Multi-Year Humanitarian Funding in Protracted Crises:
The Case for Donor Support

Introduction

As Canadian humanitarian agencies with extensive experience in protracted and complex humanitarian settings, the signatory agencies have prepared this position paper for Global Affairs Canada on the importance of multi-year funding for protracted humanitarian crises. We are pleased that the government is moving to implement multi-year programming in the Canadian humanitarian response in Iraq, Syria, Jordan and Lebanon, and hope that this step can lay the foundation for a broader application of a multi-year programming model in other contexts. We note at the outset that all humanitarian programming must at all times uphold the principles of humanity, independence, neutrality, and impartiality.

This paper highlights that multi-year funding improves humanitarian programming in the following areas:
- Programme quality and effectiveness
- Programme efficiency and value-for-money
- Relations with communities and partners
- Staff management and partnerships
- System strengthening and community resilience

Recommendations

1. **Invest in multi-year humanitarian funding in protracted crises through a portion of the annual complex emergencies funding round, in complement to existing funding modalities.**

2. **Implement an efficient and responsive approval process for multi-year humanitarian funding, recognizing that the fluidity of humanitarian crises means that NGOs need flexibility to amend emergency response projects during implementation.**

3. **Include investments in system strengthening efforts, particularly those that support local capacity, when allocating funding, to ensure long-term positive impact of life-saving interventions.**

4. **Convene regular and ongoing consultations between Canadian NGOs, MHD/IHA, and development desks covering countries in protracted crises, to ensure all funding is complementary and effectively bridges the humanitarian-development divide.**

Background

The High-Level Panel on Humanitarian Financing's Report to the Secretary-General, entitled *Too important to fail – addressing the humanitarian financing gap*, highlighted some critical facts about humanitarian financing. Overall, it is estimated that US$25 billion is spent providing humanitarian assistance to 125 million crisis-affected people. Despite a significant increase in humanitarian funding, there is still an estimated gap of US$15 billion. The report clearly states that "The panel wants donors to commit to more multi-year

funding and less earmarking, since flexible funding is the lifeblood of humanitarian operations"[1]. The 2015 OCHA paper *An end in sight: Multi-year planning to meet and reduce humanitarian needs in protracted crises* also highlighted the importance of multi-year funding and noted that "Protracted is the new normal."[2] This is evidenced by the fact that over 90% of humanitarian appeals now last longer than three years, with the average length being 7 years. Nearly 90% of humanitarian funding from OECD DAC members is going to protracted humanitarian crises.

It has long been recognised that the current system of short-term funding for emergency responses (usually three to twelve months), whilst appropriate to sudden-onset emergencies, is far less effective in responding to protracted crises or transitional contexts.[3] There is a growing body of evidence which suggests that multi-year funding is a key modality to ensure a more effective humanitarian response. One of the key recommendations from ODI's 2013 *When Disasters and Conflict collide* report is that "Donors and other financing bodies should work to ensure that short-term funding restrictions do not inhibit opportunities to build resilience. Where possible, multi-year funding should be the norm (…)" as one factor contributing to successful resilience programming.[4]

The OECD's 2013 report *Imagining More Effective Humanitarian Aid* noted that "multi-annual funding can help drive more efficient humanitarian assistance … it may also help operational actors take a longer-term, forward-looking, risk-informed approach to humanitarian assistance."[5] OCHA's 2015 report further noted that there needs to be a shift from spending to investing, and that the traditional and siloed funding mechanisms used to support humanitarian and development actions in protracted crises are not fit for purpose. A more diverse and predictable financing pool, including multi-year funding, will enable a more sustainable approach to crisis management. For all of these reasons, 16 of the 29 OECD/DAC members now provide some form of multi-year humanitarian funding.[6]

