

## ICVA Humanitarian Finance Working Group Meeting summary, March 2023

### Participants (22 in total)

Save the Children, Médecins du Monde, ACF, Plan International, WVI, HI, Terre des Hommes, IRC, NRC, DRC, ACTED, Care, CHS Alliance, Oxfam, CAFOD

### Resources

<i>HFWG Decision tracker</i>	<a href="#">Link</a>
<i>HFWG February meeting summary</i>	<a href="#">Link</a>
<i>HFWG March meeting agenda</i>	<a href="#">Link</a>
<i>Partnerships: WFP FLA Review round 1 meeting summary, February 28</i>	<a href="#">Link</a>
<i>Partnerships: Members' feedback revised UNICEF PCA (working doc)</i>	<a href="#">Link</a>
<i>COTER: IASC TF3 meeting notes, February 22</i>	<a href="#">Link</a>

### Decisions and action items

#### 1. Grand Bargain

- ICVA will convene a call specifically on national engagement of the Grand Bargain.
- ICVA will circulate an update on the proposal and Facilitation Group discussions in the next two weeks.
- ICVA will connect with ODI on sharing their preliminary advice on the future of the Grand Bargain based on their role in the annual self-reporting exercise by May.

#### 2. Pooled Funds

- The final consultancy report will be shared with HFWG members.
- ICVA will circulate takeaways from the PFWG thematic webinar on the CBPF revised Global Guidelines rollout.

#### 3. Partnerships

##### b. UNICEF

- ICVA will sustain its engagement with UNICEF to ensure its commitments regarding communicating with partners are fulfilled regarding communications on pending work pieces and dedicated webinars on new partnership guidance.
- ICVA will share an update to HFWG and UNICEF early next week on the progress in agreeing on language revisions. UNICEF would prefer agreeing on minimum language necessary within a week; if this is not achievable, ICVA will advocate for the signature of the old PCA with an addendum explaining that signature is contingent on the understanding that several clauses need further negotiation to be acceptable before the end of the year.
- HFWG members are invited to share as much input as possible this week on the language revisions suggested by UNICEF and other red lines they may have.

## Summary of discussions

### 0. Review of HFWG past discussions

- On the Grand Bargain process, the Facilitation Group has circulated a proposal with options for the future of the Grand Bargain, several rounds of comments are planned. An update on the latest NGO constituency call is provided below.
- On pooled funds, the HFWG held an ad hoc meeting on the Syria and Türkiye earthquake response, the unique funding environment, and counterterrorism and sanctions-related considerations. [Summary notes](#) have been shared with the HFWG and available on the members' only section of the ICVA website.
- On the Syria and Türkiye earthquake response, ICVA Secretariat has put together a policy documents on [ICVA Action Areas for the Earthquake Response in Türkiye and Syria](#), and some [key high level advocacy points](#).
- On UN partnerships: WFP, the [WFP FLA Review meeting round 1 notes](#) have been shared with the HFWG. On that occasion, WFP presented a first round of remedial measures proposed to respond to partners concerns that are expected to be implemented by June.
- On UN partnerships: UNICEF, following the release of a revised PCA earlier this year and the lack of communications from UNICEF to its partners around the launch and rollout process. After [compiling members' key concerns and red lines](#) on the revised PCA, ICVA held a call with UNICEF DAPM and EMOPS on March 10 to address the gap of communication from UNICEF between the consultation process (summer 2022) and the emission of new partnership documents, and share those specific concerns that prevented the swift signature of new PCAs. ICVA will continue and bolster its engagement with UNICEF to address members/partners' concerns.

### 1. Grand Bargain 2.0

- With the Grand Bargain 2.0 ending in June, negotiations are underway with the Facilitation Group and among different constituencies to decide what the next iteration will look like.
- Next week, on the margins of the European Humanitarian Forum, the **Facilitation Group Principals** will meet to discuss the proposal circulated, specifically with a focus around the scope and timeline.
- Overall, the **timeline** continues to be the most contentious area of discussion among the different constituents. The current proposal is to set a milestone in 2026 with some appropriate annual objectives. The NGO position has been overall strongly supportive of the need to adopt a longer-term mindset when it comes to achieving the commitments of the Grand Bargain, especially if the scope is expanded to new commitments around reducing the funding gap and expanding the resource base. NGOs have been pushing to reduce or eliminate language around opting out in 2026 which would suggest a hard end point.
- The NGO constituency met earlier today to hone in on the key areas where signatories can make progress, prioritise among commitments as appropriate and sharpen our focus and use of the Grand Bargain as a tool.

- Signatories need to start putting names forth for consideration for the role of **Eminent Person** after Jan Egeland steps down in June 2023. Some proposals are under discussion for a co-Eminent Person position from the Global South.
- In terms of **resourcing**, a pooled funding mechanism is under discussion, through which a broader number of donors will give annually to support those ongoing mechanisms, instead of relying on renegotiating with a couple of a donors each year. This could potentially be a source of funding to support the Eminent Person’s office, the brunt of which has fallen on the individual organisation until now.
- While there is a broad acceptance among constituencies that Quality Funding and Localisation should remain key enabling priorities, further work is needed at **country-level** if we are to make substantial progress on localisation. The National Reference Groups introduced in 2021 have been a good starting point, but there is certainly appetite to go further in their implementation, even if this implies some changes in structure.
  - ICVA will convene a call specifically on national engagement of the Grand Bargain.
- **Grand Bargain 3.0 proposal** has been circulated among constituencies and the Facilitation Group has shared many rounds of comments. As discussed with the NGO constituency, it is critical to be as specific as possible with the proposal before June.
  - ICVA will circulate an update on the proposal and Facilitation Group discussions in the next two weeks.
- IRC suggests asking ODI to share their preliminary advice on the future of the Grand Bargain based on the interviews they carry out for the annual self-reporting exercise, by late May to give NGOs an opportunity to influence the final decision.
  - ICVA will connect with ODI on sharing their preliminary advice on the future of the Grand Bargain based on their role in the annual self-reporting exercise by May.

