WORK DIFFERENTLY TO END NEED AND INVEST IN HUMANITY

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Acknowledging that people caught up in recurrent or protracted crises need more than just short-term aid, stakeholders at the World Humanitarian Summit (WHS) committed to step up efforts to reduce vulnerability and build resilience – and, ultimately, lessen dependency on humanitarian assistance.

Core Responsibility Four of the Agenda for Humanity provided a road map for this shift in approach, calling for the international community to work in ways that supports and empowers national and local responders; for an increased focus on preparing for and preventing crises; and for humanitarian and development actors to leverage their comparative strengths in working towards collective outcomes to reduce need, risk and vulnerability. Core Responsibility Five called for new ways of financing humanitarian action to support these shifts by increasing investment in local and national response capacities; directing more financing to disaster preparedness, risk reduction and anticipatory action; and leveraging complementary streams of financing for collective outcomes.

Summary of progress and challenges

For 2018, 105 stakeholders reported on their achievements against one or more of the transformations of Core Responsibility Four and Five.
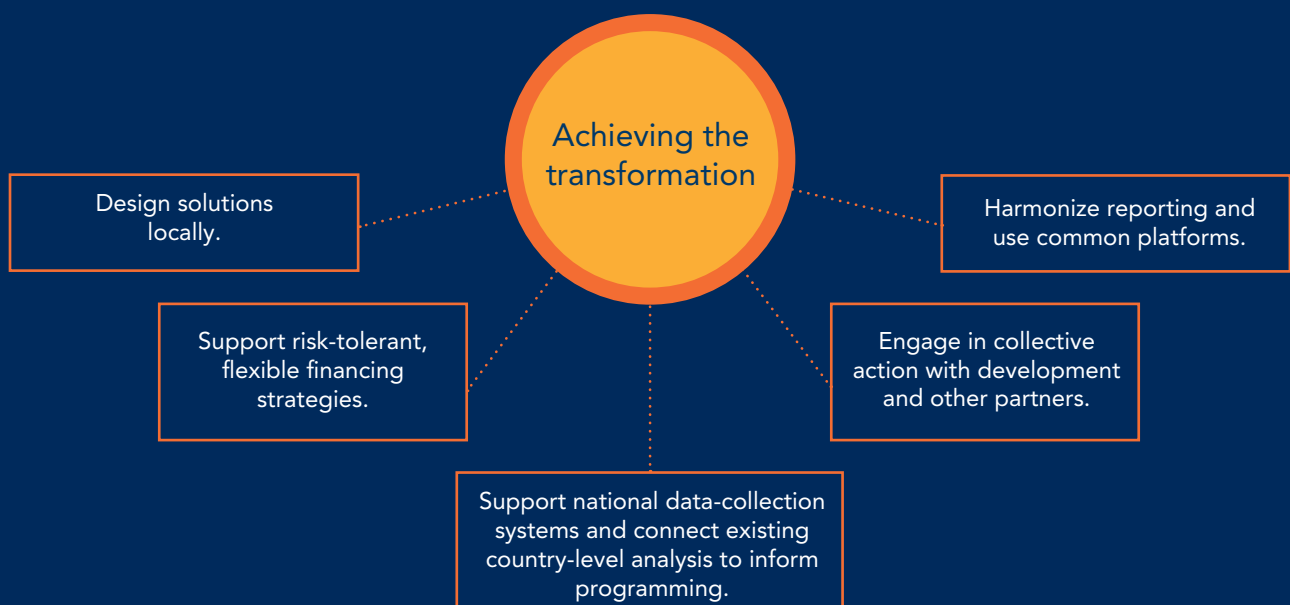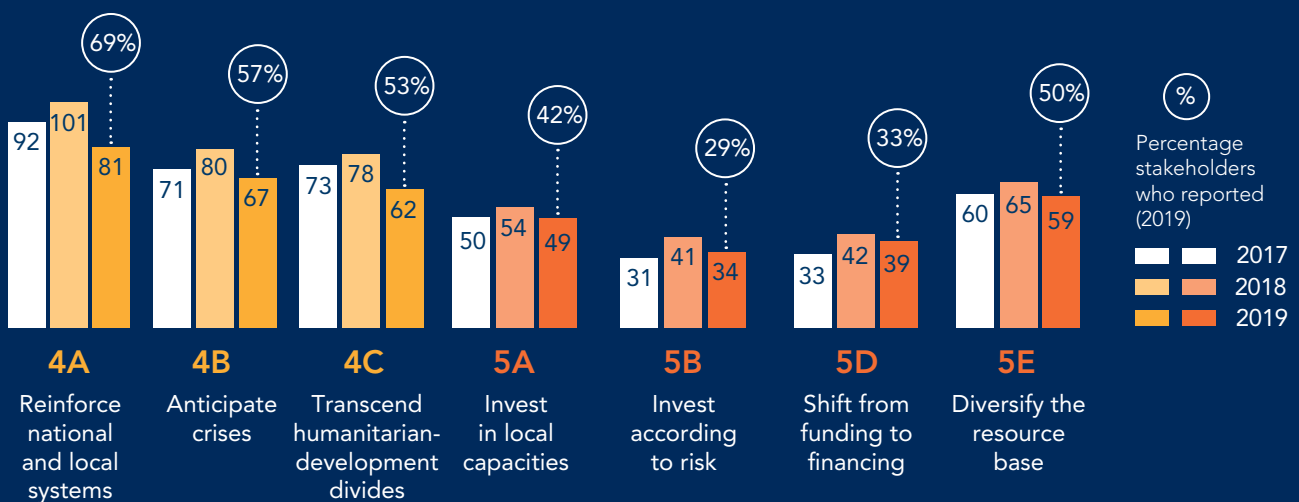
Key takeaways

The participation and leadership of national and local actors in the humanitarian system has increased – but these are not yet equal partners, hampered by a risk-averse culture and stringent donor requirements.

Governments have strengthened strengthen their capacities to prepare for, reduce and manage disaster risk, and build resilience.

In protracted and recurrent crises, humanitarian and development organizations continued to align their work around collective outcomes, aiming to reduce risk, vulnerability and, ultimately, humanitarian needs.

Reporting by transformation 2017-2019

	4A Reinforce national and local systems	**4B** Anticipate crises	**4C** Transcend humanitarian-development divides	**5A** Invest in local capacities	**5B** Invest according to risk	**5D** Shift from funding to financing	**5E** Diversify the resource base
2017	92	71	73	50	31	33	60
2018	101	80	78	54	41	42	65
2019	81	67	62	49	34	39	59
% Percentage stakeholders who reported (2019)	69%	57%	53%	42%	29%	33%	50%

Achieving the transformation

- Design solutions locally.
- Support risk-tolerant, flexible financing strategies.
- Support national data-collection systems and connect existing country-level analysis to inform programming.
- Engage in collective action with development and other partners.
- Harmonize reporting and use common platforms.

Stakeholders

In 2018, 105 stakeholders reported against one or more of the transformations covered in this chapter: Transformations 4A, 4B and 4C of Core Responsibility Four and the corresponding Transformations 5A, 5B and 5D of Core Responsibility Five. As in previous years, Transformation 4A received the most reports of any transformation across all five Core Responsibilities in 2018.

Progress in 2018

Three years after the WHS, localization is increasingly regarded as an essential part of humanitarian work. International stakeholders have begun to embrace new roles as supporters and enablers of nationally and locally owned responses. This includes devoting resources to strengthen the capacities of national and local partners, crediting partners for their results, helping them to take on leadership roles in coordination structures, and taking measures to reduce barriers to localization. Donors continued to direct funding towards national and local actors, channelled predominantly through pooled funds. Stakeholders also continued to strengthen accountability to affected people and to increase the use of cash-based assistance as a means of affording them greater choice and agency.

At the same time, disaster-affected countries have taken significant steps to strengthen their national capacities to prepare for, reduce and manage disaster risk, and operationalize early warning systems.

UN Emergency Relief Coordinator Mark Lowcock and UNDP Administrator Achim Steiner (right) with the head of the Nigeria State Emergency Management Agency (middle), speaking with a group of displaced farmers. UN organizations are working together to meet their immediate needs and support recovery of their livelihoods. Nigeria. OCHA/Eve Sabbagh

The international community has supported these efforts and has continued to advance initiatives to provide forecast-based financing and act earlier in anticipation of shocks. Public-private partnerships are playing an increasing role in strengthening resilience, including through innovative risk insurance products; regional and global initiatives are enabling this transformation by facilitating knowledge-sharing and providing data and analysis.

In protracted and recurrent crises, humanitarian and development stakeholders have defined collective outcomes that allow them to align their work towards reducing risk, vulnerability and, eventually, humanitarian needs. With the addition of peacebuilding as the third pillar of humanitarian-development collaboration, stakeholders in 2018 focused on operationalizing programming across the three pillars in a variety of contexts to generate best practices and lessons learned. Strengthened assessments and joint

analysis, decisive leadership, strategically aligned multi-year financing flows and inclusive planning processes have emerged as some of the key enabling factors in defining and operationalizing collective outcomes.

Stakeholders also took steps to increase their operational efficiencies in order to make limited resources go further, and to improve the transparency of humanitarian funding and spending.

A family in Aden signs up for SCOPE, WFP's cloud-based tool for registration, distribution planning, entitlement transfers and reporting. SCOPE currently supports all WFP transfer modalities be it in-kind or cash-based transfers. Yemen. OCHA/Matteo Minasi

Challenges and gaps

Needless to say, work to advance the paradigm shift proposed by Core Responsibility Four of the Agenda for Humanity is still in its early stages. Despite a broad acceptance that a more balanced and equal relationship between international and national/local actors is needed—and indeed, inevitable—the operationalization of these commitments is slow and fraught with difficulties. There remains a disconnect between the policies at headquarters and their application by country and field offices—in no small part due to competing expectations placed on implementing organizations to achieve rapid and efficient results with short-term funding, while simultaneously working with national and local partners on medium- to long-term capacity-strengthening.

Unlike the relatively recent debate around localization, investment in risk reduction and preparedness has long been known to save lives and livelihoods, and reduce the cost of disaster response and recovery. Nonetheless, limited global investment in reducing risk and a lack of political will to take financial risks on preparedness and early action remain the main impediments to progress—despite the fact the technology and methods exist to enable improvements in this area. The need for more inclusive and community-based approaches, including for data collection, also emerged as a challenge, particularly in terms of moving from a pilot mindset to a truly anticipatory approach.

WFP food distribution in the Khurmakser district, Aden. Yemen. OCHA/Matteo Minasi

Mamboro fishing village was wiped out when the earthquake and tsunami struck Central Sulawesi on 28 September 2018. OCHA/Anthony Burke

Moving beyond a pilot mentality has also proved challenging in efforts to transcend long-standing divides and work across the humanitarian, development and peace pillars. The deeply embedded nature of silos has limited the extent to which joined-up approaches can be implemented in the short-term; and regulatory barriers and fiduciary risk aversion among humanitarian donors has restricted the amount of multi-year and flexible funding available for collective outcomes. At field level, the absence of shared principles and analytical frameworks remains a significant barrier, as does the lack of national and local ownership over collective outcomes.