Impact of Multi-Year Funding

Strong, immediate, targeted, and flexible emergency response measures are vital throughout natural disaster and conflict response. However, action is also needed to address underlying causes of protracted crises, to break the cycle of crisis and response, and to bring about sustainable longer-term benefits at the same time as saving lives. Longer-term funding can improve programme quality and effectiveness, efficiency and value-for-money of interventions, relations with communities, staff management and partnerships, and

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[1] High-Level Panel on Humanitarian Financing Report to the Secretary-General: Too important to fail - addressing the humanitarian financing gap, http://reliefweb.int/sites/reliefweb.int/files/resources/[HLP%20Report]%20Too%20important%20to%20fail%E2%80%94addressing%20the%20humanitarian%20financing%20gap.pdf, 2016.

[2] OCHA, An end in sight: Multi-year planning to meet and reduce humanitarian needs in protracted crises, OCHA Policy and Studies Series, July 2015, https://docs.unocha.org/sites/dms/Documents/OCHA_TB15_Multiyear%20Planning_online.pdf.

[3] Governance and Social Development Resource Centre, Helpdesk Research Report: Multi-Year Funding to Humanitarian Organisations in Protracted Crises, 2011, 2.

[4] Katie Peters, David Keen and Tom Mitchell, "When disasters and conflicts collide: improving links between disaster resilience and conflict prevention," ODI, 2013, https://www.odi.org/publications/7257-disasters-conflicts-collide-improving-links-between-disaster-resilience-conflict-prevention.

[5] OECD DAC, Imagining More Effective Humanitarian Aid, 2013, Courtenay Cabot Venton.

[6] OCHA, An end in sight: Multi-year planning to meet and reduce humanitarian needs in protracted crises, 2015.

community resilience. The following expands on the ways in which multi-year funding, tailored to the specific needs of particular and diverse people and crises, can support improved humanitarian programming.

Programme quality and effectiveness

Multi-year funding contributes to the improvement of programme quality and effectiveness. It enables agencies to move beyond outputs and focus on outcomes. Currently, the short term humanitarian financing is out of sync with the protracted nature of most humanitarian crisis. A significant portion of humanitarian programming takes place in contexts such as Syria, Somalia and South Sudan. Programmes that are funded on an annual basis are not able to address the challenges faced in protracted crisis, because the solutions required are not achievable in a single year. As one recent analysis argued, multi-year funding "would enable humanitarian programming to look at longer term solutions rather than short-term 'sticking plasters' …. moving to multi-year programming would create a good opportunity to move from monitoring project outputs to measuring the medium term impact of programmes."[7] It would enable agencies to improve programme-based knowledge through much more structured multi-year programme evaluations. Multi-year models will also help strengthen accountability and enhance the critical beneficiary and stakeholder accountability mechanisms utilized during the course of implementation, increasing agency capacity to adequately respond to and address feedback from local government and authorities, key stakeholders, and beneficiaries.

Case Study: Oxfam and the United Kingdom

Oxfam holds a Programme Partnership Arrangement (PPA) with DFID's Conflict, Humanitarian and Security (CHASE) department, worth $15m CAD over 5 years, ending December 2016. This is an innovative and flexible funding mechanism that has been used to support a wide range of policy work related to Oxfam's humanitarian mandate. It has enabled Oxfam to invest in areas that might otherwise have been unfunded by institutional sources and public funds; subject to reduced investment and/or de-prioritized in the organizational planning processes; implemented through multiple discrete projects with shorter timeframes; adapted to be less risky and/or innovative or ended up being more inflexible; and/or less responsive to the needs of programmes.

The example of the PPA illustrates the existence of some humanitarian activities that struggle to obtain funding, such as innovation and methodological development and local partner capacity-building. A March 2015 DFID-contracted evaluation confirmed that CHASE PPA allowed "Oxfam to prioritise investment in issues around which there are clearly defined policy questions, but no clear answers or tried and tested approaches." Multi-year funding, when coupled with appropriate flexibility, has allowed Oxfam and other agencies to engage more effectively in these areas, generating better results over the long term and across present and future crisis responses.

