

CHAPTER FOUR

WORK DIFFERENTLY TO END NEED



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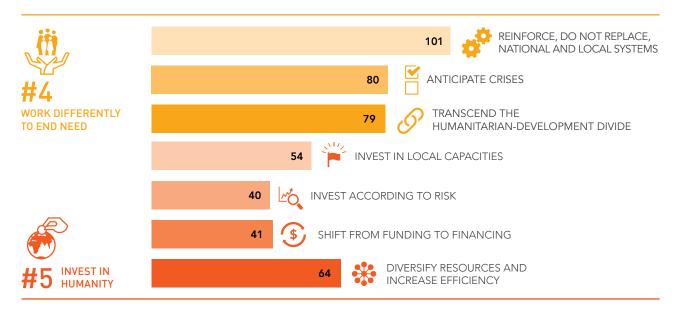
Two Rohingya refugee men build shelters in preparation for the rainy season. The resilience, capacities and skills of Rohingya refugees have been essential in improving the humanitarian situation in Cox's Bazaar, Bangladesh.

OCHA/Vincent Tremeau

Recognizing that protracted crises generate the majority of humanitarian need, stakeholders at the World Humanitarian Summit made substantive commitments to reduce vulnerability, build resilience and diminish humanitarian need. Core Responsibility Four of the Agenda for Humanity called for renewed focus on reinforcing national systems and empowering local actors, while putting affected people at the centre of humanitarian action. It prompted stakeholders to prepare for and anticipate crises and act more swiftly to prevent them. It set the foundations for joining up humanitarian and development work around collective outcomes to reduce need, risk and vulnerability.

Recognizing that these shifts require new ways of financing humanitarian action, Core Responsibility Five called on stakeholders to increase investment in local and national response capacities; direct more financing flows to preparedness, risk reduction and anticipatory action; and move from funding short-term interventions to financing collective outcomes.

FIGURE 4.1: BREAKDOWN OF REPORTING BY TRANSFORMATION



Stakeholders

This chapter covers reporting against Transformations 4A, 4B and 4C of Core Responsibility Four and the corresponding Transformations 5A, 5B and 5D of Core Responsibility Five. In 2017, 123 stakeholders reported under Core Responsibility Four, the highest number of any Core Responsibility. In addition, 67 stakeholders reported against Transformations 5A, 5B and 5D.

Progress in 2017

Two years after the World Humanitarian Summit, the call to make humanitarian action "as local as possible, as international as necessary", has sparked initiatives to support local and national capacity to lead crisis response and spurred self-reflection, discussion and debate in the humanitarian sector. In 2017, stakeholders made progress to redirect international financing to local actors and remove barriers to direct funding; make capacity development an integral part of international humanitarian action; and build relationships that promote the participation, visibility and voice of national and local actors.

Stakeholders have also made important strategic and operational shifts, enabling them to better anticipate crises and direct more investment to reducing disaster risk. In 2017, the international community effectively used early warning and forecast-based financing (FbF) to launch early action, helping to mitigate the impacts of extreme weather events and food insecurity, including averting four potential famines in northeast Nigeria, Somalia, South Sudan and Yemen. Member States financed preparedness, disaster risk reduction and climate resilience, and a range of stakeholders reported on steps to boost regional and national preparedness capacity, increase urban resilience, and improve data collection and analysis to support risk-informed decision-making.

Finally, progress has been made to operationalize the New Way of Working (NWOW) and identify collective outcomes to reduce risk and vulnerability and build resilience, translating the concepts of the Agenda for Humanity into concrete action at field level. Country-specific strategies to implement the NWOW were articulated in several countries, generating good practice and lessons learned that were shared globally. A core group of committed Member States are enabling this progress by providing joined up, multi-year and flexible funding. At the global level, Member States and other stakeholders made progress in breaking down institutional barriers that preserve organizational silos. At the end of 2017, the United Nations Secretary-General established a Joint Steering Committee to advance Humanitarian and Development Collaboration as part of his reform agenda to provide high-level support to country-level efforts.

Challenges and next steps

Despite the attention generated around the concept of localizing humanitarian response, progress remains incremental. Major structural, legal and institutional barriers prevent local actors from directly accessing international humanitarian finance. In 2017, only 0.4 per cent of all assistance reported to OCHA's Financial Tracking Service went directly to local and national NGOs, a rise of just 0.1 per cent from the previous year.¹

Stakeholders noted that many commitments to localization made by initiatives such as the Grand Bargain are not yet ready for field-level implementation. Across the humanitarian sector more broadly, commitments to include a more diverse set of actors in change processes have not been systematically realized. Indeed, in 2017, only 27 per cent of stakeholders who reported to PACT identified themselves as being from the Global South. Major changes are needed if humanitarian action is to truly enable affected people, communities and countries to become the primary drivers of response, with international support arriving to reinforce, not replace, local systems of resilience and recovery.

Similarly, despite promising successes in using early action to mitigate the impacts of crises, more financing is necessary to increase preparedness, reduce disaster risk and build resilience. Initiatives such as the Global Preparedness Partnership,

¹ Development Initiatives, Global Humanitarian Assistance Report 2018.



which received applications from 25 Member States for support, have been hampered by a lack of resources, particularly in the context of immense humanitarian needs and competing urgent priorities. Vulnerable countries face barriers in accessing large international funds intended to support disaster risk reduction, climate change adaptation and resilience. Stakeholders also called for greater attention to building shared capacity for data collection and analysis and overcoming risk aversion, particularly in terms of scaling up promising methodologies such as forecast-based financing. Significant political advocacy, investment and financial prioritization for anticipatory action will be important determinants of change.

Despite high-level political support and promising achievements in some countries, the operationalization of collective outcomes is still in its early stages. Limited availability of multi-year, flexible funding and a lack of incentives for

working in a more joined up manner impede the effective operationalization of the NWOW in some contexts, as does the additional burden it entails on management and coordination. A major shift towards shared analysis is still required: programming towards concrete collective outcomes instead of individual outputs, and donors financing collective efforts over individual agency projects. Strong leadership and closer cooperation between humanitarian and development organizations at country level are critical to ensure a common understanding among all stakeholders and to drive a coherent approach going forward.

4A + 5A: Reinforce local systems and invest in local capacities

The Agenda for Humanity called for action to ensure that:

- Affected people are the central drivers in building their resilience and responding to risks and crises, with their safety and dignity upheld. (Transformation 4A)
- Whenever possible, humanitarian responses are led by national and local actors with tailored international support based on complementarity, and international cooperation leveraged to strengthen the response capacity of affected States and communities. (Transformation 4A)
- A greater percentage of international investment is directed to national and local actors to increase their capacity to prevent, respond and recover from disasters. (Transformation 5A)

The World Humanitarian Summit catalysed an unprecedented drive for humanitarian action to recognize the contributions and capacities of local actors, enhance their leadership, and give greater voice, choice and agency to affected people. In 2017, Transformation 4A: Reinforce, Do Not Replace National and Local Systems, received the highest number of reports, with 101 stakeholders reporting on their achievements. Fifty-four stakeholders reported on Transformation 5A: Invest in Local Capacities. This section presents a joint analysis of reporting under these closely interconnected transformations.

