

## **ECOSOC Humanitarian Affairs Segment 2016**

### **UN Humanitarian Pooled Funds in the Post-WHS Era**

**Tuesday, 28 June, 13.30 – 14.45**

**Conference Room 1, United Nations Secretariat, New York**

This is one of the side-events to be convened during the ECOSOC Humanitarian Affairs Segment, in keeping with this year's theme: *Restoring Humanity and Leaving No One Behind: Working together to reduce people's humanitarian need, risk and vulnerability.*

#### **Background and objectives**

The World Humanitarian Summit (WHS) focused on the gap between funding and needs which has widened in the last ten years despite the net growth in humanitarian donor contributions (at record levels), and reinforced the crucial role of financing as the key enabling and catalytic factor towards both meeting and reducing needs. Therefore, aid organizations and donors made concrete commitments to 'Invest in Humanity' and improve the scope and overall efficiency of the humanitarian financing system through the adoption of the 'Grand Bargain', which includes increased multilateral support to pooled funding mechanisms.

The humanitarian pooled funds, managed by OCHA on behalf of the humanitarian community, form a cornerstone of the UN humanitarian reform process that started a decade ago. The objective of this side-event is to reflect on the role that these pooled funds play – in more effectively empowering the humanitarian community to program and deliver timely, coordinated and principled assistance, and contribute to "leave no one behind".

Specifically, this side-event provides Member States and stakeholders with an opportunity to discuss the vision for the Central Emergency Response Fund (CERF) and country-based pooled funds (CBPFs) in the post-WHS era (hereafter collectively referred to as 'pooled funds').

In the Agenda for Humanity the UN Secretary-General has called for narrowing the current gap between urgent life-saving requirements and the funding provided, and –as part of this goal- proposed to increase the size of CERF to \$1 billion and the overall proportion of humanitarian appeal funding channelled through CBPFs to 15 per cent by 2018. This call for expansion is anchored in the recognition that pooled funds work in synergy at the country level and are complementary funding tools that have proven to be indispensable in enabling the humanitarian community to save lives, alleviate the suffering and preserve the dignity of people affected by conflict and disasters. At the same time, the SG underlined the need for increasing the nimbleness and speed of pooled funds to reach higher efficiency and ensure they remain fit for the future.

#### **Discussion points**

Against this backdrop, the side-event will focus on the following suggested questions:

- 1. What is the strategic value of the pooled funds from the perspective of different stakeholders?**

*Key ideas for discussion*

Pooled funds:

- Strengthen the leadership and ability of Resident and Humanitarian Coordinators (RCs/HCs) to respond to crises, and enhance the effectiveness of the humanitarian response architecture at the country level;

- Ensure allocation decisions are needs-based, highly contextualized and well-coordinated through inclusive and transparent prioritization processes that support the delivery of humanitarian response plans (HRPs) and enable frontline response;
- Increase access to funding to local and international humanitarian organizations, leveraging their comparative advantages, diversity, partnerships and collective ownership of the response (the right funding, at the right time and to the right actors results in better access to affected people and organizations themselves being better equipped to deliver assistance);
- Provide fast and timely funding to promote early action and ameliorate the impact of crises on communities and their livelihoods;
- Improve operational conditions on the ground that enhance the collective efficiency and effectiveness of the response (e.g. funding to support common services like security, communications, transportation and logistics; invest in training and capacity building; improve information systems; set up humanitarian hubs; (re)build civilian infrastructure (hospitals and schools); and seize opportunities to respond quickly in hard-to-reach areas where humanitarian access is limited or intermittent).
- Allow donors to maximize the value, flexibility and reach of un-earmarked funding for humanitarian action;
- Provide an optimal solution for private donors who are unable to fund directly or assess local implementing partners. New and more diverse donors (and small donors) are enabled to respond to complex situations;
- Offer the added value of lower transaction costs to donors and consequently higher-quality response.

**2. What changes should be considered for the pooled funds, along with an increase in funding, to provide maximum benefit for the humanitarian community (i.e. impact beyond simply providing more funding for humanitarian action)?**

*Key ideas for discussion*

CERF could:

- Make larger grants to individual humanitarian crises, thereby increasing CERF's strategic impact and added value, while reducing transactions costs;
- Enhance the ability of the Emergency Relief Coordinator (ERC) to use CERF strategically at the global level as a response enabler and balancing instrument;
- Provide more robust support for the growing funding gaps in ongoing and protracted crises;
- Significantly increase initial allocations to large scale sudden onset emergencies (including L3s) where an early injection of fast and flexible funding is critical for rapidly scaling up response;
- Expand CERF's role in funding early response to imminent humanitarian shocks.

