Country-Based Pooled Funds (CBPFs) play a key role in delivering the “Grand Bargain” (GB), a set of reforms to improve the humanitarian financing system which was agreed by aid organizations and donors during the 2016 World Humanitarian Summit. CBPF allocations are fully flexible in-country, support the highest priority projects of Humanitarian Response Plans (HRPs) and adhere to humanitarian principles. They incentivise wider inclusion of humanitarian partners in coordination mechanisms and are the largest source of direct funding for national and local actors. They also improve transparency, promote multi-sectoral cash programming, contribute to better reporting practices and help to minimize transaction costs.

**CBPFs are unearmarked and fully flexible in-country**

*Grand Bargain work stream 8*  

CBPFs enable donors to maximize the value, flexibility and reach of unearmarked humanitarian funding:

- CBPFs ensure **allocations are needs-based**, prioritized through inclusive and transparent processes under the leadership of Humanitarian Coordinators, and support the delivery of HRPs.
- CBPFs provide **timely funding to promote early action** and mitigate the impact of crises on communities and their livelihoods.
- CBPFs increase funding **directly accessible to local and international relief organizations**, leveraging comparative advantages and encouraging collective ownership of the response.
- CBPFs enable **new and diverse donors** to respond to complex emergencies. They provide an optimal solution for donors that are unable to directly fund or assess implementing partners.

In volatile contexts where programmatic focus and priorities shift rapidly, access to flexible funding through CBPFs has given partners the ability to innovate and tailor solutions to specific challenges. For example, in 2016, the Syria Humanitarian Fund supported the construction of underground “bunkerized” hospitals in besieged areas to protect patients and medical staff from airstrikes and shelling.

**CBPFs empower local and national responders**

*Grand Bargain work stream 2*  

CBPFs are the largest source of direct funding for NNGOs:

- **166 million (23%)** allocated in 2016
  - **129 million (18%)** in direct funding
  - **37 million (5%)** through UN & INGOs

- **to over 220 local & national NGOs** implementing some 380 projects

- **Inclusive governance**: eligibility for CBPF funding requires active membership in coordination bodies and CBPFs help national non-governmental organizations (NGO) connect with clusters. Once NGOs become CBPF partners, they are represented in CBPF Advisory Boards and Technical Review Committees through which they contribute to prioritization and decision-making processes.

- **Outreach and training**: OCHA actively reaches out to NGOs at country level through clusters and NGO networks and at the global level through the CBPF-NGO Dialogue Platform. NGOs receive targeted training and support throughout the programme cycle.

In addition to direct funding, CBPF grant processes incentivise UN agencies and INGOs to work in partnership with local responders. For example, the Turkey Humanitarian Fund, which funds cross-border operations into Syria, prioritizes UN and INGO proposals that integrate local responders.
CBPF data is publically available on a dedicated transparency website

Grand Bargain work stream 1

- The CBPF Grant Management System (GMS) Business Intelligence (BI) portal, available at https://gms.unocha.org/bi, provides detailed contribution and allocation data in real time which can be retrieved by users for analysis. By the end of 2017, OCHA will ensure that CBPF data is fully compliant and formatted for publication according to the International Aid Transparency Initiative (IATI) standards.

The Business Intelligence includes detailed information such as allocations by cluster and partner type.

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Cash-based programming

Grand Bargain work stream 3

- CBPFs are cash-ready by design, which means mechanisms are in place to enable funding of cash-based programmes.
- By early 2018, CBPFs will be able to tag and track cash programmes in the GMS and display them on the public BI.

In countries where markets are conducive for cash, CBPFs are encouraging its use. For example, The Jordan Humanitarian Fund has adopted cash as a key programmatic modality and allocated one third of resources ($4 million) to cash-based projects. Beyond funding, it has also facilitated harmonization of the cash delivery approach of two international partner NGOs serving the same refugee community.

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Reporting requirements

Grand Bargain work stream 9

- OCHA is revising CBPF reporting templates to align with simplified reporting requirements that have been agreed to under this work stream and referred to as “GPPi 8+3”. OCHA will pilot the new reporting format in three countries (Iraq, Myanmar and Somalia) and will then mainstream its use across all 18 active CBPFs.
- In consultations with donors, OCHA has developed a Common Performance Framework for CBPFs. This set of performance indicators will standardize reporting and performance measurement across the 18 CBPFs, enable donors to gauge the performance of individual funds, and enhance OCHA’s corporate accountability in the management of CBPFs.

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Management costs

Grand Bargain work stream 4

- In June 2016, the UN Secretariat Programme Support Cost (PSC) for OCHA-managed pooled funds was reduced from 3 to 2 percent, freeing up approximately $7 million for CBPFs per year.
- CBPFs reduce management costs for donors with grant management, monitoring and reporting handled by OCHA on their behalf.
- Finally, in 2016, the cost of Humanitarian Financing Units in the field was separated from OCHA country office budgets to ensure a more stable and efficient management for CBPFs.

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Participatory revolution

Grand Bargain work stream 6

- CBPF partners are required to involve affected populations in the project management cycle.
- Starting in 2017, partner capacity assessments will specifically look at whether a policy on accountability to affected populations is in place.
- OCHA will also check that mechanisms are in place for information sharing and for feedback and complaints. Partners will be asked to show how well these fed into management decisions.