

Vision Paper: OCHA Country-Based Pooled Funds (CBPFs) and Beyond

- **Vision:** By 2017, OCHA will get relief to people affected by conflicts and natural disasters in a quicker and more efficient way through the Country-Based Pooled Funds (CBPFs) it manages. OCHA will be recognized for its leading role in humanitarian financing, in alignment with its Strategic Framework 2014-2017.
- **Aim:** CBPFs will remain fit for purpose, relevant and adequately funded by donors and accessed by a wider pool of partners. CBPFs will remain flexible, timely and inclusive funding mechanisms. CBPFs will expand funding availability by mobilizing further resources from non-traditional multilateral donors, the private sector and individuals. CBPFs will provide timely resources to new and ongoing humanitarian crises, expanding the scope of assistance through an increased participation of local actors. Risks will be well managed with appropriate risk management measures and proper accountability systems in place.

Introduction

1. The new Global Guidelines for CBPFs will provide the framework for OCHA's long-term vision on CBPFs as part of its humanitarian financing engagement. To ensure the realization of this vision, OCHA will embrace it on a corporate level and invest the resources required to deliver this core function of its mandate effectively. A clear vision for OCHA-managed CBPFs will guide the Organization's positioning as to where and how it wants CBPFs to be four years from now and beyond. This vision will also reinforce commitments OCHA has made in its Strategic Framework 2014 – 2017 and align with its current Management Plan.

Background

2. Humanitarian financing is one of OCHA's core functions, tracing its origins to the passing of **General Assembly Resolution 46/182** in 1991, which provides a broad framework for emergency relief within the UN system. This resolution stipulates that humanitarian financing is a key component of the coordination of humanitarian operations.
3. The **Humanitarian Reform of 2005** acknowledged challenges in responding to major crises, including humanitarian financing. The Reform (i) introduced the cluster system as an enhanced coordination mechanism in emergencies; (ii) strengthened humanitarian leadership; (iii) established new financing mechanisms; and (iv) strengthened partnerships.
4. The **Transformative Agenda (TA)** initiative sought further improvements to the humanitarian reform process since December 2010. The TA is meant to result in more effective coordinated responses that meet the needs of and are accountable to affected people. In 2013, IASC agencies accelerated the TA roll-out, including some elements that reinforce accountability, such as reforms in system-wide planning: the launch of the Humanitarian Needs Overview (HNO) and the Strategic Response Plans (SRPs). As elements of the Humanitarian Program Cycle (HPC), SRPs outline the HCT's strategic vision, priorities and objectives, to which CBPFs should contribute and remain in alignment.
5. CBPFs will remain relevant humanitarian funding tools through required operational adjustments OCHA will consider to have them evolving in parallel with the changing humanitarian context. CBPFs

will continue operating as valuable tools for donors, implementing partners and beneficiaries in an aid landscape with multiple sources of funding.

Principles of Pooled funds

6. Pooled funds support humanitarian leadership, coordination, fundraising, and partnerships between UN agencies, NGOs, donors, Governments, and other partners. Humanitarian pooled funds like the Central Emergency Response Fund (CERF) and CBPFs have allowed UN agencies and other humanitarian partners to have direct access to rapid, flexible, timely and predictable funding to cover critical gaps, address unforeseen needs and complement response efforts in sudden onset and prolonged humanitarian situations. Pooled funds have enabled decisions on financing humanitarian response activities to be made at the country level, with the benefit of local knowledge and expertise.
7. OCHA-managed pooled funds are aligned with the universal humanitarian principles of humanity, impartiality, neutrality and independence. Humanitarian financing principles also guide humanitarian pooled funds, as codified under the Good Humanitarian Donorship (GHD) initiative.
8. Pooled funds, and CBPFs more specifically, will remain relevant and appropriate tools when used in response to humanitarian emergencies in line with the following objectives:
 - **Complementarity** – Pooled funds will continue contributing jointly to a more timely and effective humanitarian response despite their differences in objectives, size, timeframes, and strategic focus. CBPFs will continue operating in tandem with other funding sources and supplementing to the response efforts in a strategic manner. OCHA will also ensure that there is a clear division of targeted partners between the pooled funds it manages, with CERF catering to UN agencies' humanitarian funding needs and CBPFs mostly to those requirements of civil society and local partners.
 - **Timeliness** – Pooled funds will continue allocating resources and saving lives at the time humanitarian needs emerge or escalate. More rapid allocation and disbursement of pooled funds for unforeseen and urgent humanitarian needs will continue strengthening humanitarian partners' capacity to deliver timely assistance to people in need. OCHA will adhere to internal benchmarks included in its Management Plan for speedy disbursement following the submission of proposals.
 - **Funding flexibility** – CBPFs will continue aligning their programmatic focus with SRPs and cluster priorities developed in-country, retaining their flexibility to respond to unforeseen needs and emergencies when they arise. In that vein, CBPFs will also be eligible to fund resilience and early recovery activities when deemed as strategic and priority at country level.
 - **Inclusiveness and partnership diversification** - CBPFs will continue supporting international and national NGOs, as well as the Red Cross and Red Crescent movement. By partnering with NGOs and local actors, CBPFs will leverage the outreach of humanitarian response to the most vulnerable groups in conflict- and disaster-affected areas, securing expanded humanitarian access to the UN-coordinated response, and ensuring sensitivity to local communities' cultural norms.
 - **Enhanced Leadership** - CBPFs will continue enabling HCs to allocate resources swiftly to the highest priority needs in alignment with SRPs. The governance mechanism of CBPFs will remain at the country level to continue enhancing the leadership of the HC.
 - **Resource mobilization** - CBPFs will remain as flexible tools in the hands of the humanitarian community at country level, and should translate into well-coordinated, relevant, transparent and accountable funding decisions. The flexibility of CBPFs will continue to provide donors with a relevant, reliable, strategic and effective alternative to channel un-earmarked contributions.