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[7] World Vision, *Julian Srodecki, Can humanitarian implementers achieve multiple benefits from multi-year funding?* *http://www.wvi.org/disaster-management/blogpost/can-humanitarian-implementers-achieve-multiple-benefits-multi-year-funding,* 2016.

Closing the humanitarian-development gap

The ICRC report *Urban services during protracted armed conflict: a call for a better approach to assisting affected people* notes that the "the relief-rehabilitation-development paradigm is counterproductive in contexts of protracted armed conflict in urban areas." The report argues that in the ICRC's experience of disaster relief and rural armed conflict, this "constricts planning by limiting interventions to those that are 'relief' or 'post-war' in nature."[8]

Indeed, at a time when humanitarian dollars are increasingly allocated to protracted crises, it is important to build flexibilities into programming that allow investment in longer-term resilience-building when appropriate. Multi-year programming is a first step towards this goal, as it gives agencies the timescale and funding latitude to plan more cohesive and integrated responses, including supporting local capacity-building initiatives. The humanitarian and development divide is in many cases an artificial separation; the situation in many protracted crises is much more fluid.

In key intervention areas such as protection, social cohesion, gender equality and WASH, one-year time windows are often insufficient. Multi-year funding allows agencies to generate deeper and more lasting impacts. For example, programming in Syria and Iraq has demonstrated that larger-scale WASH infrastructure construction and rehabilitation lead to a highly positive and sustainable impact on conflict-affected populations, but also that time is required to obtain the institutional buy-in of all stakeholders involved. Multi-year funding provides the time necessary to design better programmes, obtain this buy-in, and ensure local ownership and technical know-how transfer to operate this type of infrastructure in the long term.

For programmes implemented in times of conflict, there is a clear need for humanitarian programming to be rooted in the objectives of peacebuilding and reconciliation, and at the least to do no harm in the long as well as immediate terms. Multi-year funding allows implementing partners to strategically and intentionally incorporate these elements throughout the project cycle, rather than having to include or exclude them at inception. This helps to ensure that projects are rooted solidly within communities, that projects evolve according to changing community needs and conditions, and that beneficiaries see long-lasting social impacts of humanitarian interventions.

Case Study: Canadian Foodgrains Bank in Iraq, South Sudan, and DRC

Multi-year funding from Global Affairs Canada has enabled members and partners of the Canadian Foodgrains Bank to innovate and build into programming the needed flexibilities to shift mode as context changed. In Iraq and South Sudan, programming shifted from longer-term food security mode to short-term food assistance as the context changed. On the other hand, in the Democratic Republic of Congo, an emergency response programme at IDP camps, which began with direct food distribution to affected IDPs, gradually integrated a livelihoods component through which local IDPs were provided with training and capacity-building to grow their own food. This eventually made it possible to save resources by cutting down on food assistance transfers.

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[8] ICRC, Urban services during protracted armed conflict: a call for a better approach to assisting affected people, 2015.

Programme efficiency and value-for-money

DFID's 2013 *Value-for-Money study on Multi-year Approaches to Humanitarian Funding* outlines many of the efficiency advantages associated with multi-year humanitarian financing.[9] The following section reinforces many of the points made in that document.

Ratio of start-up to activity implementation

At the start of every new project an initiation phase is required during which staffs are recruited; bases and project sites are established; relationships with authorities and communities in new operation areas are forged; various contractual agreements are made; and major procurement is undertaken. By conducting one longer project, the ratio of time devoted to project start-up compared to actual implementation of activities can be dramatically improved compared with multiple short-term interventions. Risk of delays in implementation caused by failed recruitment, logistical issues inherent in difficult operational contexts and potentially lengthy contractual processes (especially with consortia) will also be reduced.

Additionally, staff time devoted to frequent reporting and proposal writing for short-term grants could be used to support programme implementation more directly if longer-term funding was available. This will have the dual benefit of increasing both quality of implementation and cost-effectiveness.