Progress in 2017

Strengthening local and national leadership, systems and capacities

More than half (58 stakeholders) of those who reported under 4A highlighted their progress on strengthening national and local leadership and systems. A similar number (54 stakeholders²) reported on investing in local capacities under Transformation 5A. Taken together, some common progress areas emerged.

FIGURE 4.2: BREAKDOWN OF REPORTING UNDER TRANSFORMATION 4A



² Note that there is overlap between stakeholders reporting on the two transformations.

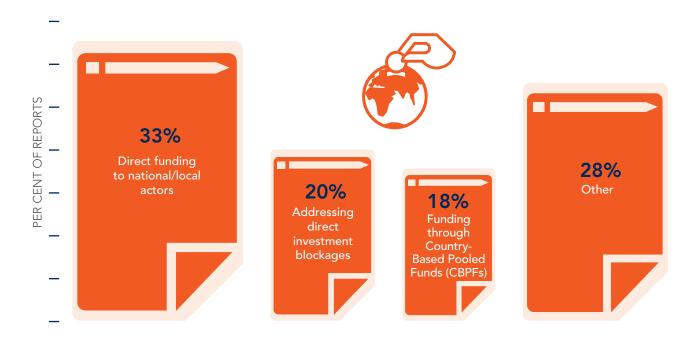


FIGURE 4.3: BREAKDOWN OF REPORTING UNDER TRANSFORMATION 5A

Funding to national and local actors

A number of Member States made progress in directing funding to local actors. Spain increased support for local actors from 4.5 per cent of humanitarian funding in 2016 to over 10 per cent in 2017, while Sweden and France reported that 10 and 12 per cent of humanitarian funds went directly to local actors, respectively. Australia and Canada directly funded a national NGO for the first time, and Italy funded three local NGOs in Lebanon and Palestine. Many increased allocations to pooled funds, including the UN-managed Country-Based Pooled Funds (CBPFs), which provide a coordinated and context-specific mechanism through which local actors can access funds. In 2017, CBPFs received a record USD 833 million from 26 Member States and allocated USD 698 million, of which 24 per cent went directly to national NGOs—a net and percentage increase from the previous two years.³

Stakeholders also took steps to reduce barriers to direct funding. New Zealand became a Grand Bargain signatory in October 2017 and committed to investigate barriers and

opportunities related to the direct funding of national and local responders in the Pacific region. Through its Less Paper More Aid initiative, the International Council of Voluntary Agencies (ICVA) helped make partner capacity assessments more interoperable at the country level, which will make funding local partners faster and easier. The Office of the UN High Commissioner for Refugees (UNHCR) expanded its pool of registered NGO partners to 1,500—almost doubling in size from 2015—and is working with the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) to create a common UN partner portal to reduce administrative burden.

Improving transparency on funding

Most stakeholders were able to report the amount of humanitarian funding channelled to local actors, reflecting improved data and transparency. Progress was not limited to Member States; NGOs such as CARE, Catholic Relief Services, Christian Aid, Concern Worldwide, the Danish Refugee Council, Diakonie Katastrophenhilfe, Norwegian Church Aid, and Oxfam demonstrated transparency by

³ CBPF allocations to national NGOs totalled USD 74.06 million in 2015 and USD 133.6 million in 2016.

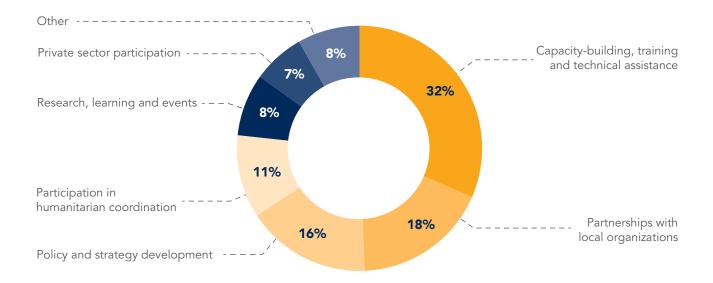


FIGURE 4.4: BREAKDOWN OF NON-FUNDING ACTIONS TO STRENGTHEN LOCAL SYSTEMS

reporting these figures through PACT,⁴ as did several UN entities. Stakeholders also noted that global averages mask country-level differences, and that meeting commitments to fund local actors depends significantly on the context, the complexity and challenge of responses, and on overall funding. For example, ActionAid reported that 93 per cent of its funding went through local actors after flooding in Nepal, compared to 52 per cent in its Ethiopia drought response.

Strengthening local and national capacity

As in 2016, capacity-building, training and technical assistance dominated reporting under Transformation 4A. Many stakeholders developed training courses and e-learning modules; for example, Concern Worldwide reached over 35,000 humanitarian workers through initiatives to boost national NGO leadership. Member States reported a number of measures to directly or indirectly incentivize capacity-building. The United Kingdom devoted GBP 13 million over two years to 14 NGO projects investing in local partner capacities, while the European Union (EU), Italy and WFP supported capacity development of National Red Cross and Red Crescent Societies. The Netherlands included explicit objectives to strengthen the capacity of local actors in a three-year agreement signed with a coalition of Dutch NGOs.

Reporting in 2017 also highlighted stakeholders' efforts to strengthen their national capacities. Chile undertook efforts to strengthen its institutions and trained local coordinators in line with its National Strategic Plan for Disaster Risk Management, and Panama launched a National Cooperation Plan to streamline its approaches to international cooperation. Australia prepositioned specialists in disaster management agencies in Vanuatu, Samoa, Fiji and Tonga, and the Food and Agriculture Organization (FAO)

Enhancing the role of diasporas

Several stakeholders worked to engage diaspora communities in the humanitarian sector. Denmark provided DKK 5 million to Somali and Afghan diaspora groups in Denmark involved in humanitarian projects in their countries of origin. The African Foundation for Development, DOZ e. V and the International Relief Foundation reported on efforts to strengthen the role of diasporas in crises, notably through the Diaspora Emergency Action and Coordination initiative, supporting 43 diaspora organizations to engage in humanitarian response through advocacy, capacity-building and partnerships.

⁴ According to the *Charter for Change Progress Report 2017-2018*, increasing transparency around resource transfers showed the most progress of all commitments (Charter for Change, *From Commitments to Action: Progress Report 2017-2018*, p. 26).

supported Governments in countries prone to recurrent disasters to develop risk-informed and shock-responsive social protection programmes.