Finally, progress to increase the resource base for humanitarian action has been slow and despite the increasing generosity of donors, the gap between humanitarian needs and the resources available

to meet them remains. Incremental gains from cost efficiencies will do little to close this gap; the elusive diversification of the resource base called for by the Agenda for Humanity is still very much needed.

Realizing the shifts called for by Core Responsibility Four requires a comprehensive rethinking of humanitarian systems, roles and responsibilities – changes that are under way. However, the success of this shift depends on the extent to which new policies and lessons learned from pilot projects can be translated into system-wide change across humanitarian response.

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

The World Humanitarian Summit (WHS) catalysed an unprecedented drive to recognize the contributions and capacities of national and local actors in humanitarian response. At the Summit, leaders committed to the Agenda for Humanity's call to work in complementarity with national and local actors, strengthening the capacities of affected States and communities, and giving greater voice, choice and agency to affected people (Transformation 4A). They also committed to direct a greater share of international investment to national and local actors (Transformation 5A).

Progress in 2018

In 2018, Transformation 4A received the highest number of self-reports, with 81 stakeholders recording their achievements. Forty-nine stakeholders reported against Transformation 5A. This section presents a joint analysis of reporting under these closely interconnected transformations.

REPORTING BY SUBCATEGORY UNDER TRANSFORMATIONS 4A AND 5A
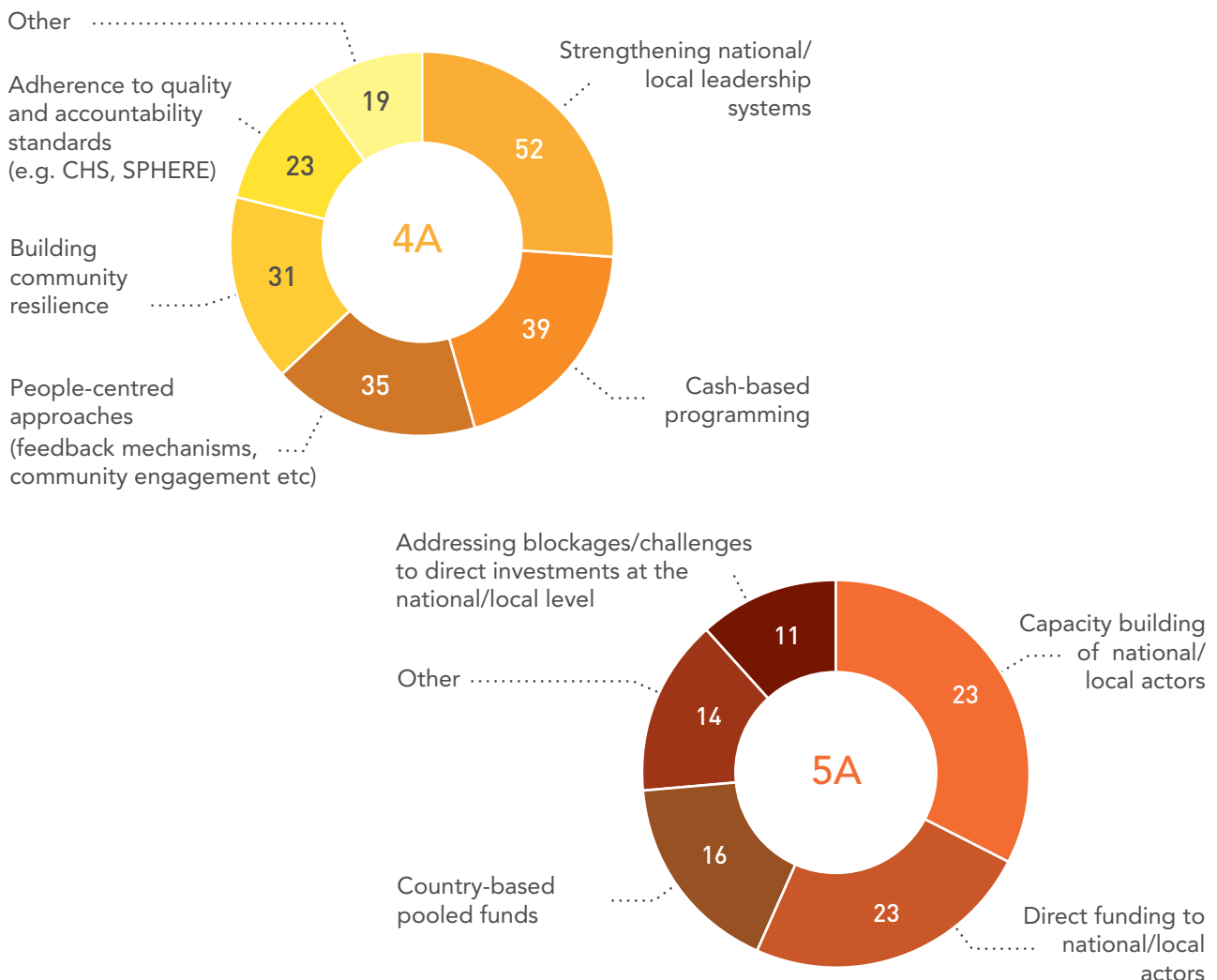
Source: https://www.agendaforhumanity.org/agendaforhumanity_viz/index.html

The Grand Bargain aims to get more support and funding tools for local and national actors. A localization mission visited Maiduguri in April 2019 to support this 'localization' workstream. Nigeria. OCHA/Leni Kinzil

Advancing the localization of humanitarian response

Reforming policy and practice to enable local action

Stakeholders continue to engage actively in broader initiatives linked to localization, including the Grand Bargain and Charter for Change, and have adapted their organizational policies to reflect this change in approach. Spain's new humanitarian strategy, for example, aims "to allocate an increasing proportion of resources to local actors and ensure national leadership in humanitarian responses"; a focal point has been appointed to follow up on this work. Sweden revised its NGO guidelines to promote the localization of both planning and reporting, and prioritize applications that strengthen local capacities. Malteser International reviewed its programme approach to reflect its transition from delivering aid to enabling local action. Stakeholders also continued to improve the quality of their partnerships with local actors: Johanniter and Oxfam International increased the visibility of local partners in publicity materials, and World Vision International developed a road map (with tools, policies and procedures) for building organizational capacity for quality humanitarian partnering. To examine collective progress towards commitments to support national and local capacities, the Core Humanitarian Standard (CHS) Alliance provided an assessment of members' individual and aggregate performance against a 'localization index' composed of 13 CHS indicators.

Reinforcing national and local systems

As in previous years, stakeholders undertook activities to reinforce the capacities of national and local governments, particularly in countries prone to recurrent disasters or experiencing protracted crises. Luxembourg expanded its bilateral partnership to strengthen the capacity of the Ministry of Humanitarian Action in Niger. Ireland supported government-led social protection systems in Ethiopia, Malawi, Mozambique and Uganda, and WFP made strengthening social protection a key component of its planning in 34 countries. IOM and UNHCR supported local leaders in delivering assistance and protection in countries affected by the exodus of people from Venezuela. Deutsche Post DHL reinforced the capacities of airports in Guatemala, India and Indonesia during disasters.

The International Anti-Corruption Academy offered a training course on anti-corruption in local governance for municipal leaders, and IMPACT and the Agency for Technical Cooperation and Development (ACTED) helped the Kampala Capital City Authority to establish a coordination platform for all stakeholders involved in the urban refugee response.

Supporting local responders

Stakeholders continued to devote resources to strengthen the capacities of local and national humanitarian actors and civil society organizations (CSOs). Belgium, Canada, Germany, Switzerland, the United Kingdom and WFP, in coordination with the International Federation of the Red Cross, supported the preparedness and response capacities of national Red Cross/ Red Crescent societies. Through initiatives such as the European Union (EU)-funded Accelerating Localization through Partnerships programme, stakeholders, including the Catholic Agency for Overseas Development, Christian Aid and Tearfund, piloted best practices for partnerships between national, local and international NGOs in Myanmar, Nepal, Nigeria and South Sudan. The Humanitarian Leadership Academy delivered training through its centres in Bangladesh, East Africa, the Middle East and the Philippines. The World Evangelical Association provided

training to national organizations in programme design, financial accountability and results measurement, while the Joint Learning Initiative on Faith and Local Communities supported local faith actors to engage in humanitarian action. Several stakeholders committed to longer-term approaches: Oxfam International implemented multi-year projects in eight countries to enhance the capacity of national and local actors to deliver high-quality humanitarian responses, Johanniter-Unfall-Hilfe initiated a capacity development programme for community-based organizations in Southeast Asia, focusing on organizational development and leadership, and World Vision International is leading a three-year initiative to strengthen CSO capacities in the Western Equatoria region of South Sudan. Local organizations also undertook self-led capacity strengthening, such as the Jafra Foundation for Relief and Youth Development, which conducted a detailed assessment of its strengths and weaknesses and formulated a corresponding capacity building plan.

A few stakeholders in 2018 emphasized the transformative role of networks in strengthening the voice and capacity of national and local responders. The Network for Empowered Aid Response (NEAR), with funding from the EU, helped its members to improve their response

Mobile health clinic in Donggala after the Central Sulawesi Earthquake and Tsunami. Indonesia. OCHA/Nidhirat Srisirirojanakorn

capacities, internal policies and engagement in humanitarian forums. The International Council of Voluntary Agencies (ICVA) supported national NGO forums in building organizational capacity for strategic planning, governance, human resource management and advocacy. Humanitarian Aid International helped to establish the Alliance for Empowering Partnership, which advocates for a humanitarian system that strengthens local and national actors. CAFOD supported local NGOs in the Democratic Republic of the Congo in establishing three regional platforms in Bukavu, Goma and Kinshasa, committing resources to help each of them develop a strategy in 2019.

Funding local action

A few donors reported funding national and local actors directly, such as Italy, which in 2018 funded five projects implemented directly by CSOs in Lebanon, Mali and Palestine. The majority funded local action through pooled funds that can be accessed by national and local NGOs. In 2018, UN-managed country-based pooled funds (CBPFs) allocated $208 million directly to national and local organizations—around 25 per cent of overall CBPF funds—thanks to contributions from donors such as Belgium, Canada, Denmark, Germany, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland and the United Kingdom. National NGOs were also represented on the advisory boards of 15 of the 17 CBPFs that were operational in 2018. Separately, the EU supported the development of national pooled funds in Nepal and Somalia, designed by local NGOs to improve local access to funding. START Fund Bangladesh conducted capacity assessments with 26 national and local NGOs, who began accessing funds directly in 2019.