## 2. Pooled Funding

- The ICVA mandated report “Pooled Funding at a Crossroads” has been shared by consultants and is under final review.
  - The final consultancy report will be shared with HFWG members.
- The PFWG will hold a thematic webinar on the CBPF revised Global Guidelines rollout on **xxx**, with only PFWG and CBPF-NGO Dialogue Platform Advisory Group members. PAG members hope a broader discussion on the implementation of global guidelines
  - ICVA will circulate takeaways from the PFWG thematic webinar.
- Following the CHS Alliance paper series on “[Working Well](#)” (2020), “[Leading Well](#)” (2021) and “[Governing Well](#)” (2022), ICVA and CHS Alliance jointly launch the “Funding Well” project from April 2023. The project will focus on pooled funds and foundations, with the goal of launching the report in June 2023, which would be timely with regards to the ECOSOC Humanitarian Affairs Segment and Grand Bargain Annual Meeting. It will look at examples of funder-partner relationships that invest in organisation’s ability to meet a standard, build trust, cover real costs, pool resources, simplify and harmonise reporting, etc.
  - ICVA members can support the “Funding Well” project by (i) flagging examples of good practices, (ii) attending the HNPW session on resourcing organisational culture change on April 24, and/or (iii) contributing funding to the project.

### 3. UN Partnerships

#### a. WFP

- WFP convened an FLA Review round 1 meeting on February 28, the [full notes](#) have been circulated to the HFWG. Further clarity is needed from WFP on how partners can meaningfully contribute to such reviews.
- WFP circulated an APC survey to its partners, the central ask for NGOs is ensuring there is adequate space provided at the 2023 APC to meaningfully discuss partners. Members noted the 2022 APC did not feel like a genuine consultation, but a showcase.
- [WFP new Executive Director from April](#), Ambassador Cindy McCain from the USA. NGOs may want to take advantage of this senior leadership turnover to secure a direct connection with WFP top management.

#### b. UNICEF

- Following the HFWG February meeting discussion on UNICEF's revised partnership documents (process, rollout and contents), ICVA met with UNICEF DAPM and EMOPS (March 10) to share the following messages:
  1. Insisted on the need for a mutual agreement on communication of pending changes in partnership documents before they are introduced.
  2. Highlighted non-attributable top concerns of our members regarding process and content (notably on PSEA-related clauses and overhead-related clauses), including some PCA signature delayed due to partners' concerns on specific clauses.
  3. Requested a global and consistent approach to the PCA revision process at CO level.
  4. Suggested the possibility of signing old PCA agreements or the new version with an addendum specifying work is needed on specific clauses. This was not the preferred solution from UNICEF's perspective.
- During this abovementioned meeting, UNICEF agreed it would (i) communicate with partners on new partnership guidance through dedicated webinars, and (ii) keep ICVA informed of pending work pieces to pre-empt possible issues with partners and allow feedback to be given.
  - ICVA will sustain its engagement with UNICEF to ensure its commitments regarding communicating with partners are fulfilled regarding communications on pending work pieces and dedicated webinars on new partnership guidance.
- UNICEF also met bilaterally with some NGO partners, following which it revised GTC clauses 4.2 and 13.4, linked to PSEA. Those proposed revisions have been circulated to the HFWG for feedback on whether these clauses would (still) prevent partners from signing the new PCA.
- Members welcome ICVA's efforts to advocate for needed changes in the PCA and UNICEF's receptivity to resolve the issues linked to specific clauses. ICVA and NGO partners have made it clear the process and lack of communication from UNICEF around the publication of the revised 2023 PCA is not acceptable and contradicts commitments (June 2022) related to timely communications about revision processes and opportunities for partners' feedback. As a result, at least one partner CO has unknowingly signed the revised PCA.
- HFWG members point out the PSEA-related clauses (both revised and newly proposed) not only undermine the safeguarding policies developed under the years, but also contradict with many national legislations NGOs need to abide to.
- Notwithstanding red lines on PSEA-related clauses in the GTC and PCA, members also shared their concerns with regards to clauses referring to "support costs for organisational capacity



strengthened” (clauses 1.10 and 6.3), and suggested advocating for maintaining full flexibility for the 7% indirect costs alongside having subpartners’ indirect costs as direct costs for the partner.

- ICVA will share an update to HFWG and UNICEF early next week on the progress in agreeing on language revisions. UNICEF would prefer agreeing on minimum language necessary within a week; if this is not achievable, ICVA will advocate for the signature of the old PCA with an addendum explaining that signature is contingent on the understanding that several clauses need further negotiation to be acceptable before the end of the year.
- HFWG members are invited to share as much input as possible this week on the language revisions suggested by UNICEF and other red lines they may have.