Supporting local leadership through partnerships and participation

International stakeholders reported efforts to strengthen engagement and develop partnerships with national and local organizations, with a spate of transformative initiatives that aim to elevate their capacity and participation in decision-making. New donor policies requiring INGOs to work in partnerships, such as those put in place by Denmark, France and Slovenia, have encouraged this shift, as has WFP's operational requirement that country offices include local partners in developing multi-year country strategic plans. Monitoring measures are also playing a role, such as the Danish Refugee Council's qualitative marker to distinguish between 'instrumental' or 'transformational' partnerships.

A few stakeholders also reported on efforts to increase the participation, representation and visibility of national and local actors, such as hosting workshops to bring actors together or

Engaging local private sector actors

A handful of stakeholders worked to facilitate the ability of local private sector partners to contribute to resilience, response and recovery. The EU launched the Sustainable Business for Africa platform and created new projects integrating the role of the private sector in fragile and crisis situations. World Vision International supported the first publicprivate sector disaster response simulation in Kenya, while HealthWorks aimed to strengthen the role of private health service providers in insecure areas. In Madagascar, the Telma Foundation reported the institutionalization of the Private Sector Humanitarian Platform, an outcome of the World Humanitarian Summit regional consultation. At least one member of the platform represents the private sector in each national humanitarian cluster, ensuring the coordinated involvement of the private sector throughout the disaster risk management cycle.



sponsoring national actors to attend high-level events in the Global North. The EU and CAFOD supported the Global South-led Network for Empowered Aid Response, while Christian Aid and Oxfam adopted policies to increase the visibility of local partners in their communications materials. Meanwhile, Humanitarian Aid International, an Indian NGO, initiated discussions to establish a Southern Charter to strengthen the role of southern organizations in global processes.

Empowering people affected by crises

Under Transformation 4A, stakeholders also reported on efforts to make affected people the central drivers of humanitarian response and recovery, by adopting more people-centred approaches, using cash-based assistance, and adhering to quality and accountability standards.

Community engagement and feedback mechanisms

Most of the stakeholders reporting on using people-centred approaches—including Caritas Internationalis, GOAL Worldwide and INTERSOS—emphasized improving their capacity to gather and respond to participatory feedback, using community-based protection and accountability mechanisms, and strengthening their complaints and reporting mechanisms. Stakeholders such as the Rural Rehabilitation Association for Afghanistan and the South Sudan Women with Disability Network highlighted activities to include the perspectives of women and vulnerable or marginalized groups. Good Neighbors International, Kesh Malek, World Vision International and others took action to include the perspectives of children in humanitarian response. UNICEF, the UN Office for the Coordination of Humanitarian Affairs (OCHA), the International Federation of Red Cross and Red Crescent Societies (IFRC) and others launched a multi-agency Communication and Community Engagement Initiative.

Cash-based programming

Reporting reflected efforts by the humanitarian sector to improve capacity, coordination and inclusion in cash-based programming. Many stakeholders reinforced their capacity to implement cash-based assistance, and Norway financed the Cash and Markets Capacity Development Roster (CashCap) of experts for use in multi-agency humanitarian response. A number took steps to improve the links between cash, gender and protection. For example, the Women's Refugee Commission developed a package on the use of cash interventions to support survivors of genderbased violence, and UN Women conducted a literature review of the effect of cash-based programming on gender outcomes. Stakeholders also reported on their support to and participation in inter-agency forums, learning platforms and other initiatives to improve coordination to deliver cash-based assistance at scale, such as the Cash Learning Partnership, the Collaborative Cash Delivery Platform, and various regional and country-level consortia and working groups.

Quality and accountability standards

Twenty-three stakeholders reported on using quality and accountability standards to improve accountability to affected people. Although the Core Humanitarian Standard continued to dominate reporting, some stakeholders also reported developing internal quality and accountability frameworks and mechanisms, and participating in revising the SPHERE standards.

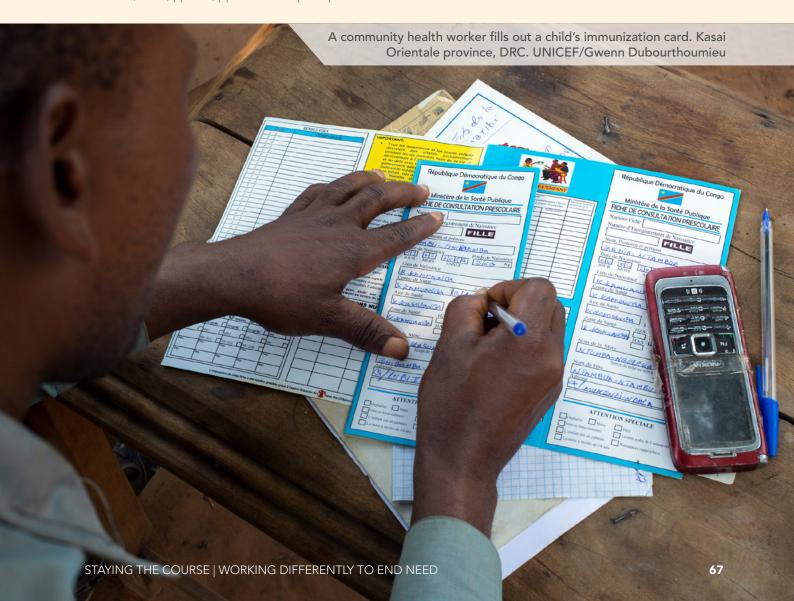
Achieving the transformation

The call to reinforce, not replace local and national systems is broad and far-reaching. Progress is still in its early stages as stakeholders work to adapt commitments to the specific realities of each context. While political, financial and operational advancements have enabled more support to local action, stakeholders highlighted significant structural barriers that impede the transfer of power and responsibility. These include cumbersome funding and coordination architectures and a risk averse system under increasing pressure to demonstrate results. The requirement for national and local organizations to demonstrate their professionalism in technical sectors of humanitarian operations in order to secure grants was also cited as a challenge. Compounding the substantial obstacles local actors face, international organizations reported that the

short-term nature of humanitarian funding constrains investment in capacity-building and institutional change. They cited lack of skilled staff, high staff turnover, and limited time and resources as common challenges. Stakeholders also highlighted the complex challenge that localization represents for humanitarian coordination in varying contexts, and the difficulty of balancing the demand for an urgent, impartial response with the need to strengthen local capacity over the longer term.

Sustainable progress will require strong, coordinated leadership to address overarching barriers and to work towards the recommendations in the 2016 *No Time to Retreat* report. Stakeholder reports emphasized several themes that may help prioritize next steps:

⁵UNOCHA, No Time to Retreat: First Annual Synthesis Report on Progress since the World Humanitarian Summit, 2017; pp. 6-7, pp. 63-64 and p. 77 provide recommendations relevant to this section.



