



Transcend humanitarian-development divides and shift from funding to financing

Analytical Paper on WHS Self-Reporting on Agenda for Humanity Transformations 4C and 5D

This paper was prepared by:



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Executive Summary:

Since the *Commitment to Action*¹ was signed by the Secretary-General and eight United Nations Principals (and endorsed by the World Bank and the International Organization for Migration) at the World Humanitarian Summit in 2016, much progress has been made in advancing and operationalizing the New Way of Working (NWOW) and strengthening humanitarian-development collaboration as envisioned in the Agenda for Humanity. Under transformation 4C, the Agenda for Humanity called on humanitarian and development actors to move beyond traditional silos and work with a greater diversity of partners toward collective outcomes over multiple years that meet humanitarian needs and reduce people's risk and vulnerability in support of the achievement of the 2030 Agenda. Transformation 5D, in turn, called on stakeholders to commit to financing collective outcomes rather than individual projects and activities and to do so in a manner that is flexible, nimble and predictable over multiple years so that actors can plan and work towards achieving collective outcomes in a sustainable manner and adapt to changing risk levels and needs in a particular context.

The notion of collective outcomes is central to the NWOW, which is designed for contexts where short-term humanitarian action and medium- to long-term development programming are required simultaneously in areas of vulnerability (particularly those listed in Sustainable Development Goals 1 to 7)². In fact, the articulation of a collective outcome is the key driver for all following planning, programming and financing processes. Taken together with the other two core aspects of the NWOW – working over multi-year time frames and utilizing the comparative advantages of a diverse set of actors – the approach requires profound changes in analysis, planning, programming, leadership and financing for stakeholders at the country level.

The self-reports provided by stakeholders point to strong efforts at country level to implement and advance the NWOW along with other initiatives to bridge the humanitarian-development divide on the ground, including in Burkina Faso, Cameroon, Chad, Ethiopia, Mauritania, Mali, Nigeria, Sudan and Somalia. In strong support of in-country progress, stakeholders also reported of the advancement of guidance on the NWOW and the identification of lessons learned at the country, regional and global level. Additionally, stakeholders also reported of ongoing efforts to transform and advance their operating models to overcome structural divides. Nonetheless, significant challenges remain. While progress in stronger humanitarian-development joined-up analysis has been made, there still is a need for quality data and

¹ https://www.agendaforhumanity.org/sites/default/files/WHS%20Commitment%20to%20action%20-%20transcending%20humanitarian-development%20divides_0.pdf

² <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

improved shared analysis, both of which are crucial for identifying collective outcomes and subsequent programming. Similarly, while it is positive to see that the support for multi-year funding and multi-year programming is increasing, funding modalities continue to be hampered by national yearly budget cycles, tight earmarking as well as by poor use of innovative financing tools and understanding of country level funding flows. Many respondents reported that there still was insufficient flexible multi-year funding available, often constraining the operationalization of successfully articulated collective outcomes. Stakeholders also mentioned that trying to bridge the humanitarian-development divide still requires a much greater coordination between all types of actors – from Member States to UN agencies, to NGOs to the International Financial Institutions (IFIs).

Overview of the current landscape

The NWOW is a country-driven approach which ultimately aims at transcending the decades old divides between humanitarian and development streams where possible and appropriate, in a context specific manner. To support the articulation and operationalization of the NWOW on the ground, OCHA and UNDP - as vice-chairs of the Joint Steering Committee to advance Humanitarian and Development Collaboration (see below) - conducted joint country missions, including to Ethiopia and Somalia which informed the development of lessons-learned and background documents.³ Regional NWOW workshops organized in 2017 in Dakar, Senegal and Entebbe, Uganda, bringing together a wide range of stakeholders, helped to bring to fore examples and good practices which can help learning from a regional perspective. Global events in Copenhagen, Istanbul, New York, Geneva and Seoul and Washington, D.C. have further galvanized political support for the commitment. The Washington, D.C. workshop, for example, brought together donors to discuss the implications of the NWOW, focusing on key issues of relevance to donors and IFIs on operationalizing and financing collective outcomes. Furthermore, the establishment of the Joint Steering Committee (JSC) to advance Humanitarian and Development Collaboration, chaired by the UN Deputy Secretary-General, underlined the Secretary-General's commitment to swift implementation of the NWOW. The JSC held two high-level meetings in November 2017 and May 2018, respectively, as well as an ad-hoc meeting focusing specifically on Somalia and Ethiopia to address country-specific issues. The JSC has the mandate to resolve systemic and structural challenges that are impeding humanitarian and development collaboration and to assist in solving operational bottlenecks, in support of country leadership, while advocating with external partners such as donors to enable implementation through appropriate financing around collective outcomes. Following a decision by the Secretary-General, the JSC is focusing its work on five priority contexts: the Sahel, the Lake Chad Basin, the Horn of Africa, the Democratic Republic of Congo and Afghanistan.⁴