Stakeholders also continued to track the amount of funds passed on to local partners. World Vision International reported that over 70 per cent of its funding in Turkey is allocated to local partners. FAO passed on approximately 13 per cent its funding to national and local actors, and Spain and Sweden reported a slight increase (from the previous year) in the proportion of funds channelled to national and local organizations. Some donors also answered calls for multi-year and flexible funding: Belgium reported that 32 per cent of its funding agreements incorporate multi-year support for institutional capacity-

strengthening of national and local partners, and they also include a crisis modifier so that funds can be reallocated if circumstances change.

Increasing local participation, leadership and coordination

Stakeholders reported continued representation of national NGOs in humanitarian coordination, and the promotion of national and local leadership in response planning. In a review of 254 clusters in 23 operations conducted by OCHA, half had national or local authorities in leadership roles at national or subnational levels, and 42 per cent of cluster members globally were national NGOs. National NGOs have also taken on cluster supporting roles. For example, Caritas Bangladesh, served as co-facilitator for shelter coordination in the Rohingya response, with mentoring support from Catholic Relief Services. In Indonesia, Oxfam International established a Humanitarian Partnership Network to coordinate its response to the Sulawesi earthquake and tsunami; the partnership included three local actors and Oxfam, each with an equal say in decision-making.

Stakeholders also worked to document best practices and create tools to promote local inclusion in coordination. ICVA brought together 16 diverse NGO forums (including national forums) to improve collective understanding of NGO coordination in Africa, Asia and the Middle East. The Global Education Cluster, co-led by UNICEF and Save the Children, published a Localization Checklist and instigated a wider localization initiative to develop partnership assessment tools for protection and education clusters.

Reducing barriers to localization and identifying solutions

Stakeholders continued their efforts to reduce barriers to local–international partnerships and promote access to funds. In November 2018, UNHCR's Partner Portal was converted into an inter-agency portal, enabling partners to register for access to UNHCR, UNICEF and WFP through a single-entry point, significantly reducing administrative burden. Germany adopted new commitments that will allow funds from the Ministry of Foreign Affairs to be transferred to national and local partners. Italy revised its legal framework and operational procedures, with a new focus on encouraging CSOs to respond to

calls for proposals. Stakeholders also sought to identify the practical barriers to partnerships and ways of overcoming them. In its evaluation of the Tropical Cyclone Response Program in Tonga, CARE International proposed recommendations for improving partnerships that are being piloted in 2019. InterAction conducted an 18-month study that identified growing risk aversion among humanitarian actors as a barrier to partnerships in complex, conflict-driven crises.

Empowering people affected by crises

Under Transformation 4A, stakeholders also reported on efforts to engage people affected by crises in shaping humanitarian response and recovery, through the use of more people-centred approaches and cash-based assistance.

Strengthening accountability to people affected by crisis

Stakeholders worked to improve accountability to affected people through feedback and complaints mechanisms, and participatory approaches; donors also encouraged this shift, for example, by stipulating that partners demonstrate their plans for community engagement in funding proposals. The diaspora organization Somali Rehabilitation and Development Association used participatory approaches to engage communities in project planning and implementation. The All India Disaster Mitigation Institute gathered community feedback and presented it to decision makers at national level. The Muslim Foundation for Culture and Development trained 250 volunteers from more than 35 CSOs on accountability in humanitarian aid. Many stakeholders used digital technologies, such as mobile applications and social media networks, to improve feedback from affected communities. The Turkish NGO Doz. e. V used social media to complement its existing complaint boxes. Tearfund ran two technology-assisted accountability pilot projects in South Sudan and Nigeria to collect feedback from crisis-affected communities. In Chad, the CHS Alliance and Ground Truth Solutions supported the Humanitarian Country Team in collecting feedback on the reach and effectiveness of its response; this then fed into the Chad Humanitarian Response Plan, which includes 'perceptual' indicators to track progress from the perspective of affected populations. Stakeholders also sought to fill gaps in common practice. Plan International, for instance, developed guidance that includes

Strengthening health systems and health responses

In 2018, many stakeholders worked to bolster national and local capacities to prepare for and respond to health crises. Donors, including Finland, Germany, Ireland and the United Kingdom, supported national health systems with capacity-building and emergency preparedness in a number of countries across Eastern Europe and Africa. The UPS foundation worked with Gavi to build capacity and improve supply chains in Uganda and Pakistan.

Stakeholders also worked in partnership with national health providers to respond to health crises. Concern Worldwide scaled up the implementation of its Community Management of Acute Malnutrition surge model (an approach to strengthen the capacity of health systems to manage increased caseloads of malnourished children) to include Burundi, Chad and Ethiopia. Save the Children led the setting up of nine health clinics and a 24/7 primary health care centre in response to the Rohingya refugee crisis in Bangladesh. ILO examined public health options for refugees in Burkina Faso, Mauritania, Rwanda and Senegal, as part of an ongoing partnership with UNHCR.

20 different tools to support child-friendly and gender-sensitive participatory feedback and complaints mechanisms.

In addition, stakeholders retained a strong focus on quality assurance. To improve learning on aid quality and effectiveness, Australia and New Zealand developed a joint Humanitarian Monitoring and Evaluation Framework for the Pacific, which incorporates their WHS commitments. Many donors, including Denmark and Germany, also encourage or require partners to adhere to common standards such as the CHS and Sphere standards.

Cash-based programming

Stakeholders continued to increase the use of cash-based assistance as a means of affording greater choice and agency to affected people. For some, this now makes up a large proportion of their overall assistance: Mercy Corps, for example, reported that cash programming accounts for

approximately 50 per cent of the aid it provides. Donors, including Belgium, Canada, Germany, Ireland, Spain, Sweden, Switzerland and the United Kingdom, encouraged partners to consider cash and voucher assistance; as a result, many of these donors reported increases in the share of their assistance delivered through cash.

In 2018, stakeholders made good progress towards adopting common approaches, tools and platforms. The members of the Good Humanitarian Donorship (GHD) initiative adopted a new GHD principle on the use of cash transfers, and 10 major donors[1] signed up to the Common Donor Approach on Humanitarian Cash Programming. Several donors also requested a decision on 'clear, actionable guidance on cash coordination leadership' by the Inter-Agency Standing Committee. Members of the Collaborative Cash Delivery Network developed and piloted cash delivery models with common platforms, staff and beneficiary databases in Colombia, Ecuador, Ethiopia, Peru and Uganda. In December 2018, OCHA, UNHCR, UNICEF and WFP announced plans for a joint system for the design, delivery and monitoring of cash assistance.

Stakeholders also reinforced capacity for quality cash programming. Belgium trained humanitarian officers from its Ministry of Foreign Affairs on assessing proposals for cash-based assistance and organized a series of training sessions for Belgian NGOs. OCHA trained over 50 field staff on cash coordination and UNICEF established dedicated surge capacity for its field offices for cash-based interventions. Others developed practical guidance and tools: the Women's Refugee Commission, for example, produced a toolkit on Optimizing Cash-based Interventions for Protection from Gender-based Violence. Stakeholders also contributed to the knowledge base on cash transfer programming through research and learning. Canada supported a volume of research papers produced by the Cash Learning Partnership on gender and cash, and the Overseas Development Institute's Humanitarian Policy Group conducted case studies in Iraq and Kenya to share user experiences of different delivery modes.

[1] Australia, Canada, Denmark, European Union, Germany, Norway, Sweden, Switzerland, United Kingdom and USA.

Challenges

Since the WHS, localization has increasingly become a key element of humanitarian action, driven by commitments to the Agenda for Humanity and by initiatives such as the Grand Bargain and the Charter for Change. Some international stakeholders have begun to embrace new roles as supporters and enablers of nationally and locally owned responses, crediting partners for their results and developing supportive relationships beyond capacity-building. However, for the most part, the operationalization of commitments is slow, and fraught with challenges and contradictions; there remains a disconnect between the policies of headquarters and their implementation by country and field offices. In the words of one stakeholder, "many of the commitments remain on paper".

Stakeholders struggle with competing expectations with respect to localization commitments: to deliver timely, effective results in difficult contexts and with finite resources, while working with national and local partners to invest in medium- and long-term capacity-building. While most stakeholders agree that strengthening local and national systems is essential to achieving change and building resilience, this ambition is often hindered by financial, political and technical challenges and risks, particularly in active crisis contexts. Stakeholders also pointed out that stringent donor requirements, earmarking and short-term funding modalities were in contradiction with commitments to build local capacities and respond to community feedback.

Achieving this transformation requires a comprehensive rethinking of humanitarian systems, roles, responsibilities and identities – change that will take considerable time and effort. It is also important to note that the debate on localization has thus far been dominated by international actors based in the Global North, and that both the opportunities and concerns that are critical to Southern partners, particularly around transfer of risk, are not reflected here.

Achieving the transformation

Moving forward, stakeholders emphasized the need for practical action to operationalize commitments under Transformations 4A and 5A:

- **Identify opportunities to shift policy and practice:** Those stakeholders who have not already done so, should identify opportunities within their mandates and operations to make substantive changes that enable them to reinforce, not replace, local response capacities.

- **Design solutions locally:** Stakeholders should continue to shift the locus of discussions on local action from the Global North to the Global South, and work to find contextualized solutions for localization at regional, national and subnational levels. This should include working with national authorities and CSOs in ways that are appropriate to the context. International actors should ensure that their country offices understand and implement commitments made at global levels, and have the knowledge and resources they need to work in ways that support national and local capacities. An important starting point is to identify and overcome barriers to participation (such as language and distance) in local coordination mechanisms.

- **Provide predictable and flexible financing to boost local response capacity:** Local partners require predictable support and resources to invest in capacity-strengthening, particularly if they are to comply with international standards such as the CHS. Donors, UN entities and international NGOs should commit to providing unearmarked funding to cover the overheads and capacity-building costs of their local partners. Donors should also step up efforts to remove barriers to direct funding, and intermediary agencies should provide complementary support to local actors to meet with the sophisticated compliance requirements of donors.

- **Ensure participation influences design:** Many stakeholders have made significant efforts to put in place systems for gathering feedback from affected communities. However, studies[2] have shown that the majority of affected people still do not feel that their preferences are taken into account in programme design. Stakeholders should further prioritize participation and allow programmes greater flexibility in responding to the needs and preferences of affected communities.

- **Operationalize collective approaches to cash-based assistance:** Stakeholders should focus on refining common approaches to cash programming by strengthening inter-agency coherency in the field, clarifying coordination roles, building capacity and strengthening cash readiness.

- **Continue creating opportunities for learning and exchange:** Given the vast range of contexts and experiences, and the uneven rates of progress across the sector, stakeholders should build on existing opportunities (and seek new ones) to foster peer-to-peer learning on operational practice and contextualized solutions. Those who have already taken steps towards increasing local governance and participation should identify lessons learned and opportunities to scale up.