- Improve coordination, transparency and local participation: Greater coordination and transparency around the localization agenda will be vital in ensuring that commitments are translated into concrete actions on the ground; and local actors must play a key role in shaping these discussions. Stakeholders called for more information-sharing around how commitments are implemented and progress assessed. Some pointed to the need for greater cohesion among the global initiatives that aim to support local action. A number of stakeholders noted that fragmented efforts to strengthen capacity increases the burden on local partners and advocated for greater harmonization and pooling of efforts at country level, for instance through joint capacity and partnership assessments.
- Reduce barriers to funding: More efforts are still needed to bring down barriers faced by local actors in accessing international funding and support. Progress is still required in policy reform and reducing the burden of financial compliance and risk management, among others. Some stakeholders felt that donors were becoming more risk averse and called for easing of earmarking and other restrictions on implementing partners, such as those imposed by counter-terrorism regulations.

• Support meaningful partnerships:

Stakeholders emphasized the importance of a genuine partnership approach between local and international stakeholders, characterized by multi-year commitments, investment in institutional strengthening, participation in coordination, visibility of roles and results, and influence in national and global policy. Such partnerships require support, in the shape of longer-term commitments and funding, and the recognition that real change is about a balance of power, not simply increasing the number of local implementing partners.

• Engage the field: There is still a gap between global commitments to localization and operationalization at country or field level. Emphasizing that the capacities, risks and barriers faced by local actors vary widely, stakeholders called for more context-specific policies and plans at country level to increase partnerships and



participation, reinforce capacity and complement local preparedness and response systems. This must be accompanied by efforts to improve buy-in and overcome attitudes and beliefs about working with local actors.

• Scale up and coordinate cash transfer programming: Stakeholders emphasized the transformative potential of cash-based approaches, particularly multi-sector cash. They called for measures to improve the humanitarian system's ability to deliver cash quickly and at scale; these include improving the global infrastructure for cash distribution; clarifying coordination; more multi-agency collaboration and interoperable programming; pre-positioning funds, partners and delivery systems; and setting up scalable safety nets.

"The lack of clarity and consensus surrounding cash coordination throughout the programme cycle has been identified as a key impediment to scaling up and making effective use of cash assistance in emergencies."

- Norway, self-report 4A

⁵UNOCHA, No Time to Retreat: First Annual Synthesis Report on Progress since the World Humanitarian Summit, 2017; pp. 6-7, pp. 63-64 and p. 77 provide recommendations relevant to this section.

4B + 5B: Anticipate crises and invest according to risk

The Agenda for Humanity called for action to ensure that:

- Crises are averted because national actors, with support from the international community, have anticipated and acted swiftly to mitigate risks before a crisis occurs, based on increased investment and sharing of data and risk analysis. (Transformation 4B)
- Fewer countries and communities are vulnerable to crises and the negative consequences of climate change because national actors, with the support of the international community, have made risk-informed investments. (Transformation 5B)

Since the Summit, stakeholders have made important strategic and operational shifts to better anticipate and plan for crises, and to provide direct financing to reduce disaster risks. In 2017, 80 stakeholders reported on their achievements under Transformation 4B: Anticipate Crises, and 40 stakeholders reported on Transformation 5B: Invest According to Risk. This section presents a joint analysis of reporting under these two transformations, while also considering relevant reporting under other transformations.

Progress in 2017

Advancing global political action to reduce disaster risk

Member States reported on their efforts to accelerate progress towards globally-agreed targets to reduce disaster risk and build resilience. Mexico reported hosting the Global Platform for Disaster Risk Reduction in May 2017 and Canada hosted the Fifth Regional Platform on Disaster Risk Reduction (DRR) in the Americas in March. Chile, Romania, Estonia, France, Slovenia, Spain and Turkey endorsed or rolled out national plans

to implement the Sendai Framework for Disaster Risk Reduction, emphasizing the link between DRR and anticipating and mitigating the risks of crises. El Salvador and Thailand highlighted the need for greater coherence between measures to achieve the Sustainable Development Goals, action on DRR and efforts to combat the adverse effects of climate change.⁶ The United Nations Office for Disaster Risk Reduction (UNISDR) piloted a prototype of the Sendai Framework Monitor in 2017. This data collection system, which was launched in early 2018, will enable a better understanding of disaster in all its dimensions, allowing more joined up analysis and monitoring.

"In the context of competing priorities and limited resources, maintaining global focus on preparedness, disaster risk reduction and resilience remains a challenge."

- Australia, self-report 4B

Improving preparedness capacity and resilience

Stakeholders reported on a range of achievements to build preparedness and resilience at local, national, regional and international levels. A number of stakeholders, including Cordaid, Catholic Relief Services (CRS), CBM International, Diakonie Katastrophenhilfe, the Emmanuel Hospital Association and the Humanitarian Leadership Academy, implemented projects to strengthen community resilience. At national level, many stakeholders supported Member States' strengthening of national and local systems. The World Health Organization (WHO) piloted a new country business model in 11 countries to improve national preparedness and response to health emergencies, and the World Customs Organization undertook support missions to four countries in West Africa to support emergency readiness. At regional level, Japan supported improved information communication technology at the ASEAN Coordinating Centre for Humanitarian Assistance. Panama advanced work on the Regional

⁶ Of the Member States mentioned here, Chile, El Salvador, Mexico, Romania and Thailand all reported to PACT for the first time in 2017.



Logistics Centre for Humanitarian Assistance in Latin America and the Caribbean, which officially opened in 2018. Achievements that will improve the preparedness of the international humanitarian system through the Inter-Agency Standing Committee (IASC) included development of Standard Operating Procedures for El Niño-La Niña events and the roll-out of the Emergency Response Preparedness approach, in use in 73 priority countries by the end of 2017.

Urban resilience and preparedness also emerged as a priority in 2017. Turkey held an Urbanism Forum in January 2017, setting a goal to renew 7.5 million buildings over 15 years to reduce the risk of earthquakes. Slovenia certified two more cities as role model cities under UNISDR's 'Making Cities Resilient' campaign, and Thailand reported that the Working Group on Prevention and Mitigation of the ASEAN Committee on Disaster Management prioritized a project on disaster resilient cities. InterAction, IMPACT Initiatives, the Overseas Development Institute, the United Nations Development Programme (UNDP), HelpAge, the World Evangelical Alliance and many other stakeholders reported work on policy or practice to improve urban preparedness and response.

Strengthening early warning, forecastbased financing and early action

Stakeholders continued to improve capacities to anticipate natural hazards and respond early to mitigate their impacts. Azerbaijan, Chile and Panama strengthened national early warning mechanisms and systems. The EU improved multi-hazard monitoring and early warning of ECHO's Emergency Response Coordination Centre, and the Norwegian Meteorological Institute supported climate services in South-East Asia with forecasting software to improve weather and climate predictions.