What will OCHA do to realize this vision?

9. **Expand partnerships with local partners** - OCHA will actively support NGOs in developing sufficient capacity to become eligible for CBPF funding and developing long-term partnerships with OCHA, in line with the corporate Strategic Framework 2014-2017. OCHA will develop specific training to strengthen NGO capacity for project delivery and management. NGO partners, in particular local NGOs, are critical to effective humanitarian response as they are in closer proximity to people in need and have better knowledge of affected communities. CBPFs endeavor to foster strategic partnerships with the national and international NGO community and provide funding for priority programmes.
10. **Mobilize resources from non-traditional donors** - OCHA will develop a global resource mobilization strategy for CBPFs together with advocacy, outreach and communication campaigns. This advocacy will help build momentum for further traditional donor contributions, which in turn will develop confidence of non-traditional donors in CBPFs. These will aim at targeting non-traditional donors, such as Gulf Cooperation Council (GCC) countries, emerging economies, the private sector and individuals from across the world interested in contributing to disaster relief through OCHA-managed pooled funds.
11. **Align Humanitarian and Development agendas and funding streams** – CBPFs will continue to be powerful coordination tools for RC/HCs, helping to strengthening synergies between the humanitarian and development agendas. CBPFs will continue offering support to early action and resilience interventions, when and if considered priorities within SRPs. In this endeavour, CBPFs will strive to bring in additional, non-humanitarian and development instruments and resources to cover for those interventions in a more systematic way. CBPF interventions at an early stage can help halt deterioration of an emerging situation and bring cost effectiveness to early recovery and development initiatives. CBPFs will offer opportunities for multi-annual funding, in alignment with multi-year SRPs, allowing for better planning and longer-term engagement.
12. **Set up a Global Humanitarian Fund to give OCHA more flexibility in supporting humanitarian assistance in large emergencies** - OCHA will establish a global facility to effectively fill gaps which CBPFs in their current configuration cannot cover, ensuring that funds can be quickly activated in emergencies, and de-activated when they lose relevance and critical mass.¹ OCHA will become more effective in utilizing limited donor funding, prioritizing high-profile emergencies and targeting mostly local NGOs through this funding mechanism.
13. **Provide systematic and focused training on CBPF management and activities to further professionalize OCHA and pooled fund stakeholders** - OCHA will continue professionalizing itself as well as key stakeholders, including humanitarian coordinators and advisory and technical board members, in all aspects of fund management and activities. The training will envisage a trickle down approach whereby OCHA staff will be more capable to train partners on the ground. This component will also encompass HCs “trained” on leveraging the use of CBPFs to exercise stronger leadership roles. OCHA will be credited as a best and highest professional and reliable entity in humanitarian financing.

¹ *Country-Based Pooled Funding Mechanisms: Mapping and Comparative Analysis* – Final Report, Glyn Taylor, Humanitarian Outcomes. Commissioned by OCHA Funding Coordination Section, September 2014.

Annex: Positive impact of CBPFs

Pooled Funds have been instrumental in driving forward OCHA's core function on humanitarian financing. Overall, various evaluations and reviews of pooled funds¹ have highlighted the positive impact CBPFs have on emergency humanitarian responses:

1. Strengthening strategic engagement and response

Pooled funds have a strategic place in the humanitarian programme cycle, with CBPFs framed around SRPs and complementing the overall needs-based humanitarian response therein identified. CBPFs participatory prioritization processes and clusters' selection of projects have strengthened the link between assessed needs and funds allocation.