Case Study: World Vision in Somalia

World Vision has recently completed a two-year humanitarian project in Luuq, Somalia funded by Global Affairs Canada. Somalia has been without a functional government for more than 20 years, with the current government in formation for several years but yet to gain nation-wide legitimacy. By all definitions, Somalia is in a protracted crisis. Displacement across Somalia, often multiple displacements, is a common occurrence, with the UNHCR estimating the average period of displacement to be 17 years. In spite of this, most humanitarian funding follows annual planning and disbursement cycles. The two-year funding provided to World Vision allowed for a significantly more efficient and effective humanitarian programme with far greater impact than one-year funding would have allowed. As a result of sustained funding the project was able to respond to emergent issues effectively, to manage spikes in insecurity which reduced accessibility, and to ensure that capacity-building efforts were not simply one-off training efforts but consolidated through mentoring, follow up and refreshers. The multi-year funding allowed for far greater depth of community engagement, enabling World Vision to establish strong working relationships with local authorities which has resulted in greater acceptance, security and access to beneficiaries.

Logistics & procurement

Funding gaps can necessitate not only the cessation of activities but also closure of field bases. Properties previously rented may not necessarily be available once funding is received for continuation of a project and

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[9] DFID, Value-for-Money study on Multi-year Approaches to Humanitarian Funding, June 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226161/VfM_of_Multi-year_Humanitarian_Funding_Report.pdf.

closure requires that staff, equipment and assets are transported to regional bases, imposing significant close-down and start-up costs.

Multi-year funding also results in reduced procurement and internal transport, shipment and handling costs. Early procurement and pre-positioning will also lead to decreased logistics and transport costs.

In Iraq, for example, 500,000 IDPs have already returned to their homes over the last six months. This trend is expected to continue and possibly accelerate in the coming 2-3 years; however, it is impossible to anticipate precisely when the needs will materialize (likely not in synchronization with GAC's annual funding cycle). A flexible multi-year grant will allow agencies to preposition stock, realize market assessments, and be ready when major return influxes occur.

Relations with communities and partners

Strong community relations are essential to establishing an environment of greater trust, transparency and accountability. Humanitarian agencies need to include the people affected by humanitarian crises and their communities in our decisions in order to be certain that the humanitarian response is relevant, timely, effective and efficient. We need to provide accessible information, and ensure that an effective process for participation and feedback is in place and that design and management decisions are informed by the views of affected communities and people. These views must be inclusive of the voices of the most vulnerable groups considering gender, age, ethnicity, language and special needs.

At times, local partners are the only actors with access to the population in need of humanitarian assistance, particularly in conflict-affected areas such as Syria and Iraq. Multi-year, predictable funding is the only way to properly build these organisations' capacity to conduct humanitarian programming, and to ensure that they maintain the required community acceptance to support their access.

Despite agencies' best efforts to explain the reasons behind cessation of, or hiatus in, activities, relations with target communities and local authorities can be damaged by gaps in service provision and the stop-start nature of repeated short-term interventions. Efforts are required to repair relationships, causing delays and therefore reduced programme effectiveness and efficiency. Multi-year programming also enables humanitarian actors and partners to develop robust and more structured exit strategies.

Case Study: Save the Children in Lebanon

Save the Children leads the Lebanon Cash Consortium (LCC) that brings together six INGOs (Save the Children, ACTED, CARE, IRC, Solidarités International, and World Vision) to deliver multi-purpose cash assistance to approximately 7,500 socio-economically vulnerable refugee households. The LCC directly benefits approximately 37,500 Syrian refugees living in Lebanon. Humanitarian actors are increasingly providing cash transfers in various forms, to enable caregivers and children to meet their basic needs in a dignified and flexible way that also supports local markets and services and reduces tensions with the host community. The impact evaluation of the LCC demonstrates that beneficiaries feel eight times more secure when compared to non-beneficiaries. The beneficiaries' trust in the community hosting them was also increased five-fold, increasing social cohesion. Social protection projects, including cash transfer programmes, are vital interventions in protracted crises. Multi-year, flexible funding means that systems for secure delivery and monitoring of cash dispersal can be more effectively built and maintained, and outcomes for beneficiaries and host communities can be better tracked. The predictability of funds also enables programmes to better meet needs when migration spikes. With the average length of displacement growing to 17 years, a multi-year funded cash transfer programme provides a flexible financial safety net that will meet the changing needs of refugees over time.