Early warning and early action were successfully triggered in a number of crises in 2017, supported by FbF. FAO released USD 1.2 million to support early drought response in Kenya, Somalia and Ethiopia through a new internal fund linked to their Early Warning Early Action system. WFP tested the forecast-based finance window of their Food Security Climate Resilience Facility, which was fast-tracked to respond early to the impacts of drought in Guatemala and Zimbabwe. The Start Fund's Anticipation Window raised seven anticipatory alerts, three of which were activated

⁷ Centro Logístico Regional de Asistencia Humanitaria para América Latina y el Caribe (CLRAH).

⁸This represents 96 per cent of targeted countries, a 26 per cent increase from 2016.

(in Tajikistan, Kenya and Timor-Leste). Germany provided approximately EUR 3 million to support two new FbF pilot projects in Madagascar and the Philippines, as well as a new FbF window within the IFRC Disaster Emergency Relief Fund.⁹

The Central Emergency Response Fund (CERF) commissioned an independent review of its contribution to the humanitarian response to the 2015/2016 El Niño. Preliminary findings and forward-looking questions on CERF's potential role in early action were presented to the CERF Advisory Group in October 2017.

Working together to prevent famine

In February 2017, the Secretary-General called on the world to avert four possible famines in north-east Nigeria, Somalia, South Sudan and Yemen. The international community quickly mobilized funding, and in less than a month, USD 1 billion was disbursed. Two months later, that amount had tripled to nearly USD 3 billion, and by early 2018 it had topped USD 5 billion. CERF was one of the earliest funding sources and early in the year allocated USD 118 million to Nigeria, Somalia, South Sudan and Yemen to ensure that humanitarian organizations could address the looming crisis. The spread of famine in South Sudan was halted, and faminelike conditions in the other countries were curtailed as 13 million people per month were reached with emergency assistance.

In 2017, the World Bank, the United Nations and other partners began work to develop the Famine Action Mechanism (FAM). Formally launched in 2018, it is the first global mechanism dedicated to supporting upstream interventions in famine prevention, preparedness and early action. FAM uses new data technologies to build on existing early warning systems and enhance the capacity to identify when food crises threaten to turn into famines. For the first time, this mechanism links early warnings with pre-arranged financing to ensure funds are released before a famine emerges.

Building resilience through private sector partnerships

Engaging the private sector led to positive results for preparedness in 2017. The Humanitarian Leadership Academy and the Philippine Disaster Resilience Foundation, in partnership with Unilever and Save the Children UK, worked with over 1,000 Filipino micro-, small- and medium-sized enterprises to build their resilience to disasters. Deutsche Post DHL Group reported that its Get Airports Ready for Disaster programme assessed six airports. The UPS Foundation supported multi-sector preparedness partnerships, including the Supply Chain Pandemic Preparedness initiative and the Rwanda Drone Delivery Network, an innovative effort to bring vital supplies to remote health facilities.

Investing in data and improving the evidence base for risk-informed decision-making

Building on efforts in 2016, stakeholders further improved data collection and analysis to bolster disaster preparedness and inform decisionmaking. The EU supported the Index for Risk Management (INFORM) to develop subnational indices, and the EU and Norway supported greater use of geospatial imagery in disaster management. The United Nations Population Fund (UNFPA) developed a mobile-ready, georeferenced, web-based application to provide sociodemographic data in 10 countries in Latin America. UNDP commissioned a feasibility study for the Global Resource Information Database¹⁰ and decided to proceed. Efforts to improve the evidence base included an FAO study on the effectiveness of early action in Kenya, which demonstrated that for every USD 1 spent, beneficiary households saw a return equivalent to USD 3.50; and the EU's Disaster Risk Management Knowledge Centre's first flagship science report, Science for Disaster Risk Management 2017 -Knowing better and losing less.

⁹ The Forecast-based Action Fund was officially launched in May 2018.

¹⁰ The original name for this initiative was the Risk and Vulnerability Data Platform. See https://www.agendaforhumanity.org/initiatives/3847 for more details.

Investing in disaster risk reduction and resilience to climate change

Member States continued to direct finance to DRR in vulnerable countries and communities. Many provided funds through instruments such as the World Bank-managed Global Facility for Disaster Risk Reduction. Germany provided EUR 47.2 million to strengthen local capacities for DRR, resilience and preparedness, and Canada allocated CAD 50 million over five years to support food needs and build resilience in three African countries. Stakeholders also worked to expand disaster risk insurance initiatives. For example, Thailand reported that ASEAN has established a regional programme on Disaster Risk Financing and Insurance, and Switzerland helped middle-income countries improve their financial resilience through the Sovereign Disaster Risk Financing and Insurance Programme.

Stakeholders also directed financing to build resilience to the impacts of climate change. The UK launched the Centre for Global Disaster Protection to enhance financial resilience to climate change and disasters in developing countries. At COP23, Germany expanded the InsuResilience Initiative on climate risk insurance to an InsuResilience Global Partnership on

Climate and Disaster Risk Finance and Insurance Solutions, with 44 members. Humanitarian partners, including the Start Network and WFP, are partnering with African Risk Capacity (ARC) to expand climate risk insurance coverage to vulnerable countries through the ARC Replica programme.

Climate action

Stakeholders also reported tackling climate change through a number of other means. Romania consolidated its National Climate Change Strategy and Action Plan, and elaborated a low-carbon green growth strategy. Many Member States, including Australia, Canada, Denmark, Iceland, Ireland and Luxembourg, supported climate action internationally and/ or through multi-donor funds and programmes, including the Least Developed Countries Fund and the Green Climate Fund. Emphasizing the need for gender equality in climate action, UN Women launched the Gender Inequality of Risk programme, 11 and Ireland supported female negotiators at the United Nations Framework Convention on Climate Change and funded the Mary Robinson Foundation to ensure the participation of grassroots women in international climate discussions and decision-making.



¹¹A partnership with UNISDR and IFRC, the goal of the programme is reduce the loss of lives and livelihoods and to enhance the resilience of communities to natural hazards in a changing climate.

Achieving the transformation

Despite years of global discourse, stakeholders noted that low investment in preparedness, DRR and resilience remains the biggest obstacle to effectively anticipating disasters and mitigating their impacts. Resource constraints are also among the factors that limit data collection and analysis and prevent stakeholders from scaling up early warning, forecast-based financing and risk insurance schemes.