[2] Ground Truth Solutions and Organisation for Economic Cooperation and Development, *Grand Bargain: field perspectives 2018*, available at: https://groundtruthsolutions.org/our-work/tracking-the-grand-bargain-from-a-field-perspective/

Assessing progress
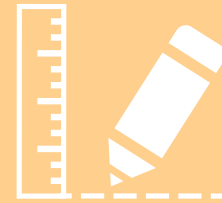
As efforts to accelerate the localization of humanitarian assistance continue to gain momentum, so too have efforts to assess collective progress. To date, these efforts are in their early stages, relying largely on voluntary reporting against a broad spectrum of commitments made under the Agenda for Humanity, the Grand Bargain and the Charter for Change. Nonetheless, some important attempts have been made to assess progress: the CHS 'localization index', which uses 13 separate CHS indicators; the Localization Performance Measurement Framework developed by the NEAR Network; and, on a regional level, the monitoring framework for localization in the Pacific, developed by the Humanitarian Advisory Group and the Pacific Islands Association of Non-Governmental Organizations. Such undertakings are paving the way for strengthening monitoring and learning over time.

National and local response capacities are even more difficult to define and measure, particularly across the breadth of contexts in which humanitarian assistance takes place. At the national level, the follow-up processes for the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction will monitor progress on building the resilience of national systems to different types of shocks. External indices such as the Index for Risk Management (INFORM) will also provide important insights. In terms of the localization of humanitarian response more

specifically, the humanitarian community has already begun gathering data and monitoring a number of key indicators to assess progress at country-level and more broadly, including financial flows to national and local actors, and the participation and leadership of national and local partners in humanitarian coordination mechanisms. Meanwhile, initiatives such as the Organizational Capacity Assessment developed by the NEAR Network provide a starting point for local organizations wishing to assess their own progress. For localization, it may be more meaningful to assess progress at a national level rather than at a global level.

Other components of Transformation 4A are more readily measured. Significant data exists within organizations on cash transfer programming – although more harmonized reporting on cash and vouchers, and improving data sharing through platforms such as the Financial Tracking Service and the Humanitarian Data Exchange, will be critical for a more accurate understanding of system-wide progress. In terms of accountability to affected people, initiatives such as those undertaken by Ground Truth Solutions and CHS Alliance in Chad demonstrate that it is possible to derive indicators to reflect how the people affected by crises perceive the performance of the humanitarian response.
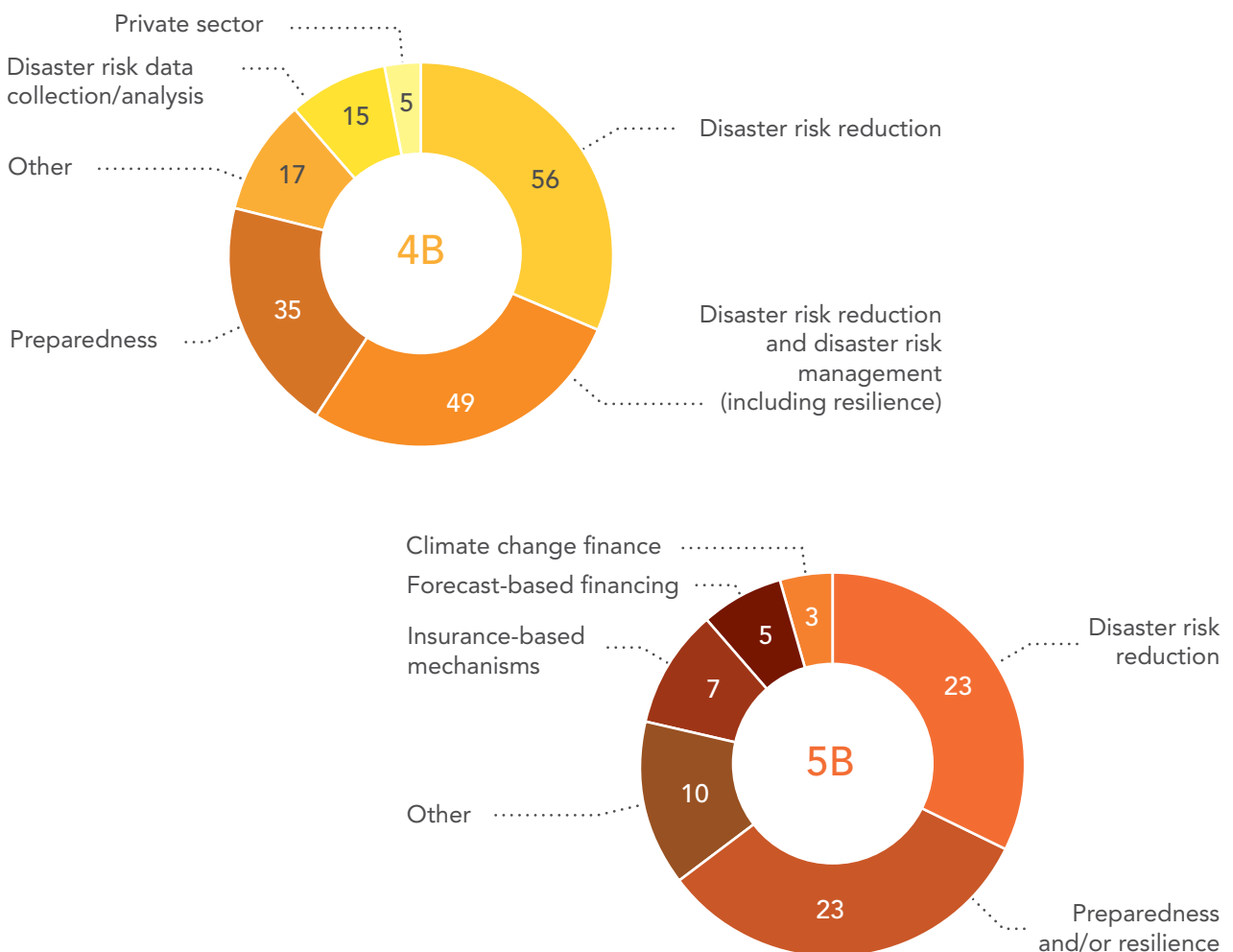
4B+5B: Anticipate crises and invest according to risk

The Agenda for Humanity called for a greater focus on anticipating risks and preparing for crises, strengthening local and national systems before disasters strike. It emphasized the need for national investment to reduce risks, and for international cooperation and finance to provide support in ways that complement existing response capacities.

Progress in 2018

In 2018, 67 stakeholders reported on Transformation 4B (Anticipate, Do Not Wait for Crises). The majority of stakeholders reported on efforts to strengthen disaster risk reduction (DRR) and disaster risk management (DRM). Thirty-four stakeholders reported on Transformation 5B (Invest According to Risk), with a focus on similar areas. What follows is a combined analysis of the main areas of achievement reported across both transformations.

REPORTING BY SUBCATEGORY UNDER TRANSFORMATIONS 4B AND 5B

Private sector 5

Disaster risk data 15
collection/analysis

Other 17

4B

Disaster risk reduction 56

Preparedness 35

Disaster risk reduction
and disaster risk
management
(including resilience) 49

Climate change finance 3

Forecast-based financing 5

Insurance-based 7
mechanisms

5B

Disaster risk reduction 23

Other 10

Preparedness
and/or resilience 23

Source: https://www.agendaforhumanity.org/agendaforhumanity_viz/index.html

Strengthening national, regional and global capacities to prepare for, predict and respond to disasters.

Strengthening national DRR and preparedness capacities

In line with globally agreed targets under the Sendai Framework for Disaster Risk Reduction and the Sustainable Development Goals (SDGs), Member States took steps to strengthen their national capacities to reduce and manage disaster risk. Italy and Romania, for instance, completed national risk assessments, and El Salvador finalized emergency contingency plans for droughts, volcanic eruptions, earthquakes and fires. The European Union (EU) created a reserve of civil protection assets (such as planes and field hospitals) to complement national resources. Thailand continued to implement its National Disaster Prevention and Mitigation Plan, with the aim that every local community develops its own disaster management plan by 2019. To support these efforts, stakeholders provided technical assistance to partner countries. Germany helped to establish flood risk management systems in the Western Balkans and Vietnam; Portugal provided technical assistance to Cabo Verde, Mozambique, and São Tomé and Principe to integrate water security into national DRR strategies; and Ireland provided technical support and advice to the Government of Malawi as it developed its National Resilience Strategy and Plan. UNFPA worked with local health authorities in South Sudan to pre-position emergency reproductive health supplies and Sumitomo Chemical partnered with humanitarian organizations to stockpile long-lasting insecticide-treated mosquito nets for quick deployment in the event of an emergency. The World Customs Organization concluded a two-year project to support emergency readiness in customs administrations in six West African countries affected by the Ebola virus. At regional level, the EU collaborated with the Association of Southeast Asian Nations (ASEAN) Coordinating Centre for Humanitarian Assistance on strengthening disaster management – an example of regional-regional cooperation; and Panama's Regional Logistics Center for Humanitarian Assistance began offering emergency logistical support for Latin America and the Caribbean.

Operationalizing early warning and early action

Member States continued to strengthen early warning systems at national and regional levels. Romania modernized its meteorological infrastructure, introducing a National Monitoring and Warning System, and launching a nationwide mobile alert mechanism that warns citizens of extreme weather events. Azerbaijan used mass media and other public communications channels to inform the population about hazardous weather condition and flooding. Japan committed funding to develop a similar system in Tonga. El Salvador modernized its Center for Integrated Monitoring of Threats, which analyses information from more than 250 monitoring stations throughout the country, to provide early warnings of hazards. The Asian Disaster Preparedness Center, with support from Norway, improved multi-hazard early warning systems to build the resilience of urban communities to the impacts of climate extremes. Donor States also continued to support capacity-strengthening initiatives such as the Climate Risk and Early Warning Systems mechanism, which, in 2018, announced new programmes in Burkina Faso, the Democratic Republic of the Congo, Mali and Niger – equating to total new investments of $11.2 million.

Humanitarian organizations operationalized institutional Early Warning – Early Action approaches. OCHA reported that, by the end of 2018, the Inter-Agency Standing Committee's Emergency Response Preparedness approach had been implemented in 64 countries, with another 15 to follow. Similarly, UNHCR monitored 63 countries at medium or high risk of emergency, and activated two proactive preparedness operations in response to early warning. Oxfam International developed a DRR Essentials Toolkit, providing guidance to country teams on how to embed essential DRR actions in each phase of the response cycle. A few stakeholders also invested in research on early action. FAO conducted studies in Madagascar, Mongolia and Sudan to demonstrate the benefit-to-cost ratio of acting early; in Mongolia, this was as high as $7.1 for every $1 invested.