Staff management and partnerships

Recruitment and retention

Situations of protracted crisis tend to be inherently insecure, with difficult living and working conditions as a consequence. Often, crises cause frequent population movement and impact access to, and quality of, basic services for the country's population – including the education system, healthcare, housing, and utilities. These factors commonly contribute to difficulties for humanitarian agencies in recruiting and retaining both international and national staff that are sufficiently qualified and/or competent for key roles. The same difficulties exist for Southern partners receiving funding support through Canadian NGOs.

Short-term contracting of staff and gaps between project phases lead to high levels of attrition which compound these difficulties. This has clear negative repercussions for programme quality and increases costs associated with travel and training. Repeated rounds of recruitment regularly result in delays to project start-up, truncating already short implementation periods and affecting the quality and timeliness of emergency interventions. Increased staff turnover significantly weakens institutional memory which has a clear detrimental impact on the effectiveness and efficiency of implementation. Reduced institutional memory also affects NGOs' ability to be accountable, as relationships are lost and monitoring and complaint management processes are interrupted.

In the humanitarian context, one example is the annual call process for complex emergencies. It is very common that agencies will apply to the same protracted emergency from one year to the next (84% of countries receiving humanitarian assistance in 2014 had received assistance in each of the preceding five years; 40% had received assistance in each of the last ten).[10] Although the project design will be updated

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[10] ALNAP, *State of the Humanitarian System 2015*.

based on evolving context (e.g. change of locations due to displacement trends), the interventions are often similar. There is an internal expectation that staff will be retained for the next phase for the programmes, to maximize benefit from lessons learned from the previous phase. However, as approvals are usually given in the last few days of the financial year, with projects from the previous phase ending at the same time, a tremendous amount of pressure is placed on agencies and staff. Agencies are unable to renew staff contracts before the next phase of approval, and can be forced to let go of staff on short notice if the proposal is rejected, or to lose them prematurely due to contract insecurity.

Safety and security

Gaps in service provision during repeated short-term interventions reduce the local acceptance and trust of humanitarian agencies. As well as undermining conflict-sensitive and accountable programming, this jeopardizes staff security. For humanitarian agencies, developing trust and acceptance within local communities we are serving is critical for staff security in more volatile areas. Failure to maintain reliable basic services throughout a humanitarian response due to funding lapses can put at risk the confidence and goodwill of local populations, and therefore the safety and security of both local and international staff.

The logistical pressures and obligations imposed by short-term funding, such as last-minute base closures or relocations, can put staff at risk as well. Drivers and logisticians are particularly vulnerable in cases where they must transport equipment through insecure areas on short notice.

Partnerships

A 2011 report produced by the Governance and Social Development Resource Centre at the request of AusAID argues that the provision of multi-year funding allows donors to build more strategic relationships with partners.[11] In particular, this research shows that the relationship can evolve beyond discussions of output level results on single year interventions, to one of impact, learning from what has gone well or not so well, and increasing opportunity for effective advocacy and cross-partner learning.

With the stability of multi-year funding and for all of the reasons stated above, Canadian organizations will be in a much better position to collaborate with each other and to generate significantly greater analysis of operations in the field. This is equally true of local partnerships. Multi-year commitments and relationships will allow for deepened engagement, capacity-building and longer-term impact, while also allowing agencies to consider new types of partnerships, for example with local women's rights organisations.