Stakeholders emphasized the need for a global shift towards an anticipatory and risk-informed approach to both humanitarian and development action. They called for more coherence in follow-up between commitments to anticipate and prepare for humanitarian risk and international processes, including the Sendai Framework, the Paris Agreement and the Sustainable Development Goals. Building on the recommendations proposed in *No Time to Retreat*, 12 stakeholders highlighted the need for action in the following areas:

- Scale up early warning and early action: A system-wide shift towards early warning and early action requires the integration of early warning into policies and strategies, and mainstreaming multi-hazard approaches like forecast-based financing on a more systemic level. Some stakeholders suggested establishing a global facility and funding mechanism to support this.
- Invest in data and evidence: To enable such a shift, stakeholders also identified a pressing need to improve global and national capacity for data collection and analysis and to create the systems and tools to act on data in a timely way. They underlined the persistent lack of buy-in for investing in preparedness and risk management and called for more robust evidence to make the case for it.
- Improve coordination and share expertise:
 Reports stressed the need to improve coordination and pooling of expertise among States, national actors and international organizations. Stakeholders also emphasized that to improve early warning and early action, common donor approaches and multistakeholder collaboration are needed, as is more sharing of best practices, tools, data and analysis.

- Enhance the role of the private sector: The transformative role of public-private partnerships to contribute expertise, resources and technology still requires encouragement and support to reach its potential. Stakeholders called for more donor support for private sector engagement in humanitarian response, greater coordination and streamlining of engagement with private sector partners, and involvement of the private sector at local and national level in preparedness activities to ensure a coordinated, rapid response if a crisis occurs.
- Enable local leadership and promote community-based resilience: To enable national and local leadership, build capacity and develop risk-informed investment strategies, stakeholders recommended measures such as policy dialogue, coordination and partnerships between international and national institutions. Stakeholders also emphasized the importance of strengthening community-based leadership and empowering communities, including women and youth, to participate in and lead DRR and resilience-building.
- Change the financing paradigm: Since none of the above is possible without substantive changes to humanitarian financing, reporting in 2017 highlighted the need for three shifts:
 - Increase dedicated funding for risk-informed preparedness, prevention and resilience-building activities, including data collection and analysis, capacity-building and private sector engagement.
 - Expand longer-term financing options to bridge the humanitarian-development nexus, particularly for DRR and climate change adaptation, and facilitate access for countries most at risk.
 - Promote a more anticipatory humanitarian system by funding early warning and early action activities, including the use of forecasting data to trigger the allocation of humanitarian funds.

¹² OCHA, No Time to Retreat, p. 67 and p. 79.

4C + 5D: Transcending humanitarian-development divides and shifting from funding to financing

The Agenda for Humanity calls for humanitarian and development action to ensure that:

- Fewer people need long-term or recurrent humanitarian assistance because humanitarian and development actors have aligned their work towards collective outcomes that reduce risk and vulnerability over multiple years and that are based on the comparative advantage of a diverse range of partners. (Transformation 4C).
- A more diversified and innovative range of financing tools is available for actors to achieve collective outcomes, through a response that comprehensively targets prevention, life-saving and recovery activities. (Transformation 5D).

In the face of increasingly protracted and recurrent crises, humanitarian and development actors committed to the NWOW to meet immediate needs while reducing need, risk and vulnerability over time. In the short time since the World Humanitarian Summit, stakeholders have made impressive headway, working to strengthen humanitarian-development alignment, articulate collective outcomes and provide longer-term and more flexible financing. In 2017, 78 stakeholders reported making political, operational

"There remain few examples of where there is a joint outcome-setting, analysis and/or planning between humanitarian and development actors, with governments and other key stakeholders."

- IRC, self-report 4C

and financial changes to shift their focus towards achieving collective outcomes under Transformation 4C: Transcend Humanitarian-Development Divides, and 41 reported on Transformation 5D: Shift from Funding to Financing. In addition, 19 stakeholders reported on efforts to deliver the NWOW.

Progress in 2017

Operationalizing the New Way of Working and bridging the humanitariandevelopment divide at country level

High-level political support for the NWOW continued to grow in 2017, with the UN, NGOs and Member States revising their normative frameworks, and stakeholders at the country level starting to analyse, plan and programme in a more joined up manner. At country level, stakeholders demonstrated strong support and concerted efforts to advance the NWOW. OCHA and UNDP, together with other partners, supported the articulation of collective outcomes and country-specific strategies to implement the NWOW in Burkina Faso, Chad, Mauritania, Nigeria, Sudan, Somalia and other countries. 13 Other measures to improve humanitariandevelopment collaboration included efforts by Denmark, Italy, Luxembourg, Norway and the United Kingdom to join up humanitarian and development analysis in their bilateral partnerships and programmes. The EU identified six pilot countries (Sudan, Chad, Nigeria, Uganda, Iraq and Myanmar) where it will use a full range of political, diplomatic, development and humanitarian tools to help countries build resilience. Many other stakeholders, including CARE International, CBM International, Christian Aid and Cordaid, supported this transformation through initiatives that combine humanitarian efforts with support to building resilience.

Advancing research, learning and guidance

Important efforts were made in 2017 to advance learning on the NWOW. Denmark and Turkey, together with UNDP and OCHA, organized high-level events, while regional workshops were organized in Dakar and Entebbe to share learning. The World Bank, the Organization for Economic

¹³ For more details and country progress updates, see: https://www.agendaforhumanity.org/initiatives/5358



Cooperation and Development (OECD), OCHA and UNDP also hosted a workshop for donors in Washington, D.C. ICVA produced guidance and online briefings for NGOs on the NWOW, the OECD published a series of eight guidelines to help donors transcend humanitarian-development divides, and NGOs such as CARE International and Christian Aid committed to producing lessons learned from the field. Stakeholders also reported funding or undertaking research to strengthen coherence between humanitarian and development action. Turkey established a research institute in Gaziantep, and FAO, the EU and 10 other humanitarian and development partners provided a common analysis of food insecurity from around the globe in the 2018 Global Report on Food Crises, which aims to inform sustainable solutions to food insecurity crises.

Institutional reform to support humanitarian-development collaboration

Institutional reforms were taken forward by the UN, particularly through the creation of the Joint Steering Committee to advance Humanitarian and Development Collaboration, chaired by the UN Deputy Secretary-General and co-chaired by the Emergency Relief Coordinator and the

Administrator of the United Nations Development Programme, as part of the UN Secretary-General's reform efforts. The Office of the United Nations High Commissioner for Human Rights (OHCHR) noted the emphasis on integrated analysis under the updated United Nations Development Assistance Framework (UNDAF), while UNHCR reported integrating the NWOW into the rollout of the Comprehensive Refugee Response Framework. Many Member States also launched new strategies, policies or internal measures to improve humanitarian-development cooperation, as did a number of NGOs. Denmark launched a new joint strategy bringing humanitarian and development cooperation under one vision, while France and Spain finalized national strategies that make resilience an overarching objective of international engagement. The EU adopted the European Consensus on Development to promote closer cooperation and complementary action between development and humanitarian actors, as well as shared analysis of risks and vulnerabilities. Many stakeholders also reported measures to improve coherence with peacebuilding efforts to achieve long-term solutions (these are described in Chapter 1).