Resident and Humanitarian Coordinators in Somalia, Sudan, Chad, Mauritania and Burkina Faso have already led a process of identifying and agreeing on a set of collective outcomes to guide better joined-up analysis, planning and programming, while other countries such as Ethiopia, Colombia, Nigeria, Mali, Ukraine, and Mozambique are also advancing innovative approaches to strengthen humanitarian-development collaboration.

Global efforts towards achieving the SDGs in crisis contexts are ongoing. The NWOW can make a significant contribution to the 2030 Agenda's call for "leaving no one behind" and "reaching the furthest behind first", with collective outcomes representing milestones towards SDG

³ Country progress updates are publicly available at <https://www.agendaforhumanity.org/initiatives/5358>

⁴ This decision does not necessarily exclude implementation in other situations.

achievement. The NWOW is our collective contribution in achieving the SDG's and its implementation aims at ensuring full complementarity with and adherence to the SDGs. Closer humanitarian-development collaboration is also entrenched in the recently adopted reform of the United Nations Development System. The reform will entail a further strengthening of coherence at the country level through the empowering the Resident Coordinator (RC) and a configuring of the UN country presence, tailored to country priorities and needs.

Data Source

This paper is based on information submitted by stakeholders in their self-reports through the Platform for Action Commitments and Transformation. More than 350 commitments have been made in support of the Agenda for Humanity's call to transcend the humanitarian-development divide (Transformation 4C – 114 stakeholders). Recognising the importance of shifting from funding short-term activities toward financing collective outcomes, 42 stakeholders have also made more than 90 commitments in support of Transformation 5D. For the reporting period of January – December 2017, 74 stakeholders submitted self-reports on their progress toward achieving 4C, while 38 stakeholders reported on 5D. 19 stakeholders also reported on the New Way of Working, either under their transformation reports or through the updates on initiatives.

⁵ The paper's scope is to evaluate the progress that has been reported specifically on transcending the humanitarian-development divide. For this reason, it does not, unless of direct relevance, analyse information submitted under the 'Other' subcategory in the self-reports.

Positive trends emerging from self-reporting

- *Active and innovative operationalization of the New Way of Working at country level*

There have been strong efforts and support to implement and advance the NWOW at country level. Member States and UN agencies like Denmark, Sweden, the International Organization for Migration (IOM), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the United Nations Development Programme (UNDP) highlighted their support to countries where efforts are underway to operationalize the NWOW, in particular through the articulation of collective outcomes. These countries include Burkina Faso, Cameroon, Chad, Ethiopia, Mauritania, Mali, Nigeria, Sudan and Somalia. For example, in Somalia this resulted in the humanitarian and development communities reaching an agreement on four collective outcomes to ensure alignment and complementarity between the Humanitarian Response Plan (HRP) and the Recovery and national Resilience Framework (RRF).⁶ In Chad the national government along with humanitarian and development actors as well as donors defined six collective outcomes to be achieved by 2019, captured in a three-year strategic framework and plan (2017-2019).⁷ The

⁵ As of 7 June 2018.

⁶ Collective outcomes for Somalia are: 1) Food insecurity – By 2022, the number of people in acute food insecurity decreases by 84 per cent, with Global Acute Malnutrition (GAM) rates reduced by 5 per cent and sustained below the emergency threshold; 2) Durable solutions - Risk and vulnerability reduced and resilience of internally displaced persons, refugee returnees and host communities strengthened in order to reach durable solutions for 100,000 displaced households by 2022; 3) Basic social services - Number of vulnerable people with equitable access to inclusive basic social services increases by 27 per cent by 2022; and 4) Climate-induced hazards - Proportion of population affected by climate-induced hazards (drought and flood) reduces by 25 per cent by 2022.