Displaced women in Dar Pai camp, which is home to more than 8,000 people. Myanmar. OCHA/Htet Htet

Forecast-based financing

To fund early action, donors including Belgium, Canada, Denmark, Germany, the Netherlands and the United Kingdom provided forecast-based financing (FbF) through a number of partners and channels, including the pilot FbF window of the International Federation of the Red Cross and Red Crescent Societies' Disaster Relief Emergency Fund and the START Fund anticipation window. Stakeholders also worked to link FbF to national and local preparedness capacities. WFP worked with 11 governments to establish triggers and standard operating procedures for forecast-based early action. In the Philippines, Oxfam Novib piloted a project to deliver pre-emptive digital cash transfers to vulnerable women, triggered by extreme weather predictions, enabling them to prepare for typhoons before they hit. Similarly, in Vietnam, FAO, UNICEF and UN Women implemented the Drought Forecast Based

Financing initiative, which released preparedness funds to communities in response to adverse climate forecasts.

Improving data and analytics

Stakeholders continued to collect data and work together to develop shared analytics to improve disaster preparedness. In 2018, Member States began reporting to the Sendai Framework Monitor.[3] The Centre for Disaster Protection, led by the United Kingdom, became fully operational in 2018, providing technical assistance, advice and analytics to help countries manage disaster risk. Panama established a partnership with the Humanitarian City of Dubai to contribute regional data to the Humanitarian

[3] As of November 2019, 12 countries had completed validation, 1 was pending validation and 89 had reports in progress.

Logistics Databank, which supports preparedness and rapid response by tracking aid stocks and flows. Stakeholders also supported initiatives to improve DRR analysis and planning at national and local levels. El Salvador rolled out the Index for Risk Management (INFORM) to support the development of subnational risk indices. In Bangladesh, IMPACT produced maps of flood and landslide risks to inform DRR strategies in Cox's Bazar. The iMMAP-run Afghanistan Spatial Data Center provided analyses of flood, earthquake and snow risks for use in DRR planning. UNDP and the Government of the Maldives used drones to create 3D hazard maps for identifying high-risk areas, and the Thai Red Cross Society developed a mobile application for 3D crisis mapping of disasters and responses.

Scaling up the role of the private sector

The private sector continued to play a vital role in boosting global and local disaster preparedness and response capacities. In 2018, 7 of the 13 Connecting Business Initiative (CBI) member networks responded to a total of 15 crises. In the Philippines, private sector organizations pooled resources through the Philippines Disaster Resilience Foundation to create an Emergency Operations Center for monitoring threats and coordinating the private sector response. In the United States, the Conrad Hilton Foundation established the Southern California Resilience Initiative to identify innovative, viable solutions that will help build resilience to future heat and wildfire events. The UPS Foundation, in conjunction with the World Bank's Global Financing Facility, Merck for Mothers and the Bill & Melinda Gates Foundation, launched a new public-private partnership to leverage private sector expertise to improve medical supply chains in low- and middle-income countries. Private sector partners also invested in building the resilience of local businesses. CBI networks provided business continuity training to small- and medium-sized enterprises (SMEs); and the UPS Foundation created a 'Resilience in a Box' toolkit, which provides small businesses with disaster resilience assessment tools, checklists and a business continuity planning workbook. SMEs for Humanity created an online platform for knowledge exchange between SMEs and humanitarian organizations.

Investing in resilience and anticipating future risks

Investing in DRR and climate resilience

In line with efforts to accelerate progress towards the Sendai Framework for Disaster Risk Reduction, donors continued to channel financing for DRR around the world. Many did so multilaterally, funding UNDRR (formerly UNISDR), the World Bank-hosted Global Facility for Disaster Reduction and Recovery, and regional instruments such as the European Development Fund – which, in 2018, funded over 100 DRR and DRM projects in 50 countries in Africa, the Caribbean and the Pacific. Donors, including Germany, Luxembourg and Switzerland, prioritized the incorporation of disaster risk reduction considerations as part of humanitarian financing, and stakeholders such as Malteser International applied financial markers to track the mainstreaming of DRR into humanitarian projects.

Stakeholders invested heavily in climate change resilience and adaptation. Thailand approved a National Adaptation Plan, which it will begin implementing in 2019. New Zealand committed NZD 3.53 million in funding to create a new Pacific Climate Change Centre:[4] a regional centre for training and applied research on climate change adaptation and DRR. Canada committed CAD 2.65 billion in climate finance (up until 2020-2021) to support developing countries in addressing the impacts of climate change, with a particular focus on enhancing the resilience of women. Norway supported the Global Framework for Climate Services Adaptation Programme in Africa to improve climate services in Malawi and Tanzania. Donor States also channelled funding through instruments such as the Global Environment Facility, the Green Climate Fund and the Least Developed Countries Fund.

Risk insurance and disaster risk financing

Stakeholders worked together to scale up insurance-based risk financing and provide support for global initiatives, including the G7 InsuResilience scheme and regional facilities in Africa, the Caribbean and South-East Europe[5] Germany and the United Kingdom established

[4] Officially opened in September 2019

[5] Facilities include the Africa Disaster Risk Financing Facility, the Africa Risk Capacity, the Caribbean Risk Insurance Facility and the South Eastern Europe Catastrophe Risk Insurance Facility.

the Global Risk Financing Facility to subsidize the cost of risk insurance and provide grant funding to strengthen national preparedness and DRR systems; in 2018, it launched its first project in Mozambique. The Insurance Development Forum, a public-private partnership initiative led by the insurance industry, mobilized $2 million from private sector partners, and began work in Pakistan and Sri Lanka. The EU-funded Africa Disaster Risk Financing initiative implemented activities in 20 sub-Saharan African countries, with a focus on developing national disaster risk financing strategies and building resilience to shocks, including through safety nets; it also supported disaster resilience projects in the 11 cities participating in the Open Cities Africa project. In addition, stakeholders continued to promote learning on disaster risk financing options: Thailand and the ASEAN Secretariat, for example, co-hosted an advanced course on sovereign disaster risk financing and insurance for government representatives.

Improving coherence and assessing interrelated risks

Recognizing the interrelated nature of risks, stakeholders took steps to improve the coherence of their approaches to humanitarian, disaster, climate and development work. Luxembourg

contributed to UNDP's 5-10-50 multi-partner initiative, which supports countries to deliver risk-informed sustainable development. Germany initiated a comprehensive risk management approach, combining DRM and climate change adaptation tools to guide future German Development Cooperation activities. Germany also provided €5 million to the Global Initiative on Disaster Risk Management to improve coherence across post-2015 agendas. Ireland completed Climate Risk Assessments for six of its focal countries, which were then used to guide strategy and programming decisions. Canada closely aligned its climate finance with its development priorities – for example, helping women farmers in Sri Lanka to access bank loans for climate resilient innovations. The Overseas Development Institute conducted research on the interrelationships between disasters and conflicts in fragile areas, and Germany began working with the Potsdam Institute on Climate Impact Research to assess the climate-related risks in sub-Saharan Africa under different climate change scenarios.

Challenges

Despite a long-standing recognition that DRR and preparedness save lives and livelihoods, and help reduce the cost of disaster response and recovery, global investment in reducing risk remains limited. Stakeholders lamented the lack of sustainable funding for preparedness efforts, noting that humanitarian resources were stretched thin by escalating needs, and that funding silos prevented greater access to development funding. They also noted that short- and medium-term humanitarian funding modalities were incompatible with the long-term reality of building resilience, particularly to the impacts of climate change. Overall, the lack of coordination and coherence between humanitarian, development, DRR, climate and peace actors was seen as a significant barrier to progress. Stakeholders also noted that many DRR efforts remain top-down – highlighting the

need for inclusive, community-based approaches – and that the exclusion of women, youth and marginalized groups continues to undermine the effectiveness of DRR and resilience strategies.

While 2017 saw important breakthroughs in early action – with the coordinated response to the threat of famine in four countries – stakeholders observed that, in 2018, the international community reverted to a more reactive model. Some saw the lack of localized, reliable predictive data as the greatest challenge to scaling up early action; others emphasized the need to reinforce emerging local, national and international capacities to trigger and implement responses. A few stakeholders noted the need for greater risk tolerance to encourage early action on a 'no regrets' basis.

Achieving the transformation

Although many stakeholders have embraced the need for a more anticipatory, preventative approach, translating commitments into tangible improvements for communities most at risk remains a significant challenge.

To progress this transformation, stakeholders should:

• **Continue to scale up early action through anticipatory financing:** Stakeholders should integrate early action into DRR and DRM policies and plans at local, national, regional and international levels. They should also continue to consolidate and share best practices, evidence and lessons learned. To further enable early action, affected States need to increase investments in DRR, climate change adaptation and preparedness. Donor States should support this by increasing financing through multilateral instruments that have a high tolerance to risk and uncertainty (and therefore able to provide anticipatory funding), and that are accessible to countries most at risk. Stakeholders should also increase multi-year and flexible funding to support community sector organizations and other groups working to build resilience at the local level.

• **Invest in data and analytics, particularly to support national statistics agencies:** Stakeholders should continue collaborations to improve data collection, analysis and modelling capacities at subnational, national, regional and global levels. Financial and technical support to improve national data-collection systems should also be a priority, to close critical gaps and support progress monitoring towards the Sendai Framework and other globally agreed targets.

• **Build resilience from the bottom up:** Strengthening capacities at regional, national and local levels is essential for building resilience. Stakeholders should design, implement and fund DRR and resilience programmes that strengthen local leadership, empower communities, and are inclusive of women and vulnerable groups.

Assessing progress
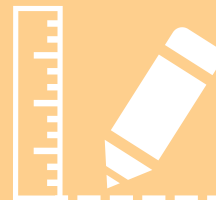
As States work to implement the Sendai Framework for Disaster Risk Reduction, reporting against the 38 indicators of the Sendai Framework Monitor[6] will measure collective progress towards seven global targets as well as related aspects of the SDGs. The supporting national disaster loss databases will provide vital country-level evidence, and assist in determining regional and global trends in reducing disaster risk and losses. Emerging multi-stakeholder initiatives such as the Global Risk Assessment Framework and the Global Partnership for Disaster Statistics will also help to assess progress at the global level. In addition, initiatives such as INFORM are gathering valuable data on vulnerability to hazards and coping capacities. Over time, this data can provide valuable insights into progress on capacity-strengthening and resilience-building at national and, in some cases, subnational levels.