Multi-year, flexible financing and programming

Reporting under Transformations 4C and 5D showed momentum towards multi-year funding and reducing earmarking, which are crucial to create an enabling environment to pursue collective outcomes. Most Member States reporting under Transformation 5D provided multi-year or flexible (unearmarked or softly earmarked) funding through multi-year agreements with partners, support to pooled funds, core funding to UN and Red Cross/ Red Crescent organizations, and bilateral development cooperation agreements. Belgium, Denmark, Finland, Norway and Switzerland exceeded their Grand Bargain targets of making 30 per cent of contributions unearmarked or softly earmarked. Australia, Belgium, Canada and Norway provided joined up, multi-year funding to crises, and France delivered on its 2016 commitment to create a vulnerability fund by operationalizing its Peace and Resilience facility, funding multi-year programmes in the Sahel, the Lake Chad region, the Middle East and the Central African Republic. Thailand and Turkey innovated domestic financing to reduce vulnerabilities and enhance resilience through soft-loan schemes, social safety net programmes and conditional cash transfers.



Innovating across the humanitarian-development divide

Stakeholders reporting under Transformation 4C emphasized the importance of innovation to break down silos. Eight stakeholders, including Denmark, the Netherlands, the United Kingdom, UNHCR and World Vision International, reported contributing to or participating in the Global Alliance for Humanitarian Innovation. Germany contributed to the WFP Innovation Accelerator, and Mercy Corps collaborated with Cisco's Tech for Impact initiative to launch an innovation lab to identify new or innovative uses of technology in the field.

Adapting policy to finance collective outcomes

To complement these efforts, stakeholders reported measures to adapt humanitarian finance to enable joined up planning and programming. FAO, OCHA and the Norwegian Refugee Council (NRC) produced the study, Living up to the Promise of Multi-year Financing, which advocates for investments across the humanitarian-development nexus. Others took steps to eliminate internal barriers to multi-year funding: Belgium reported that three of its four budget lines for humanitarian aid are multi-year, while Denmark laid the groundwork for more coherent financing through its new Strategy for Development Cooperation and Humanitarian Action. Many other stakeholders including CARE International, Concern Worldwide, Development Initiatives, ICVA and OCHA engaged in advocacy with donors on the need to finance collective outcomes.

Achieving the transformation

Despite political commitment and operational achievements in some countries, there is still a need to more systematically adopt new approaches and remove substantial institutional and systemic barriers to humanitariandevelopment collaboration. More than a third of stakeholders reporting under 4C and 5D highlighted joined up humanitarian-development analysis and planning as one of their top three challenges. Major shifts are still required in terms of shared analysis, programming towards concrete collective outcomes rather than individual outputs, and financing joint efforts over separate projects. Despite increases in multi-year humanitarian funding by some key donor States, many others continue to report legal and institutional barriers that prevent them from providing multi-year humanitarian financing. The lack of flexible funding remains a further barrier to responding in ways that transcend the humanitarian-development divide, as earmarking and categorization of funding hamper the ability of organizations to adapt to changing needs.

The following are recommendations for taking forward the NWOW and operationalizing collective outcomes:

- Adapt and combine existing country-level analytical tools and processes: A context-specific joint presentation of needs, vulnerabilities and risks can serve as the basis for a common approach. Best practices have shown that both Common Country Assessments and the World Bank's Systematic Country Diagnosis benefit from the coordinated assessments of the Humanitarian Needs Overviews. This household-level analysis, carried out in partnership with all humanitarian actors, provides a comprehensive understanding and identifies trends to better address areas of greatest vulnerability.
- Articulate collective outcomes at country level: The articulation of collective outcomes at the country level provides a joined up objective to measurably reduce need, risk and vulnerability. These collective outcomes, informed by a truly joint analysis, should determine programme design, funding and implementation over a three to five-year period. Articulation should take place at the earliest stage, driving any subsequent

planning process, and must also be supported by donors, who also play an integral part. Government leadership and ownership are also essential to this process.

- Provide strong leadership: Country-level leadership, through the Government, the UN Resident Coordinators/Humanitarian Coordinators (RC/HC), heads of agencies and international financing institutions, is critical to operationalize collective outcomes. Close cooperation and regular joint meetings between UN Country Teams and Humanitarian Country Teams are also essential, as well as dedicated capacity in the RC/HC's office, with headquarters' support to implement the NWOW.
- Strengthen efforts to finance collective outcomes: Donors should strongly support efforts in countries to operationalize collective outcomes. They should support country teams to develop a finance strategy aligned with these collective outcomes and their implementation plans, and that sequences new and existing resources accordingly. Donors should also expand multi-year funding for collective outcomes that includes activities over a three to five-year period to reduce need, risk and vulnerability.
- Overcome institutional barriers: Stakeholders are encouraged to strengthen structures within their respective organizations to enable joined up humanitarian-development analysis, planning and programming, as well as operationalizing and financing collective outcomes.
- "A key element emerging is the need for flexible multi-year funding that can be switched between humanitarian and development programming. This has been a particular challenge during ... 2017 ... where donor categorization has substantially reduced our capacity to respond."
- CARE International, self-report 4C

5E: Diversify resources and increase efficiency

The Agenda for Humanity called for action to ensure that:

• New actors are mobilized to contribute resources to humanitarian action, and resources are spent as efficiently as possible. (Transformation 5E).

Progress in 2017

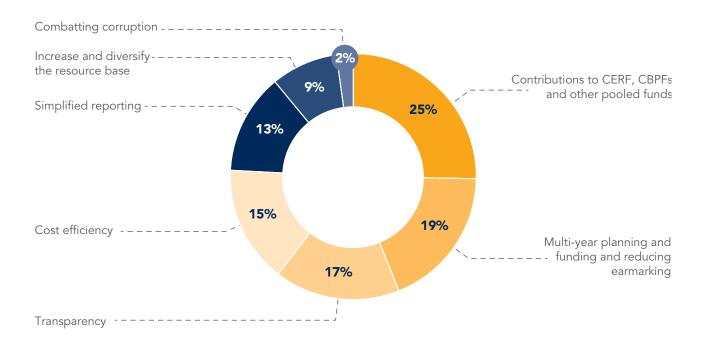
Under Transformation 5E, 64 stakeholders reported on efforts to improve the efficiency and transparency of humanitarian financing, and to diversify and increase the resource base. These efforts were mobilized by World Humanitarian Summit commitments and by initiatives that include the Grand Bargain, the Good Humanitarian Donorship Initiative, the International Aid Transparency Initiative, and the Core Humanitarian Standard.