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[11] Oliver Walton, "Helpdesk Research Report: Multi-Year Funding to Humanitarian Organisations in Protracted Crises," Governance and Social Development Resource Centre, 2011.

> **Case Study: CARE and local Syrian NGOs**
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> Syrian NGOs are key partners for humanitarian actors such as CARE and play a critical role in delivering humanitarian assistance. In CARE's experience with partners in Syria, it is clear that Syrian NGOs need more predictable funding. The status quo of 3-6 months is disruptive, and most Syrian NGOs do not have the capital to cover gaps in funding. Staff retention is of particular concern. Syrian personnel often live paycheque to paycheque, and have mouths to feed in their own families. Financial insecurity, employment instability, and the worsening security situation push many local staff to leave Syria or neighbouring countries. Syrian NGOs regularly spend six months training a staff member, only to lose that person once there is a gap in funding. Syrian NGOs must then restart the recruitment and training process, all while competing for good staff with international organizations that offer more stability. Syrian partners note that if they are able to offer contracts for a full year, they will be more competitive employers and better able to retain good staff, which in turn will allow them to grow as organizations and to engage in longer-term planning. Multi-year funding will allow CARE to ensure job security for international, local, and partner staff, in order to retain the capacity that has already been built.

System strengthening and community resilience

Reliance on repeated short-term emergency response measures and/or an ad hoc sequence of short-term contracts can contribute to the erosion of local community resilience if interventions are not designed to support and strengthen local capacity. Longer-term and more flexible funding, which allows aspects of traditional humanitarian, recovery and development programming to be incorporated into interventions as appropriate, can contribute to resilience-building by allowing agencies to:

- Seek sustainable solutions to ensure basic needs are met and local capacity to withstand recurrent shocks is strengthened;
- Work with a stronger focus on participatory approaches, involving communities to improve their awareness of risk reduction strategies and build sustainable practices of local decision-making (i.e. demand-driven governance);
- Respond to gradually deteriorating situations rather than full-blown crises, through maintained engagement with communities and functioning early warning mechanisms, so that project interventions can pre-empt the worst potential consequences;
- Flexibly move between life-saving interventions and those aimed at building capacity and sustainability, as appropriate over the course of a crisis response;
- Incorporate system strengthening approaches into humanitarian response designs and invest in agency-level interim policy frameworks, systems and structures for basic service delivery that are critical to realize and maintain the gains of life-saving front line humanitarian interventions;
- Better understand the longer-term impacts of interventions, and take actions to mitigate negative consequences;
- Move beyond resilience-for-survival towards empowering people to thrive sustainably over the long term despite recurrent uncertainty, by addressing structural inequalities (including women's rights), injustices and barriers that inhibit more transformative and systemic resilience; and
- Build longer-term partnerships that foster trust, especially in highly volatile contexts, and enable agencies to have more coherent capacity-building programmes.

In Iraq and Syria, for example, multi-year funding will allow organizations to broaden livelihood support programmes beyond unconditional cash transfer to more sustainable and resilience-inducing support to specific income-generating activities (i.e. small business recovery).

Case Study: Development and Peace in the Philippines

In its response to Typhoon Haiyan, Development and Peace supported (through its own funds) its partners in the Philippines to integrate elements of local capacity-building and development during the emergency phase, including by applying a community organizing approach (as distinct from mere community participation or consultation) while relief goods and temporary shelter were distributed. This model proved highly successful. Three months after the disaster, an organized group of survivors were confidently engaging both humanitarian and government agencies on management of relief goods, and asserted their right to take part in formulating and implementing a reconstruction plan. As an organized group, survivors were able to incorporate longstanding issues such as land tenure, sustainable development and governance into the recovery and reconstruction plan. Survivors also built their capacity to engage the national and local governments on elements of policy (e.g. no-build-zones) or inefficiencies in the conduct of relief, recovery and reconstruction efforts.

Signatories