CBPFs could:

- Contribute to the effective delivery of HRPs;
- Further accelerate allocations to boost frontline response in mission-critical situations such as sudden onset and L3 emergencies;
- Increase geographic coverage through a much faster, lighter and responsive CBPF setup process, including through the deployment and activation of temporary 'pop-up CBPFs';
- Strengthen the capacity of frontline responders, especially national NGOs, to engage in the programming and delivery of aid through direct access to funding.

**3. What are the key concrete ways in which UN humanitarian pooled funds will contribute to delivering the 'Grand Bargain'?**

*Key ideas for discussion*

- **Transparency**
- Reflect contribution and allocation data from pooled funds in FTS, and expand the availability of detailed real-time pooled-fund data through dedicated public business intelligence interface.

- ***Support to national and local responders***
  - Advocate for at least 15 per cent of HRP requirements to be channeled through CBPFs, which are the largest source of direct funding for local and national NGOs, to increase direct access to funding for frontline responders;
  - Systematically monitor sub-granting under CERF projects and continue to work with UN agencies and IOM on improving effectiveness and efficiency of partnership arrangements to ensure that funding and relief items under CERF grants reach front-line responders in an efficient and timely way;
  - Work to increase the nimbleness of pooled funds progressively to boost frontline response;
  - Work to ensure that pooled funds comply with best donor practice with regard to harmonised reporting standards for partners and rapid disbursement of funds;
  - Collaborate with partners on the ground to increase the knowledge and capacity of frontline responders to access pooled funds, increasing their inclusion and engagement in the governance, programming and implementation of resources;
  - Promote system-wide harmonization and simplification of partner capacity assessment systems and processes that are relevant for the humanitarian sector and fit for context, allowing well-placed organizations to be more quickly identified, fairly assessed and given direct access to enabling funding for humanitarian response.
  
- ***Cash-based programming***
  - Ensure pooled funds are “cash-ready” to facilitate the programming and delivery of multisector cash-based programs
  
- ***Management costs***
  - A reduction of the UN Secretariat Programme Support Cost (PSC) from 3 to 2 per cent for OCHA-managed pooled funds, which took effect on 1 June 2016, will free up \$6.5 million at current funding levels;
  - Continue to invest in existing systems and tools such as grants management systems to ensure overall efficiency and transparency in pooled-fund management.
  
- ***Participation revolution***
  - Leverage the use of pooled funds to promote enhanced collective accountability and community engagement in the programming and delivery of humanitarian assistance.
  
- ***Less earmarking***
  - Increase annual funding targets for CERF to \$1 billion per year, and for CBPFs to 15 per cent of HRP requirements, to work towards channelling more unearmarked funding through prioritization processes under the leadership of Humanitarian Coordinators at field level.
  
- ***Harmonized reporting***
  - In OCHA’s capacity as a pooled fund manager endeavour to minimize transaction costs related to reporting as much as possible while maintaining the necessary levels of accountability and quality of processes and operations.

**Intended outcomes/conclusions/recommendations**

*Please especially elaborate on how this event will build on the momentum of the World Humanitarian Summit.*

Increasing the amount of resources channeled through the UN humanitarian pooled funds can contribute to close the funding gap; increase the efficiency and transparency of funding through

nimble and well-coordinated allocations guided by actors on the ground and on the basis of need; increase global contingency reserves for timely funding of response worldwide; support the delivery of strategic and coherent humanitarian response at country level – in particular through humanitarian response plans (HRPs); and empower frontline responders, especially national NGOs, in the programming and delivery of assistance through access to funding.

This side-event will promote a better understanding of the value-added, role and combined potential of the pooled funds, and their contribution to improving the scope and overall efficiency of the humanitarian financing system from the perspective of different stakeholders.

### **Format**

*Panel discussion*

### **Chair and Moderator:**

- *Mr. Stephen O'Brien*, Emergency Relief Coordinator and Under-Secretary-General for Humanitarian Affairs **(TBC)**

### **Panel composition:**

- *Ms. Allison Milton*, Director Humanitarian Unit Irish Aid
- *Representative of the United Arab Emirates (TBC)*
- *Dr. Samah Bassas*, Chief Executive Officer Syria Relief Network
- *Ms. Lise Grande*, Resident and Humanitarian Coordinator in Iraq
- *Mr. Amir Abdulla*, Deputy Executive Director of the World Food Program

### **Background Material**

1. [OCHA Humanitarian Financing Overview](#)
2. ["Too important to fail" - Report of the High-Level Panel on Humanitarian Financing"](#)
3. [Agenda for Humanity: Report of the Secretary-General for the World Humanitarian Summit](#)
4. [Restoring Humanity: Synthesis of the Consultation Process for the World Humanitarian Summit](#)
5. [WHS Chair's Summary](#)
6. [The Grand Bargain: A Shared Commitment to Help People in Need](#)
7. [High-Level Leaders' Roundtable – Financing: Investing in Humanity \(25 April\)](#)
8. [CERF and the Grand Bargain](#)

### **Contact**

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