⁷ Collective outcomes for Chad are: 1) Food insecurity - Reduce the number of people in severe food insecurity from 27 per cent (from 1 million to 770,000 people) by 2019; 2) Food insecurity - Reduce the number of people in food insecurity by 32 per cent (from 2.8 million to 1.9 million people) by 2019; 3) Nutrition - Reduce the rate of

collective outcomes link the HRP with the United Nations Development Assistance Framework (UNDAF), the World Bank Country Partnership Framework, the National Development Plan and the Vision 2030 of the government as a first concrete step in operationalizing the NWOW in Chad.

A number of stakeholders also reported on other initiatives to bridge the humanitarian-development divide at the country-level, including CBM International, Denmark, the Humanitarian OpenStreetMap Team, Japan, Luxembourg and Slovenia. The EU identified six pilot countries - Sudan, Chad, Nigeria, Uganda, Iraq and Myanmar - where it aims to advance implementation of humanitarian-development nexus pilots jointly with EU Member States, using joint analysis, joint planning and joint action.

- *Advancement of guidance and identification of lessons learned at the country, regional and global level on the New Way of Working*

In strong support of progress on the ground, numerous Member States, including Denmark, Germany, Ireland, Latvia, Luxembourg, Norway and Spain, reported of their engagement and promotion of advancing humanitarian-development collaboration in 2017. In particular, they either hosted conferences and workshops discussing policy and operational implications of the NWOW (e.g. Copenhagen and Istanbul), participated in in-country workshops which identified enablers and barriers towards the advancement of the NWOW (e.g. Dakar and Entebbe) or participated in their capacity as donors in meetings which discussed financing of collective outcomes. In all of those meetings, there was broad recognition of the aim of better joined-up humanitarian-development collaboration and the NWOW, including its center-piece of collective outcomes, and its ability to reduce vulnerability, need and risk, in particular in protracted crisis.

In addition, several stakeholders highlighted research and evaluations which were conducted to inform policy discussions and to strengthen the implementation of the NWOW, in particular by CARE International, Food and Agriculture Organization (FAO), the International Rescue Committee (IRC), Norway and Switzerland. As an example, the Organisation for Economic Co-operation and Development (OECD) published a series of eight guidelines to help donors specifically to deliver on the commitments they had made at the World Humanitarian Summit around better humanitarian financing and transcending humanitarian-development divides. The FAO, together with OCHA and the Norwegian Refugee Council (NRC), prepared a study to advocate for investments in actions across the humanitarian-development nexus to reduce need by strengthening preparedness and resilience.

Encouragingly, stakeholders also reported on efforts to integrate NGOs more systematically in ongoing discussions on the NWOW. Interaction and the International Council of Voluntary Agencies (ICVA), for example, reported of their work and consultations to help NGOs better understand the NWOW at a conceptual level, how these discussions can be influenced by NGOs and how operationalization of the NWOW affects NGOs at country level. Belgium created a “strategy working group” with Belgian NGOs in order to discuss the humanitarian-development nexus. Finally, CARE International reported of substantially increasing its engagement in

Severe Acute Malnutrition (SAM) among children 5 years and under from 2.6 per cent to 1.8 per cent by 2019; 4) Nutrition - Reduce the rate of Global Acute Malnutrition (GAM) among children 5 years and under from 11.9 per cent to 10 per cent by 2019; 5) Health - Reduce the obstetric case fatality rate from 5 per cent to less than 1 per cent by 2019; and 6) Basic social services - 90 per cent of people in need have access to functioning basic social services including water, sanitation and education by 2019.

humanitarian-development nexus discussions at the global level, citing “a concern that NGO engagement to mid-2017 had been focused disproportionately on the potential risks of linking humanitarian and development work to principled humanitarian response”.

- *Stakeholder support towards the New Way of Working*

Positively, stakeholders continued to transform and advance their operating models to overcome structural divides. A key development that was reported by UNDP and OCHA was the establishment of the Joint Steering Committee (JSC) to advance Humanitarian and Development Collaboration under the Deputy Secretary General, which was among the first proposals of the Secretary-General’s reforms of the United Nations Development System (UNDS) to be implemented. Denmark, Estonia, France, Iceland, Norway, Spain, Sweden and the UK all reported on the adoption of new national strategic plans in their countries that incorporate and call for improved humanitarian and development cooperation. For example, in January 2017 the Danish Government presented its strategy for development cooperation and humanitarian action titled ‘The World 2030’, marking the first-time Danish development cooperation and humanitarian action is combined into one strategy. Additionally, Denmark also concluded multi-year agreements with a number of UN agencies to enable multilateral organizations to undertake multi-year planning and programming in protracted crises. France endorsed a *2017-2022 Vulnerability and Resilience Strategy* to promote multi-year planning and programming to strengthen community resilience in protracted crises. Spain appointed a “nexus focal point” to coordinate humanitarian-development engagement, determine the main nexus areas, and provide policy and operational guidance for this objective.

