

## THE GRAND BARGAIN WORKSTREAM SUCCESSES AND NEXT STEPS

### Workstream 7&8 (Enhanced Quality Funding)

Co-convenors: Canada, UNICEF, ICRC, Sweden, NRC, OCHA

## TOWARDS QUALITY FUNDING IN 2020

**2018:**

#### PROGRESS NOTED ON INCREASED MULTI-YEAR FUNDING AND PLANNING

**12 out of 23 Humanitarian Country Teams** were either already working to **multi-year plans** or developing new multi-year plans in 2018.

**78% of donors** reported an increased volume/percentage of **multi-year funding**.

However, reporting discrepancies between donors and aid organizations were identified and need to be clarified.

**EARLY 2020:**

#### BUILDING THE EVIDENCE AND SUPPORTING IMPROVED REPORTING OF QUALITY FUNDING

The workstream published a **Definitions Guidance Summary**, which summarises and provides further clarity on what multi-year funding, unearmarked funding, and softly earmarked funding entail.

Development Initiatives, with support from the workstream Co-convenors, also published their comprehensive breakdown and baseline of multi-year humanitarian funding.

### WHAT ARE THE NEXT STEPS FOR QUALITY FUNDING?

#### BEST PRACTICES ON QUALITY FUNDING

The workstream, led by NRC, is now developing a picnic basket of **best practices on quality funding**, including illustrative examples of good practices, commonly cited properties of quality funding; the key benefits and challenges of providing and using quality funding; cross-cutting themes including gender, cash, localisation, and the nexus.

#### UNDERSTANDING BARRIERS TO CASCADING QUALITY FUNDING

To unpack the complexity on **cascading quality funding to implementing partners and better understand the specific barriers**, the workstream, led by UNICEF, is conducting an exercise to review its internal systems to better analyse the key barriers, and identify possible opportunities to increase the level of quality funding to be cascaded.

#### CASE STUDIES ON ADDED VALUE OF QUALITY FUNDING

ICRC is undertaking Case Studies to showcase and document **how flexible funding has enabled the ICRC to undertake its mandate** in a neutral, independent and impartial manner, responding to crises rapidly and based on needs.



Several donors identified to have **exceeded the 30% target for unearmarked or softly earmarked funding**, with a noted increase in contributions to country-based pooled funds.

However, progress for further flexibility remains limited and the reporting discrepancies on flexible funding between donors and aid organisations will have to be clarified.



**SEPTEMBER 2019:**

#### DIALOGUE ON ENHANCED QUALITY FUNDING

The workstream organised a one-day workshop in Geneva, featuring more than 50 participants including donors, UN Agencies, ICRC/IFRC, and NGOs, to agree on practical strategies and solutions in order to **accelerate progress against the Grand Bargain multi-year and flexible funding commitments**. The main outcomes included:

- Identified key remaining **challenges on advancing quality funding**;
- Identified concrete next steps including **clarity on the definitions, strengthening the reporting process** for quality funding, gathering a collection of **best practices** on quality funding, and continuing the dialogue on cascading quality funding down the transaction chain;
- Expressed a commitment to strive for progress against the core commitments;
- Identified a **willingness and openness to seek alternative approaches** to derive greater quality from existing funding arrangements.

The workstream **raised the issue of quality funding to the political level**, including through two high-level dialogues between donors and the Eminent Person, and NGOs and the Eminent Person.



### OBJECTIVES

With these activities, the workstream will:

Develop an **understanding of quality funding** that goes beyond the existing Grand Bargain commitments, as well as the relevant tools and mechanisms in place;

Develop a clear, evidence-based understanding of the **specific organisational barriers** that prevent the pass-through of quality funding to implementing partners;

Ultimately use these technical tools to **strengthen the existing political narrative on increasing the volumes of quality funding**.

## THE GRAND BARGAIN WORKSTREAM SUCCESSES AND NEXT STEPS

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## QUALITY FUNDING: SNAPSHOT OF DEVELOPMENTS AND PROGRESS SINCE 2016

#### MAY 2016: GRAND BARGAIN SIGNATORIES AGREED TO:

##### 1. INCREASE COLLABORATIVE HUMANITARIAN MULTI-YEAR PLANNING AND FUNDING

Multi-year planning and predictable funding **enable a more effective and efficient humanitarian response** by:

- Reducing the administrative burden for both donors and aid organisations;
- Creating an enabling environment for strengthened trust with affected communities;
- Facilitating deeper evaluation and monitoring;
- Supporting the potential to deliver greater coherence between humanitarian and development programming, where feasible.

#### MAY 2017:

##### KEY ELEMENTS OF FLEXIBLE FUNDING IDENTIFIED

Workshop on reduced earmarking in Geneva concluded:

- **Key elements of flexible funding** are political interest, trust, transparency of processes, systems, compliance, monitoring and reporting, and legislation and regulation;
- Need for better story telling on the effectiveness and efficiency of un-earmarked funds from government donors;
- Need to **identify the way un-earmarked funding is cascaded down to the next levels**, notably through pooled funds at global and country level (CERF; CBPF; DREF), which are considered are major achievements of the last decade.

#### SEPTEMBER 2017:

##### CHALLENGES IDENTIFIED TO ADVANCING MULTI-YEAR PLANNING AND FUNDING

Global workshop on 12-13 September 2017 in Geneva by WS 7 concluded that there were challenges related to quantifying the levels of multi-year funding, and identified the **need for a stronger results-based management and evidence base** for multi-year planning.

#### SEPTEMBER 2018:

##### MERGER OF MULTI-YEAR FUNDING AND REDUCED EARMARKING

Workstreams 7 and 8 were merged to create the **Enhanced Quality Funding workstream** to leverage strengthened linkages between reduced earmarking and multi-year funding.

##### 2. REDUCE THE EARMARKING OF DONOR CONTRIBUTIONS

**Flexible funding supports principled humanitarian responses** through greater independence of decision-making and more needs-based responsive capacity. In particular, core funding supports the normative, policy, and advocacy work of international organisations. Flexible funding also enables cost-effectiveness and reduced administration, and enables experimentation with longer-term programming approaches.

#### SPRING 2017:

##### RESEARCH EXPLORES THE ADDED VALUE OF MULTI-YEAR PLANNING AND FUNDING

- OCHA's evaluation of multi-year planning over the 2011-2016 period highlighted the **inherent value of multi-year planning to build consensus**.
- The UK (DfID) began a four-year long **evaluation of multi-year planning and financing** in Sudan, the Democratic Republic of Congo (DRC), Ethiopia, and Pakistan.
- FAO, NRC and OCHA released a report in 2017 on how **multi-year humanitarian financing can truly enable greater efficiency and effectiveness**, and what investments and upgrades are needed for it to realise its full potential.

#### EARLY 2018:

##### RESEARCH EXPLORES THE CHALLENGES WITH PROVIDING FLEXIBLE AND UNEARMARKED FUNDING AND THE SYNERGIES WITH MULTI-YEAR FUNDING

The Co-convenors of workstreams 7 and 8 produced a paper, which was used to promote a discussion on the issue of flexible funding at ECOSOC 2018. This paper highlighted the **potential benefits of predictable and flexible funding** as well as the difficulty in determining whether there has been positive movement in increasing flexible funding and whether this growth is significant.

UNICEF also contributed a case study on the multi-year flexible funding it received for its operations in Jordan and Lebanon.