[6] For more details on the Sendai Framework Monitor, see: https://www.preventionweb.net/sendai-framework/sendai-framework-monitor and for data see: https://sendaimonitor.unisdr.org

Following the earthquake and tsunami that struck Sulawesi on 28 September 2018, Nurul (15) was evacuated by the Basarnas team at the Balaroa National Park, after almost 48 hours of being trapped in the rubble of her house and being submerged in water. Indonesia. UNICEF/Arimacs Wilander
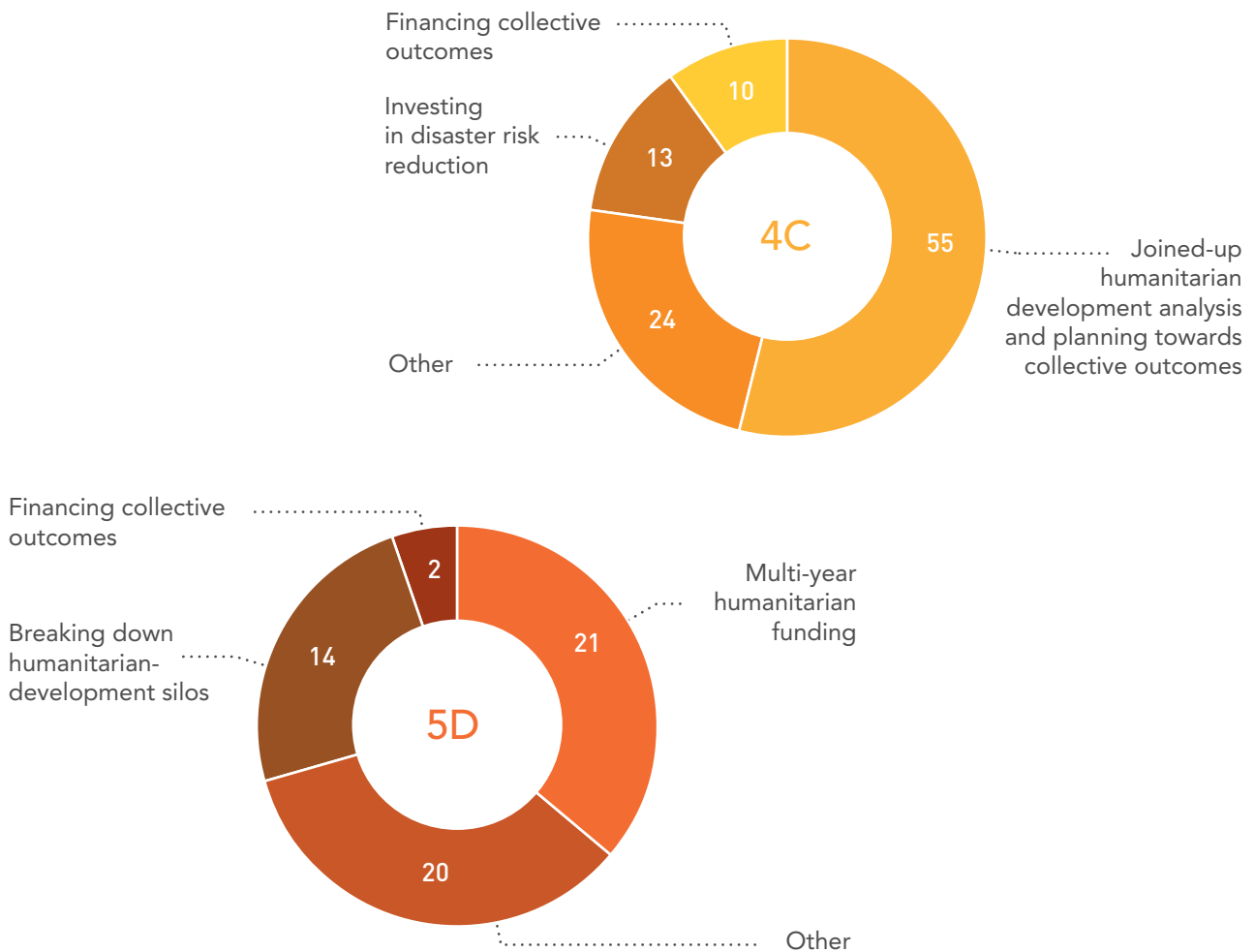
4C+5D: Transcending humanitarian - development divides and shifting from funding to financing

Against the backdrop of growing humanitarian needs and the increasingly protracted nature of crises, the World Humanitarian Summit re-energized efforts to bridge the humanitarian-development divide. The Agenda for Humanity called for humanitarian and development actors to work towards collective outcomes that reduce risk, vulnerability and humanitarian need in the long run, and to enable this shift with appropriate financial tools. In the subsequent years, peacebuilding has been added to the nexus, in line with the UN Secretary-General's emphasis on preventing crises.

Progress in 2018

In 2018, 62 stakeholders reported on their achievements in transcending humanitarian-development divides under Transformation 4C, and 39 stakeholders reported on their efforts to instigate a paradigm shift in financing. The following is a combined analysis of progress across both transformations.

REPORTING BY SUBCATEGORY UNDER TRANSFORMATIONS 4C AND 5D

Financing collective outcomes — 10
Investing in disaster risk reduction — 13
4C
Other — 24
Joined-up humanitarian development analysis and planning towards collective outcomes — 55

Financing collective outcomes — 2
Breaking down humanitarian-development silos — 14
5D
Multi-year humanitarian funding — 21
Other — 20

Source: https://www.agendaforhumanity.org/agendaforhumanity_viz/index.html

Due to water scarcity in Pulka, children walk long distances from the camps and the town to collect water from a nearby earth dam. Nigeria. OCHA/Yasmina Guerda

Advancing humanitarian-development-peace collaboration

Advancing policy on humanitarian-development-peace collaboration

In 2018, stakeholders further refined their policy and operational approaches to improve connectivity between humanitarian and development efforts and, importantly, broaden this interaction to include the peace pillar (the "three pillars"). During 2018, members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) developed recommendations for improving coordination, programming and financing across the three pillars – these were officially endorsed in February 2019 with an initial reporting time frame of five years. Meanwhile, stakeholders including Italy, Norway, Spain and IOM strengthened their humanitarian-development-peace collaboration policies and planning, while Portugal and Switzerland improved the internal coordination of their humanitarian and development engagement.

Learning from the operationalization of humanitarian-development collaboration

Stakeholders continued to operationalize humanitarian-development collaboration programming in a variety of contexts, generating experiences and lessons learned. The European Union (EU) continued the implementation of its humanitarian-development approach in the six pilot countries identified in 2017 (Chad, Iraq, Myanmar, Nigeria, Sudan and Uganda), and Japan piloted humanitarian-development approaches in four countries in Africa and the Middle East. The UN Joint Steering Committee to Advance Humanitarian and Development Collaboration (JSC) began conducting a review of the New Way of Working (NWOW) in seven priority countries (Burkina Faso, Cameroon, Chad, Ethiopia, Niger, Nigeria and Somalia), and produced best practices and lessons learned for country implementation. OCHA and UNDP co-hosted a regional workshop on NWOW, which brought together more than 100 participants from 10 West and Central African countries to share experiences. IOM conducted a five-country case study looking at enabling factors and barriers to the operationalization of humanitarian-development-peace collaboration in Colombia, Mali, Nigeria, Somalia and Turkey. CARE International prepared humanitarian-development analyses and case studies of the Democratic Republic of the Congo, Jordan, Mozambique and Somalia. Stakeholders also conducted research to support specific areas of practice within humanitarian-development collaboration. As co-leads of the Inter-Agency Standing Committee (IASC) Humanitarian Financing Task Team, FAO, the Norwegian Refugee Council and UNDP initiated a study to document how collective outcomes are being financed at country level.

Defining, funding and operationalizing collective outcomes

Defining, planning and programming for collective outcomes

In 2018, stakeholders worked to further define country-level collective outcomes and engage humanitarian and development actors in joint planning and programming. UNDP and OCHA produced a base paper on the concept of collective outcomes for the JSC, to support key UN, NGO and OECD actors in reaching a consensus on collective outcomes in the field. This was further validated in a WFP-hosted IASC workshop in November 2018. WFP also supported joint national planning processes in Chad, Mauritania and Nigeria that brought together humanitarian, development and peace actors to identify national priority Sustainable Development Goals (top-level collective outcomes). WHO and UNDP, as co-chairs of the IASC Humanitarian-Development Collaboration (now IASC Results Group 4 on Humanitarian-Development Collaboration), co-organized two regional workshops in Senegal and Uganda to help define collective outcomes at country level. UNHCR and its partners reported the positive impacts of identifying and delivering collective outcomes at field level in Chad, Mauritania, the Sahel and Ukraine: operations were able to transcend silos and capitalize on comparative advantages.

Strengthening joint assessments and analysis

In 2018, stakeholders worked to improve capacities for joint analysis, a key enabler of collective outcomes. FAO worked with national and regional bodies to strengthen their capacities for food security and nutrition analysis across the three pillars. The Global Clusters, with funding from the EU, worked to enhance their capacity for joint needs analysis and priority setting as part of the Humanitarian Needs Overviews,[7] testing approaches in the Central African Republic, Mali and Nigeria. The UN Development Coordination Office, OHCHR and UNDP organized a regional dialogue for Resident Coordinators in Asia and the Pacific on modalities for integrating political and human rights analysis into joint humanitarian and development analysis and planning. In addition to these collaborative efforts, stakeholders strengthened their internal analytical capacities. The United Kingdom introduced a new Country Development Diagnostics tool

to harmonize internal analysis and inform its engagement in country-level joint planning processes. In north-east Nigeria and Somalia, Mercy Corps brought its humanitarian and development teams together to analyse market, conflict and environmental systems.

Stakeholders also worked to strengthen joined-up data collection and published joint analysis to inform planning. The EU, FAO, WFP and other partners published the annual Global Report on Food Crises: an evidence base for joint humanitarian and development food security planning in 51 countries. WHO expanded its package of public health information services and tools to feed into joint needs assessments. IOM produced guidance on using data from its Displacement Tracking Matrix (DTM) for joint assessments and planning, and developed indicators to improve the applicability of DTM data for development, stabilization and peacebuilding actors. Evidence Aid provided training courses focused on generating and using robust evidence in complex humanitarian interventions. The Humanitarian OpenStreetMap Team used community-generated data to fill gaps, for example, mapping refugee settlements in East Africa, and made this available to humanitarian and development actors through existing platforms such as the Humanitarian Data Exchange.

Multi-year funding and reducing earmarking

Donors continued to provide multi-year funding for programming that bridged the three pillars.[8] For some donors, this was their preferred modality: in 2018, the United Kingdom provided 90 per cent of its humanitarian funding through multi-year agreements, and Belgium, 72 per cent. In addition, Canada, Denmark, the EU, Finland, Germany, Ireland and Norway all reported increasing the proportion or amount of funding they provided through multi-year agreements. To

[7] Clusters are groups of humanitarian organizations, both UN and non-UN, in each of the main sectors of humanitarian action – for example, water, health and logistics. Humanitarian Needs Overviews support the Humanitarian Country Team in developing a shared understanding of the impact and evolution of a crisis, and inform response planning. For more information on clusters, humanitarian needs overviews and other aspects of the humanitarian programme cycle, see https://www.humanitarianresponse.info.