Creating cost efficiencies

Stakeholders took a number of actions to manage humanitarian funds with greater

efficiency. Some, including Australia, Estonia and Turkey, emphasized cash-based assistance. The EU reached its target of disbursing 35 per cent of its aid budget through cash transfers and adopted guidance to improve the efficiency and effectiveness of large-scale cash transfers through means such as centralized payment mechanisms and beneficiary registries. Stakeholders also reported on efforts to reduce administrative burden, such as the use of multi-year and unearmarked or softly earmarked funding by Canada, Finland, the United Kingdom and other Member States. Efforts to simplify and harmonize reporting included pilots that Germany and the International Council of Voluntary Agencies (ICVA) launched in Myanmar, Iraq and Somalia for a standard template on narrative reporting, with support from donors, UN entities and NGOs, including the Norwegian Refugee Council (NRC) and the World Food Programme (WFP). Many stakeholders took steps to reduce their own management costs, such as Caritas Internationalis, which created a streamlined appeal approach across the confederation, and the International Rescue Committee (IRC), which piloted a mandatory cost analysis system in two country offices to achieve the greatest impact per dollar

FIGURE 4.5: BREAKDOWN OF REPORTING UNDER TRANSFORMATION 5E





spent. InterAction published a policy paper with recommendations to improve the efficiency, quality and effectiveness of US humanitarian assistance.

Improving transparency

Stakeholders continued to use global standards to improve transparency. A 2017 assessment by Development Initiatives showed considerable progress in reporting to the International Aid Transparency Initiative (IATI), with 61 per cent of signatories publishing humanitarian data. 14 Several stakeholders reported joining IATI in 2017 or preparing to join, and a number of NGOs reported steps to improve transparency by adhering to the Core Humanitarian Standard. Stakeholders engaged in research and advocacy on aid transparency, such as Humentum UK's collaboration with Bond to research current practice in cost transparency and lobby donors to change processes in line with best practice.

Stakeholders also reported progress in improving financial data. In December 2017, OCHA and the Netherlands launched the Centre for Humanitarian Data in The Hague to increase the use and impact of data in the humanitarian sector. The OECD completed a commitment to develop a clear and inclusive process to improve the consistency, comparability and transparency of reporting of ODA-eligible, in-donor refugee costs by aligning members' calculation methods. Belgium adopted a system to publish humanitarian financing data more frequently.

Increasing and diversifying the finance base

Many Member States reported efforts to increase funding for humanitarian action. Many reported increasing their contributions to the Central Emergency Response Fund (CERF) in 2018.¹⁵ Member States continued their advocacy for

¹⁴ Development Initiatives, self-report 5E. This figure represents 31 member or affiliated organizations.

¹⁵ For a full list of donor contributions to CERF, see https://cerf.un.org.



reaching the General Assembly-endorsed USD 1 billion annual funding target for CERF,¹⁶ and continued extensive support to Country-Based Pooled Funds (CBPFs) and other pooled funding mechanisms.¹⁷ Member States, including Canada, Luxembourg and Norway, also took steps to make such financing more flexible and predictable, with a particular emphasis on providing multi-year contributions.

A handful of stakeholders reported actions to diversify the resource base for humanitarian action. Switzerland supported the International Committee of the Red Cross (ICRC) to develop the first humanitarian impact bond, launched in September 2017, as an innovative way to raise private capital from social investors. The EU and Japan used political and diplomatic opportunities

to reach out to non-Development Assistance Committee States and to promote partnerships with a broader range of stakeholders. UNICEF developed a four-year private sector engagement plan and launched its first e-learning module on resource mobilization to assist country-level fundraising. Following up on the High-Level Panel for Humanitarian Financing's recommendation, the United Nations Relief and Works Agency (UNRWA) and UNHCR established platforms to collect *zakat*¹⁸ for eligible Palestinian and Syrian refugees. In 2017, UNHCR distributed over USD 2.5 million in *zakat* assistance to Syrian refugees in Lebanon and Jordan in the form of cash assistance.

¹⁶ First introduced in General Assembly resolution A/71/127 and reiterated in A/72/133.

¹⁷ Pooled funds are covered in more detail in section 4A+5A of Chapter 4.

¹⁸ Zakat, one of the five pillars of Islam, mandates that Muslims contribute 2.5 per cent of their net wealth in charitable giving to the needy and the poor.

Achieving the transformation

Concerted, coordinated action has begun to improve transparency and efficiency, laying the groundwork for greater humanitarian effectiveness in the long run. However, many stakeholders pointed out that such efforts are capacity- and resource-intensive, and NGOs in particular, struggled to allocate the financial and human resources to realize their commitments. Furthermore, new resources for humanitarian action remain elusive, and even the most radical efficiency gains cannot make up for the huge shortfall between humanitarian needs and available resources. 19 Stakeholders highlighted the need to mobilize political will to increase aid budgets, develop new partnerships and resources, and increase flexible, multi-year financing across the humanitarian-development nexus.

To improve cost efficiency and transparency, stakeholders made a number of recommendations, consistent with the Grand Bargain:

- Adopt collective approaches to cost efficiencies: Stakeholders emphasized the importance of collective action to secure efficiency gains. Practical measures, such as simplified and harmonized reporting, joint assessments and common procurement, will only make a substantial impact if major donors and aid providers agree to use them. Stakeholders also highlighted the importance of gaining efficiency by reducing duplication and increasing joined up humanitarian-development planning and programming.
- Increase multi-year, flexible financing: Many Member States still face practical, political and legal limitations that hinder progress in achieving their Grand Bargain and World Humanitarian Summit commitments. A greater understanding of these barriers will lead to practical solutions and strategies to overcome institutional obstacles.

- "The biggest challenge, aside from limited resources, to increase predictable, multi-year, unearmarked funding to humanitarian organizations is to secure political will for such funding."
- Iceland, self-report 5E
- Take transparency beyond publishing data:

While many organizations have made progress in publishing data on humanitarian funding, some stakeholders called for more clarity on how this transparency will inform decision-making, drive reforms, and lead to collective analysis of successes and shortcomings.

To increase and diversify the resource base, stakeholders advocated for the following actions:

- Mobilize resources for a USD 1 billion Central Emergency Relief Fund: Stakeholders emphasized the need to broaden and deepen financial support to CERF, given the scale of needs and the commitment to build a USD 1 billion fund. More private and public advocacy is needed to achieve this goal.
- Devise innovative strategies and partnerships: In line with the recommendations of the High-Level Panel on Humanitarian Financing, stakeholders called for the humanitarian community to focus on innovative financing solutions, such as social impact bonds. Stakeholders also emphasized the importance of broadening the partnership base by engaging more with emerging economies, international financing institutions, other multilateral development banks and the private sector.

¹⁹ In 2017, the UN and its partners requested USD 24 billion through inter-agency appeals, but appeals only received USD 12.6 billion, or 52 per cent, in funding.