NGO’s such as The Danish Refugee Council (DRC) and World Vision reported on the adoption of new strategic plans that support improved humanitarian and development cooperation. For example, the DRC reported that they had “introduced a revised *Global Response Framework* made up of three distinct but interrelated programmatic platforms designed to transcend the humanitarian-development divide.” Simultaneously, the DRC also “embarked on a new strategic process – *Version 2020* – with the overall aim of developing DRC into an organization that transcends the humanitarian and development divide.” This includes effort around partnerships, better use of conflict analysis and increased use of economy recovery thinking from the outset and the introduction of root cause programming as a distinct programme platform.

Australia, Canada, the EU, France and Norway reported multi-year funding pledges to various protracted crises around the world to ensure that immediate lifesaving assistance as well as long-term predictable support are available to work across the humanitarian-development nexus. Private sector, such as the Conrad N. Hilton Foundation and NGO stakeholders also made mention of their flexible funding grants.

Obstacles/impediments to collective progress

- *Joined-up humanitarian-development analysis and planning*

While there have been advancements in stronger humanitarian-development joined-up analysis in some countries (e.g. Burkina Faso, Chad, Ethiopia, Mauritania and Somalia), 45% of all respondents under transformation 4C reported that joined-up humanitarian-development analysis and planning still posed a significant challenge. In particular, the need for quality data and the challenges of conducting joint analysis were regularly mentioned. It seems that analysis is still frequently undertaken in “boxes” or by institutional silo (by clusters/ agency, short/long-term,

humanitarian/development, UN/IFI) and often without collaboration with the relevant governments. Shared analysis, however, remains crucial for identifying collective outcomes and subsequent programming. As the Telma Foundation in Madagascar pointed out in their reporting: *“Access to the same information in time can enable stakeholders to coordinate more efficient decisions, avoid duplicating data and to have credible and granted reports.”* Certain respondents felt that there were limited examples of collective outcomes identified with the government and other stakeholders outside of the UN. The International Rescue Committee, for example, reported that there were only few examples of *“joint outcome-setting, analysis and/or planning between humanitarian and development actors, with governments and other key stakeholders,”* while also adding that it was *“challenging to drive change without enough experiences that test hypotheses and catalogue lessons.”* Others, like Ireland, pointed to structural challenges that acted as barriers: *“Whilst there is a commitment and willingness to support more joined up humanitarian and development programming, structurally Irish Aid and our partner NGOs are set up to manage development and humanitarian funding separately, so these structures will set natural limits to how far work promoting the nexus can go (longer term challenge).”*

- *Funding / funding modalities*

While it is positive to see that the support for multi-year funding and multi-year programming is increasing, funding modalities continue to be hampered by national yearly budget cycles, tight earmarking as well as by poor use of innovative financing tools and understanding of country level funding flows. Reporting showed that donors and a large number of other stakeholders are still measuring progress in terms of grant-provision and seem not to focus on other means of financing humanitarian aid. Overall, this still speaks of a fragmented funding landscape with stakeholders reporting under 4C that funding in general remained an issue, whether it was regarding funding modalities, earmarking, priorities, yearly agreements, risk aversion measures (26%) or funding amounts (19%). Additionally, 65% of the respondents under transformation 5D listed funding as a key challenge.

The overarching challenge highlighted in reporting under both transformations was a discrepancy between funding modalities and multi-year planning/programming, with stakeholders citing earmarking, short-termism and a yearly funding cycle as impediments to being able to do true multi-year programming. Similarly, many respondents felt that there still was insufficient flexible multi-year funding available, often constraining the operationalization of successfully articulated collective outcomes. Australia noted that *“multi-year funding commitments [...] need to be matched by multi-year planning processes”* but also warned that this would not occur unless *“a critical threshold of funding from all sources is received by primary partners as multi-year.”* Plan International reported that *“current funding modalities assign grants to either humanitarian or development projects and that there [is] limited funding for projects that aim to work in the nexus.”*