2. Enhancing coordination and Leadership

Pooled funds have made a significant contribution to boosting coordination both through the leadership of HCs and through the cluster mechanism. The HCs leadership as well as the strategic and technical engagement of Humanitarian Country Teams (HCTs) and clusters, has resulted in well-coordinated, relevant, transparent and accountable funding decisions.²

3. Promoting inclusiveness and diversity

CBPFs have played a key role in promoting coordinated humanitarian response across a wide range of partners, with 59 percent of the funds allocated in 2013 supporting national and international NGOs. By partnering with local NGOs CBPFs leveraged the outreach of humanitarian response to the most vulnerable groups in conflict and disaster affected areas. CBPFs have promoted a coordinated response based on consultation with the humanitarian community in country and has helped utilize limited resources best possible.

4. Creating incentives for information sharing

Pooled funds have created incentives for implementing partners to participate in coordination meetings and share information. This has helped the humanitarian community in identifying unmet needs and soliciting proposals to cover them. The humanitarian pooled funds' ability to mobilize a critical mass of resources through mechanisms that are engrained within the humanitarian coordination system at the country level has created positive incentives for humanitarian stakeholders to "opt-in" to the coordination mechanisms.

5. Expanding humanitarian access

CBPFs have operated in environments with high security risks and restricted access where effective information gathering is frequently a challenge, but where the international community is still expected to stay and deliver. CBPFs have been instrumental in fostering a strategic partnership with NGOs, who are equipped with better knowledge (i.e. language, culture, local context) and access to affected communities, often restricted to UN.

6. Diversifying funding sources

Pooled funds have attracted more diversified funding under the *aegis* of the humanitarian system, thereby reducing uncoordinated individual donor funding preferences and bringing decision making closer to the needs, in a transparent way of allocating funds. Since 2006, CBPFs have allocated over \$2.7 billion to respond to natural and/or man-made emergencies in over 20 countries. CBPFs have been supported by more than 60 Member States, regional organizations and private donors and the public since their inception. CBPFs have been conducive in delivering OCHA's mandate, having been a relevant, reliable and effective alternative for donors to channel unearmarked contributions.

² Inter-Agency Real-time evaluation (IA RTE) of the Humanitarian Response to Pakistan's 2009 Displacement Crisis (IASC); John Cosgrave, Riccardo Polastro, Farwa Zafar, DARA, August 2010.

7. Ensuring complementarity with other funding sources

Pooled funds have been used in tandem with other funding sources in a complementary and strategic manner in large emergencies.

8. Supporting early action and resilience

Pooled funds have also supported early action, mitigating the risks of deepening crises. In some country contexts, strengthening early action and links between humanitarian response and resilience has increased the impact and cost effectiveness of humanitarian and development assistance. CBPFs have been well positioned to respond in anticipation or at the earliest stages of an emergency.³

*Funding Coordination Section, New York
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ⁱ Some of the evaluations, audits and studies which have highlighted the impacts of CBPFs include the following:

- Review of OCHA Emergency Response Funds (ERFs); Tasneem Mowjee, Judith Randel, Development Initiatives, January 2007.
- Evaluation of Common/Pooled Humanitarian Funds in DRC and Sudan. Barnaby Willitts-King, Tasneem Mowjee, Jane Barnham, December 2007.
- International Humanitarian Financing. Review and comparative assessment of instruments, a Study for the Good Humanitarian Donorship Initiative commissioned by the Office of US Foreign Disaster Assistance, Abby Stoddard, July 2008.
- Multilateral Aid Review ensuring maximum value for money for UK aid through multilateral organization; March 2011, DfID.
- Audit Report OCHA's management of Emergency Response Funds; OIOS 11 June 2010 Assignment No. AN 2009/590/05
- Emergency Response Funds (ERFs) Profile, Global Humanitarian Assistance, July 2011.
- Evaluation of the Common Humanitarian fund, synthesis Report; Hugh Goyder, Channel Research, 21 March 2011.
- External Evaluation of the Haiti Emergency Relief & Response Fund (ERRF), 2008-2011, Final Report, Lezlie C. Moriniere, Independent, April 2011.

³ In Sudan for example, the CHF allocated \$3.2 million in 2012 and 2013 to early action projects aimed at addressing the foreseeable food insecurity of pastoralist communities, IDPs and returnees in transitional areas and Border States. Activities included the procurement and prepositioning of medication and vaccines, nutrition supplements for children, veterinary kits and agricultural inputs. Other activities included setting up transit centres to provide protection and assistance to vulnerable groups following the secession.