[8] For a more in-depth discussion on multi-year funding, cost efficiencies and harmonized reporting, see section 5E and external reporting on the Grand Bargain.

Senegal and 5 other countries in the Sahel have been affected by acute drought. The number of children suffering from malnutrition increased by 50 per cent and was expected to reach 1.6 million by the end of 2018. Senegal. OCHA/Eve Sabbagh

capitalize on this, new initiatives were established to mobilize and consolidate multi-year funding. UNHCR launched the Solution Capital Initiative, a donor pact to catalyse the implementation of multi-year, multi-partner (MYMP) strategies in five countries experiencing influxes of refugees and asylum seekers (Costa Rica, Ecuador, Ghana, Kenya and Malawi); it also updated its MYMP systems based on a review of 22 operations. UNFPA launched a Humanitarian Action Thematic Fund to step up flexible, multi-year funding for sexual and reproductive health in crises. While much of the multi-year funding was for a period of two years, some stakeholders made longer-term commitments. Norway signed its first multi-year funding agreement with the Central Emergency Response Fund: NOK 1.68 billion over four years. Ireland committed to supporting UNFPA, UNHCR, UNICEF and WFP in Tanzania over a four-year period (2018-2021), allowing for better planning of health care interventions for refugees and local communities. The United Kingdom continued to provide multi-year core funding for UN humanitarian and development agencies, with flexible funding over four years; 30 per cent of this funding is performance-based, dependent on the collective delivery of reforms.

Several donors increased the flexibility of their funding by reducing earmarking. Sweden reported that 55.8 per cent of its humanitarian funding was unearmarked, and for Belgium, 53 per cent. Finland, Germany, Luxembourg, Norway, the Netherlands, Sweden and Switzerland all reported increases in flexible funding for 2018. Nonetheless, stakeholders including FAO, UNHCR and WFP reported declines in the overall proportion of unearmarked funding received from donors.

Challenges

While humanitarian and development actors share the same collective goal—assisting those in need—there continue to be considerable differences in objectives, approaches, mechanisms and timelines. The deeply embedded nature of these silos means that three years since the WHS, work to develop coherent and complementary approaches is still in its early stages. Many stakeholders, particularly donor governments, have come up against strict limits set by internal regulations and structures, notably around flexible and multi-year funding. As one donor commented, "these structures will set natural limits to how far work promoting [humanitarian-development-peace collaboration] goes". Donors also encountered internal resistance to the perceived loss of control and increased exposure to fiduciary risk; several highlighted the difficulties in providing accountability to taxpayers over unearmarked funds, calling for improved reporting and stronger evidence of results to help justify further increases.

At field level, stakeholders reported a lack of practical guidance on how to implement commitments to work across the humanitarian and development pillars. They noted that efforts were often limited to sharing information and experiences, and that while increased coordination was generally beneficial, it did not automatically lead to more coherent or complementary approaches. Stakeholders also emphasized the need for greater national, subnational and local leadership in processes to define collective outcomes, while noting the importance of maintaining a principled stance in complex contexts. A significant barrier to defining collective outcomes was the absence of shared analytical frameworks and approaches between humanitarian and development actors, and a reluctance to share data – whether due to institutional constraints or data protection concerns. In many protracted crises, this was compounded by the chronic lack of publicly available quality data upon which to base shared assessments of needs, gaps and vulnerabilities. Stakeholders also found moving from an activity-focused way of working to an outcome-focused approach a real challenge, noting that humanitarian funding, planning and reporting mechanisms are still largely oriented towards short-term deliverables.

A livestock feed distribution, funded by the Central Emergency Response Fund (CERF), aims to build people's resilience by preventing the acute food and nutrition crisis from worsening. Burkina Faso. OCHA/Eve Sabbagh

Achieving the transformation

Three years of country experiences have provided some valuable lessons on defining and operationalizing collective outcomes. These include:

- **Ensure decisive leadership and strong support capacity:** Successful humanitarian-development collaboration requires strong leadership at country level, from governments, UN Resident Coordinators/Humanitarian Coordinators (RC/HC) and other heads of collaborating organizations such as donors, international financial institutions, NGOs and community sector organizations. Stakeholders should ensure that dedicated capacity is provided, particularly within the Resident Coordinator's Office, to support the effective articulation and operationalization of collective outcomes.

- **Connect existing country-level analysis to establish priorities:** Often, country-level analysis and data relating to risk, vulnerability and need already exist but are not organized in a single, accessible location. Under the leadership of the RC/HC, stakeholders should use shared tools and collate existing analyses to develop a common understanding of priority issues and vulnerabilities that require collective action.

- **Define and operationalize collective outcomes, and monitor progress:** Collective outcomes should be as specific and measurable as possible, with baselines, targets, indicators and time frames, and be supported by clear accountability frameworks and progress monitoring. These should form the basis for joint planning of activities, progammes and interventions within respective frameworks and processes, including Humanitarian Response Plans and UN Development Assistance Frameworks. RC/HCs, governments and senior representatives of key stakeholders should validate the proposed collective outcomes as widely as possible, including at subnational level, to create broad buy-in and alignment with existing processes.

- **Strategically align resources and financing:** Resourcing collective outcomes does not require new financing tools or instruments, nor the merging of funds. Rather, it involves aligning existing sources of humanitarian, development and peacebuilding funding in a more strategic manner. Best practice has shown that developing a financing strategy can help provide an overview of funding and financing streams, project funding over an adequate time frame, and serve as a communication tool between stakeholders. At country level, governments, RC/HCs, donors and key implementing agencies should work together to identify the most appropriate financing sources for implementing activities and programmes, and ensure these extend over the entire period needed to achieve collective outcomes, anticipating any potential funding gaps. Donors should support country-level efforts by providing multi-year financing and exploring ways of increasing the flexibility of funding provided.

Assessing progress
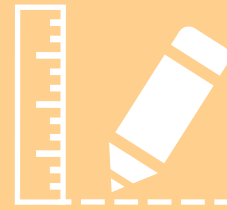
Global trends in the number of people in need of urgent humanitarian assistance are an important indicator of collective progress in reducing humanitarian need. However, assessing progress in reducing risk and vulnerability is more complex due to the multidimensional nature of fragility. Reflecting this, the OECD's biennial States of Fragility report combines more than 40 indicators for analysing risk and coping capacities; it uses five main dimensions (societal, political, environmental, economic and security) and ranks the severity of fragility in each. The resulting analysis provides an important indication of global trends as well as insight into how crises in specific countries are evolving. The report, in combination with the newly launched States of Fragility online platform,[9] will provide an evidence-based perspective on what makes contexts fragile and how the international community can respond. Progress assessments against key SDGs – including Goal 2: Zero Hunger; Goal 3: Good Health and Well-being; Goal 4: Quality Education; Goal 5: Gender Equality; and Goal 6: Clean Water and Sanitation – will also provide important indications of improvements in key areas known to reduce humanitarian need and vulnerability.

At country level, defining collective outcomes with clear baselines, targets, indicators and time frames provides a powerful framework for assessing collective progress in reducing need, risk and vulnerability. Experience has shown that these frameworks do not necessarily need new indicators; these could be aligned with existing global monitoring processes, including the indicator frameworks of relevant SDGs, or the forthcoming indicators for measuring progress against the Global Compact for Refugees. The JSC's review of seven priority countries provides a valuable methodology that can be used to guide implementation and assess collective progress.

In terms of financing collective outcomes, there is currently no data on the total volume of multi-year funding for humanitarian assistance. To enable this, shared definitions and classifications of multi-year funding would first need to be clarified; these can then be used to develop consistent and comparable data, for example, through the use of funding markers. In the meantime, global Official Development Assistance data on the flow of humanitarian and development financing to protracted crises, and reporting against the new OECD-DAC recommendations will provide some indications of how financing is being delivered across the three pillars; the annual Financing the UN Development Systems reports will also provide insights into funding patterns across humanitarian and development activities.

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[9] The States of Fragility online platform is available here: https://oe.cd/states-of-fragility-platform.
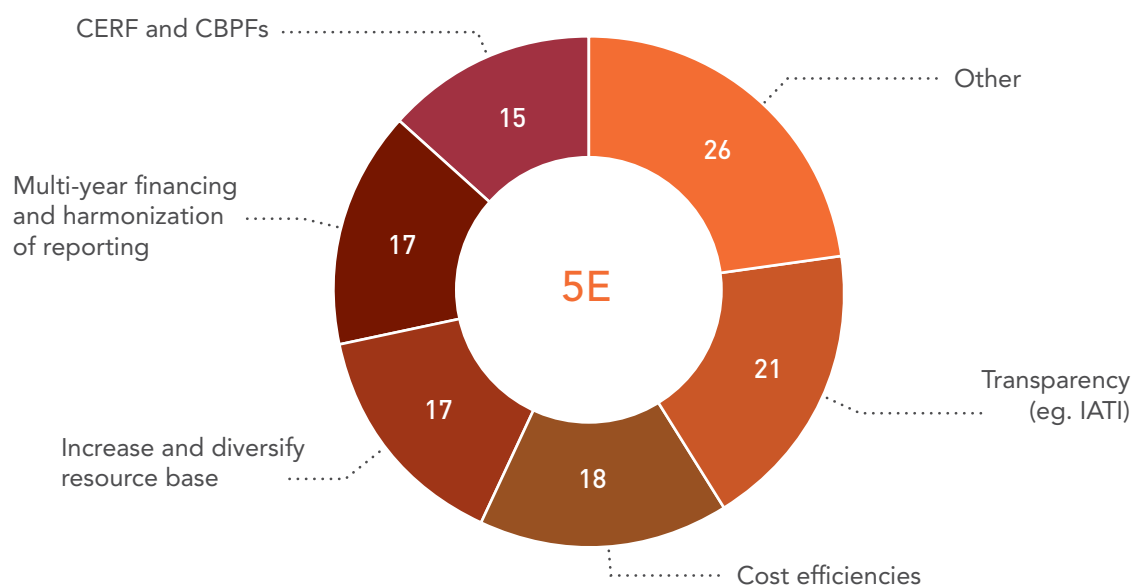
5E: Diversify resources and increase efficiency

With the humanitarian funding gap growing each year, the Agenda for Humanity called for action to mobilize new resources and to ensure that existing resources are spent as efficiently as possible. Since the World Humanitarian Summit (WHS), commitments to improve the efficiency and transparency of humanitarian financing have been driven by initiatives such as the Grand Bargain, the Good Humanitarian Donorship Initiative, the International Aid Transparency Initiative (IATI) and the Core Humanitarian Standard (CHS).

Progress in 2018

Fifty-nine stakeholders reported against Transformation 5E – half of all stakeholders who reported in 2018.

