
<td>UNHCR</td>
<td>Jordan</td>
</tr>
<tr>
<td>Jessica Gut</td>
<td>UNHCR</td>
<td>Jordan</td>
</tr>
<tr>
<td>Marina Aksakalova</td>
<td>UNHCR</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Victoria Sukhanova</td>
<td>UNHCR</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Jacqueline Chu-Montell</td>
<td>UNICEF</td>
<td>Jordan</td>
</tr>
<tr>
<td>Maxime Bazin</td>
<td>UNICEF</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Monica Arach</td>
<td>UNICEF</td>
<td>Regional</td>
</tr>
<tr>
<td>Sarah Hague</td>
<td>UNICEF</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Kholud S. Al Edwan</td>
<td>U.S. PRM</td>
<td>Jordan</td>
</tr>
<tr>
<td>Emily Fredenberg</td>
<td>WFP</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Jacqueline De Groot</td>
<td>WFP</td>
<td>Jordan</td>
</tr>
<tr>
<td>Yasmine Kara</td>
<td>WFP</td>
<td>Lebanon</td>
</tr>
<tr>
<td>Hans Bederski</td>
<td>World Vision</td>
<td>Lebanon</td>
</tr>
</tbody>
</table>
Annex 2. Interview questions

There were two sets of questions that were circulated to the interviewees ahead of the semi-structured interviews taking place. These are to be identified by use of ‘/’ below, with the first option being the question for donors, and the second one for implementing partners. They were designed to consider the same issue from a different perspective. Given the interviews were semi-structured, the questions below served as guidance but might not all have been addressed by all interviewees.

Overview:
1) How does your organisation define multi-year funding?
2) What proportion of your organisation’s current country portfolio is provided/received as multi-year funding?
3) Which implementing partners does your organisation provide multi-year funding to? / Where does your organisation’s multi-year funding come from?
4) Does your organisation require implementing partners to pass on multi-year and/or flexible funding to their partners? / Does your organisation pass on multi-year and/or flexible funding to implementing partners?

Multi-year planning:
5) At the country level, do you plan funding priorities on a multi-year basis, and does your budgeting cycle allow for the provision of multi-year funding? / Does your organisation plan operations on a multi-year basis, and how does multi-year funding support your organisation’s planning cycle?
6) In your experience, does the multi-year funding you provide allow implementing partners to design and deliver more multi-year programmes? / Does multi-year funding allow for the design and delivery of more multi-year programmes?
7) Does the domestic political context affect your ability to plan with a longer view and to provide multi-year funding? / Does the domestic political context affect your ability to plan and implement multi-year programmes?

Efficiency and effectiveness:
8) Do you have evidence that the multi-year programmes you have supported have been more transformative than single-year ones? / Are multi-year programmes more transformative than single-year ones?
9) Has multi-year funding led to efficiency gains for your organisation, and / or for those that you have supported? / Has multi-year funding led to efficiency gains?
10) Has multi-year funding changed how you require implementing partners to monitor and report on results? / Has multi-year funding changed how you monitor and report on results?

Multi-year funding and gender:
11) How does multi-year funding benefit gender-sensitive programming compared to other programming?

Funding quality – multi-year funding:
12) What are the qualitative differences between the types of multi-year funding your organisation has provided/received?
13) Does the multi-year funding your organisation has provided/received come with different reporting requirements compared to single-year funding?

**Funding quality – flexible funding:**

14) What proportion of funding do you provide/receive as unearmarked, softly earmarked and earmarked at the country-level?
15) In your experience, what flexibility of funding is important at the country-level?

**References**


NRC, 2017. *Living up to the promise of multi-year funding*, s.l.: NRC, UN Food and Agriculture Organisation, UN OCHA.


Development Initiatives (DI) is an independent international development organisation working on the use of data to drive poverty eradication and sustainable development. Our vision is a world without poverty that invests in human security and where everyone shares the benefits of opportunity and growth.

We work to ensure that decisions about the allocation of finance and resources result in an end to poverty, increase the resilience of the world’s most vulnerable people, and ensure no one is left behind.

Copyright © 2019 Development Initiatives
We encourage dissemination of our work provided a reference is included.

Development Initiatives is the trading name of Development Initiatives Poverty Research Ltd, registered in England and Wales, Company No. 06368740, and DI International Ltd, registered in England and Wales, Company No. 5802543. Registered Office: North Quay House, Quay Side, Temple Back, Bristol, BS1 6FL, UK.

Contact
Niklas Rieger
Senior Analyst
Niklas.Rieger@devinit.org

To find out more about our work visit:
www.devinit.org
Twitter: @devinitorg
Email: info@devinit.org