Compounding this challenge was a recognition that there continue to be strict rules governing the creation of national budgets, which normally dictate a yearly cycle, as well as the ministry-level divide of overseas development aid versus humanitarian aid. From a donor perspective, several stakeholders acknowledged that funding collective outcomes across a variety of actors remained challenging. Belgium reported that funding modalities often constrained the *“needed flexibility to shift between development and humanitarian channels as needs evolved,”* while France

mentioned that “*national legislation and multiple sources of funding (Ministry of Foreign Affairs, Treasury, AFD and others) prevented multi-year financing from the State budget.*”

- *Multi-stakeholder coordination*

Multi-stakeholder coordination was also identified as a significant challenge by 34% of all respondents under 4C. It was reported that even though several new partnerships, platforms and coordination mechanism had been established there still was a lot of duplication in terms of siloed analysis, planning and research. Stakeholders including Australia, Denmark, Luxembourg, the EU, Interaction, ILO, IOM, and the IRC all mentioned that trying to bridge the humanitarian-development divide still requires a much greater coordination between all types of actors – from Member States to UN agencies, to NGOs to the international financial institutions (IFIs). The EU noted in their self-report that “*access to comparable data and a variety of stakeholders imply complex coordination to avoid duplications and better harness resources,*” while IOM reported that a “*greater commitment from both humanitarian and development partners is needed to overcoming divisions that might hinder collaboration. The inclusivity of actors engaged in humanitarian coordination is not reflected in development coordination, requiring the establishment of representative platforms for engagement across humanitarian, development and peacebuilding actors.*” Some of these challenges are systemic and can only be solved by senior leadership at HQ level, but there also needs to be empowered leadership in country to advance collective outcomes, including adequate coordination support structures that cut across silos.

Recommendations

- **Adapt and combine existing analytical tools and processes in-country to create a context-specific joint presentation of needs, vulnerabilities and risks**, as the basis for a common approach. Best practices have shown that Common Country Assessments (CCAs) and the World Bank’s Systematic Country Diagnosis (SCD) can benefit from the Humanitarian Needs Overview (HNO) household-level analysis to provide a more comprehensive understanding of vulnerability and to identify trends to better address the areas of greatest vulnerability.
- **The articulation of “collective outcomes” in-country provides a joined-up objective to measurably reduce need, risk and vulnerability.** Wherever possible, informed by a truly joint analysis, collective outcomes should become the driver and determinant factor for how programmes are designed, funded and implemented over a period of 3-5 years. Articulating collective outcomes should take place at the earliest stage, to drive any subsequent planning process. Government leadership and ownership are key, as this will support taking forward the 2030 Agenda.
- **Initial lessons learnt for operationalizing collective outcomes indicate that country level leadership through the Government, the RC/HC, as well as heads of agencies and international financing institutions is critical.** Equally, close collaboration and regular joint meetings between UN Country Teams (UNCT) and Humanitarian Country Team (HCT). Dedicated capacity in the RC/HC’s office, including through HQs support to implement the NWOW, can successfully support the articulation of collective outcomes.

- All stakeholders, including donors, Governments, the Joint Steering Committee, UN Agencies as well as NGOs, are encouraged to **strengthen their support to countries in their efforts to articulate and operationalize collective outcomes** aimed at reducing need, risk and vulnerability.
- **Donors should strengthen their support to efforts in countries to operationalize and finance collective outcomes.** Donors should support country teams in developing a finance strategy that is aligned and sequences existing and/or new resources around collective outcomes and their implementation plans. Donors should also strengthen their provision of multi-year funding for collective outcomes that are envisaged to include activities over 3-5 years and are aimed at reducing need, risk and vulnerability.
- **All Stakeholders are encouraged to strengthen within their respective organisations the structures** that allow them to support joined-up analysis, planning and programming between humanitarian-development actors as well as the operationalisation and financing of collective outcomes.

About this paper

All stakeholders who made commitments at the World Humanitarian Summit (WHS) in support of advancing the Agenda for Humanity were invited to self-report on their progress in 2017 through the Platform for Action, Commitments and Transformation (PACT) (agendaforhumanity.org). The information provided through the self-reporting is publicly available and forms the basis, along with other relevant analysis, of the annual synthesis report. The annual synthesis report will be prepared by OCHA and will highlight trends in progress, achievements and gaps that need more attention as stakeholders collectively work toward advancing the 24 transformations in the Agenda for Humanity. In keeping with the multi-stakeholder spirit of the WHS, OCHA invited partners to prepare short analytical papers that analyze and assess self-reporting in the PACT, or provide an update on progress on initiatives launched at the World Humanitarian Summit. The views expressed in this paper are those of the authors and do not necessarily reflect the views of the United Nations Secretariat.