REPORTING BY SUBCATEGORY UNDER TRANSFORMATION 5E

CERF and CBPFs 15

Other 26

Multi-year financing and harmonization of reporting 17

Transparency (eg. IATI) 21

Increase and diversify resource base 17

Cost efficiencies 18

5E

Cost efficiencies

Stakeholders took a range of measures to make their operations more cost-efficient. Several organizations, including the Al Khair Foundation and Catholic Relief Services, increased cost efficiencies by scaling up local procurement, and United Nations entities achieved efficiency gains through joint procurement and shared supply chains. Some organizations achieved internal cost savings – for instance, by updating technologies, adopting new information management systems, or introducing tools to improve the ease of financial tracking and reporting. Humentum worked as part of a team of private accounting specialists to design and pilot a new approach to verifying indirect costs (as a means of improving efficiencies) for a group of leading US foundations. The International Rescue Committee developed a Systematic Cost Analysis tool, and is currently working with Mercy Corps and Save the Children to adapt it for industry-wide application. Stakeholders also invested in new technologies or adopted new operational modalities. Some of these measures, including cash-based assistance, collaborative delivery platforms for cash transfers, multi-year and flexible funding, pooled funds, and preparedness and early action, are covered in sections 4A+5A, 4B+5B and 4C+5D of this chapter.

A number of donors[10] participated in a three-country (Iraq, Myanmar and Somalia) pilot of a harmonized reporting format under the Grand Bargain. The common reporting format (the '8+3 template') is intended to alleviate the reporting burden for partners, freeing up valuable staff time and reducing inefficiencies. Non-governmental organizations (NGOs) such as Humentum and the Norwegian Refugee Council advocated for a harmonized approach to donor budgeting, cost efficiencies and financial reporting. InterAction, through its role in the Grand Bargain facilitation group, worked to improve cost efficiencies between donors and aid recipients, and facilitated dialogue between its members and UN agencies on ways to improve cost efficiencies within partnerships.

Stakeholders also continued to seek out innovations to improve the efficiency and effectiveness of humanitarian response. Belgium launched a €20 million initiative to support 12 technology projects that have the potential to enhance humanitarian interventions – such as the use of drones, blockchain technology and 3D printing. Norway established a dedicated humanitarian innovation platform (HIP Norway), committing NOK 30 million annually over three years; during 2018, the platform focused on developing tools to boost innovation within humanitarian action.

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[10] Italy, Japan, Sweden and Switzerland reported their participation through their Agenda for Humanity self-reports. Overall, 9 bilateral donors, 4 United Nations agencies, and 24 partners declared their willingness to test the 8+3 template and join the pilot. To find out more, see *Harmonizing Reporting Pilot – Final Review* (https://interagencystandingcommittee.org/system/files/harmonizing_reporting_pilot_final_review.pdf).

Improving transparency

In 2018, stakeholders continued to enhance their transparency, spurred by commitments made at the WHS and to the Grand Bargain. A progress update by Development Initiatives (from January 2019), found that, of the 47 Grand Bargain signatories who published data with the IATI, 43 included data on their humanitarian activities[11] – an increase from previous years in terms of the number of both reporting signatories and those who included humanitarian data. UNDP enhanced its IATI data set with a humanitarian marker, and Oxfam International included a more detailed breakdown of organization types, for instance, specifically identifying women's rights organizations in their data sets. Sweden and Save the Children worked to enable interoperability between IATI and OCHA's Financial Tracking Service (FTS). World Vision became an IATI member in 2018, with plans to include all privately funded programming in its IATI publishing in 2019. Stakeholders also took other measures to increase their transparency. For example, WFP launched a donor information portal, where donors and other stakeholders can monitor their programmes and financial performance against defined outcome targets; and the Netherlands supported open data initiatives, such as the Centre for Humanitarian Data in the Hague.

Increasing and diversifying the resource base

As in previous years, many Member States increased their funding of humanitarian action – either in absolute or proportional terms. Donors continued to support the UN Central Emergency Response Fund (CERF) and Country Based Pooled Funds (CBPFs). In 2018, CERF received and disbursed record levels of funding: securing $558.6 million from donors and dispensing $500.5 million to support humanitarian action in 48 countries and territories. The 17 CBPFs that were active in 2018 received $957 million and allocated more than $792 million to 661 partners in 17 countries.

In 2018, stakeholders also sought to diversify the resource base for humanitarian action through partnerships and innovative financing mechanisms. UNFPA and UNICEF pursued partnerships with philanthropic foundations and explored public-private partnerships, including the use of blended financing instruments such as insurance and guarantees. The International Council of Voluntary Agencies (ICVA) partnered with Mercy Malaysia to host a two-day learning lab on Islamic social financing, and UNICEF and the Islamic Development Bank worked on co-creating an innovative funding modality to leverage Islamic finance for humanitarian-development collaboration programmes. Belgium, Switzerland and the United Kingdom supported the Humanitarian Impact Bonds of the International Committee of the Red Cross, an innovative approach to securing additional resources for humanitarian action. The European Union continued to seek out partnerships with non-traditional donors to develop additional sources of humanitarian funding.

[11] Data as of 2 January 2019 (http://devinit.org/wp-content/uploads/2019/03/Grand-Bargain-progress-update.pdf); as of 1 July 2019, the Grand Bargain had 61 signatories in total.

Challenges

Since the WHS, many donors and humanitarian organizations have taken steps to increase their operational efficiencies and make limited resources go further. In some areas, the adoption of new technologies or investments in shared systems have reduced operating costs and improved efficiencies, for instance, through the delivery of large-scale cash transfer programmes. However, in other areas, fragmented efforts and competing priorities are limiting progress and potential efficiency gains. Although there has been an increase in the uptake of the 8+3 reporting template, there is, as yet, no system-wide shift to reduce and simplify donor reporting requirements. In fact, many implementing organizations felt that their reporting burden had actually increased since the WHS, which they attributed to a combination of trends including heightened risk aversion, more stringent counter-terrorism laws and concerns about corruption.

Stakeholders also noted the trade-offs between different commitments. For example, reporting to international standards, such as the CHS and IATI, requires a significant investment in time and resources, resulting in higher overhead costs, and generating push-back by some stakeholders.

Similarly, if additional reporting requirements are placed on flexible funding or multipurpose cash, these may outweigh the efficiency gains. In addition, smaller organizations and local partners may not have the expertise, resources or time to meet such requirements. Stakeholders also reported the difficulties in analysing costs and measuring efficiency, which is, in itself, a time- and resource-intensive process, particularly for organizations with large numbers of members and affiliates.

In terms of expanding the resource base for humanitarian action, progress remains extremely limited. As the level of humanitarian need continues to outpace available resources, stakeholders noted the urgency of mobilizing additional funding, managing and financing according to risk, and leveraging development-based financing to address the underlying causes of vulnerability in protracted crises.

The Syria Humanitarian Fund provides cash assistance to 49,000 vulnerable Palestinians, affected by the Syria crisis. "It's hard to get by, our means are limited and the cost of living is high", says Adel (78). Him and his family have been displaced multiple times in past years, due to fighting. Syria (May 2019). OCHA/Halldorsson

Achieving the transformation

Three years after the WHS, many incremental gains have been achieved. However, realizing the original scope and ambition of this transformation will take many years and require continuous dialogue, coalition-building and advocacy.

To improve cost efficiency and transparency, stakeholders should consider the following practical measures, consistent with the Grand Bargain:

• Continue to explore gains from new technologies and tools: Stakeholders should continue to adopt new technologies that generate cost efficiencies, both in terms of delivering assistance, and managing information, financial data and reporting. Donors who require partners to report to platforms such as IATI should consider supporting investment in appropriate systems and tools, particularly for smaller organizations and local NGOs, to ease the burden of reporting and publishing.

• Invest in common systems and platforms: Shared platforms—such as for procurement and partner management—have proven efficiency gains. Stakeholders should continue to explore opportunities to develop common systems and platforms, including for the delivery of large-scale cash transfer programmes.

• Harmonize donor approaches and reduce the burden of compliance: Donors should continue to work towards the adoption of harmonized approaches to narrative and financial reporting, in line with Grand Bargain commitments, and investigate options for further harmonization in other key areas, including funding applications. Donors should also continue to work towards reducing the burden of reporting and compliance.

To increase and diversify the resource base, stakeholders should consider the following:

• Continue to broaden partnerships and seek innovative financing strategies: Stakeholders should step up efforts to broaden the engagement of new partners in humanitarian action, and continue to leverage the expertise of financial actors, technology developers and other non-traditional partners in order to mobilize new resources and financing strategies, and develop further cost efficiencies.

• Mobilize resources for a $1 billion CERF: In line with General Assembly Resolution A/RES/71/127 (2016), Member States and other stakeholders should continue efforts to build a $1 billion fund to enable rapid responses to crises and support underfunded emergencies.

Assessing progress
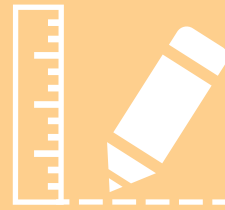
Measuring efficiency is complex and fraught with challenges, not least because of the need to combine it with assessments of the quality and effectiveness of assistance, the opinions and preferences of affected people, and an analysis of externalities and context. Currently, any systematic analysis of cost efficiency is limited by a lack of common definitions – including around what constitutes 'value for money' – and by the complex and highly varied nature of humanitarian contexts. In addition, efficiency gains in one area may be offset by efficiency losses in others. As a result, it is currently not possible to assess whether the sum of individual actions has resulted in collective cost efficiencies.

The Grand Bargain – with its overarching aim of improving the efficiency and effectiveness of humanitarian action – will continue to bring diverse stakeholders together to discuss these issues, and encourage reporting on cost savings and efficiencies. Increased transparency on the part of all stakeholders will also be critical in assessing cost efficiency gains. In the coming years, improved financial reporting under the OECD-DAC humanitarian-development-peace recommendations may provide more data; the increasing use of the IATI standard for reporting may also provide insights – although it is still in its early stages.

While ostensibly more straightforward, assessing progress on diversifying the resource base for humanitarian action is also currently not possible. Despite the growing rhetoric around engaging the private sector to fund and support humanitarian response, private sector contributions to humanitarian action are not systematically tracked. Few private donors voluntarily report to OCHA's FTS and the platform does not currently allow humanitarian organizations to distinguish funding received from private sources. A 2019 analysis by Development Initiatives, the *Global Humanitarian Assistance Report*, estimated private donations at $6.6 billion for 2018, based on data from FTS, the OECD's Creditor Reporting System data set for Private Philanthropy for Development, and manual reporting from stakeholders. This annual report will continue to provide a methodology for quantifying private contributions to humanitarian aid. More generally, increased tracking and reporting on private contributions will help to provide an indicator of diversification in the humanitarian resource base in the coming years.