Better Humanitarian Financing
Concept Note

"...what we need to do is to move from today's approach, where we watch disaster and tragedy build, gradually decide to respond and then mobilize money and organizations to help; to an anticipatory approach where we plan in advance for the next crises, putting the response plans and the money for them in place before they arrive, and releasing the money and mobilizing the response agencies as soon as they are needed." - Mark Lowcock

A. Objective: shaping our role and approach to humanitarian financing

Our *vision* of *a world that comes together to help crisis-affected people rapidly get the humanitarian assistance they need* requires a better system to finance humanitarian action. In response to this challenge, what is OCHA's role and how can we best contribute?

Between now and the end of 2018, OCHA's Humanitarian Financing and Resource Mobilization Division (HFRMD) will facilitate an exercise to generate fresh thinking about our organization-wide approach to humanitarian financing. In his speech, ['A Collective Call Towards Innovation in Humanitarian Funding,'](#) USG Mark Lowcock proposed a fundamental shift from 'reaction' to 'anticipation' in the global humanitarian response and laid out a six-point policy agenda[1] on how to achieve it. This agenda spans across best practices, emerging approaches, and policy research in humanitarian financing that resonate with the collective commitments of the World Humanitarian Summit and link with broader global frameworks such as the Sustainable Development Goals (SDGs). To inform his speech, the USG also posted a blog and asked OCHA staff to share their views on it.

Therefore, the goal of this exercise is to continue shaping OCHA's role, priorities, and program of work in humanitarian financing for the next four years (2018-2021). It aims to keep the space open for OCHA staff to engage in learning, designing and piloting concrete ideas as we move towards adopting and promoting the six-point agenda. This note provides the rationale and general description of the proposed exercise.

B. Framing the exercise: dialogue, foresight, and experimentation

What kind of challenge do we face? The premise of the exercise is that developing an OCHA-wide approach to humanitarian financing is an adaptive challenge, not just a technical one. Indeed, much of the work ahead involves *change* in the practices and tools that we use to mobilize resources and allocate principled and coordinated funding for humanitarian action, including, for example, improving or developing better processes (technical). However, it mainly involves *change* in the way we see the present, foresee the future, and (re)define our role in support of a humanitarian financing system that brings us closer to our *vision* (adaptive). While the knowledge of individual experts -in-house and external- could solve the technical challenges, the adaptive change requires our collective intelligence and commitment. To that end, HFRMD will engage staff and spark internal dialogue, new learning, and foresight in three ways:

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[1] The policy agenda focuses on six areas: (i) Making much greater use of disaster risk insurance; (ii) improving crisis response through greater use of pre-agreed, contingency financing; (iii) exploring forms of risk sharing with the private sector; (iv) promoting development which builds resilience against crises, and designing humanitarian interventions that secure greater development co-benefits; (v) making the existing humanitarian financing system more efficient and more effective; and (vi) aggregating, analyzing and sharing the findings from pilots and experiments to learn what works best in different scenarios

1. **A seminar series**: HFRMD will identify and invite a group of experts, practitioners, leaders, outside-the-box thinkers and academics in the humanitarian sector and beyond to visit OCHA. On a monthly basis, guest speakers will showcase their work, research, and insights into what might shape a better humanitarian financing system. The seminar series will contribute in broadening our knowledge base, as well as in creating a learning space where staff can reflect about the challenges and opportunities vis-à-vis humanitarian financing in a rapidly evolving operating environment. Through the seminars, staff will be encouraged to collaborate in generating concrete recommendations about current and alternative premises, concepts, tools and technologies that OCHA could adopt, discard, improve or promote to finance humanitarian action more effectively.

2. **Backcasting[2] a strategy and programme of work to lead the transformation**: Backcasting is a well-known planning technique in future studies and organizational foresight that groups of people use to visualize an aspect of society they would like to change or improve. The group - OCHA in this case- then works backward from that scenario to identify the policies, programmes, and actions that their community requires to generate the intended transformation focusing on those within its control or remit. Building on the six-point agenda and the wealth of ideas and recommendations stemming from the seminar series, HFRMD will work with relevant stakeholders (internal and external) to 'backcast' OCHA's long-term strategy for a better humanitarian financing system. OCHA's strategy in humanitarian financing will clarify our goals, roles, range of action, scope of influence, and capacity, aiming to make the best use of our mandate as a coordinator of the global humanitarian response.

3. **Funding experiments:** In collaboration with an academic institution, we will design and apply funding experiments to pilot new approaches in the use of OCHA-managed pooled funds. These experiments will allow OCHA to develop anticipatory methods and test the use of predictive analytics in allocating funding to ameliorate the impact of foreseeable emergencies or events in protracted crises. The funding experiments could also include piloting the use of new technologies and ways of delivering humanitarian assistance (e.g., cash-based) that can better protect human dignity and agency, and empower communities affected by crises to accelerate their socioeconomic recovery. The expectation with the funding experiments is to launch them in 2018. As they yield independently validated findings, and we learn from them, OCHA will obtain and share proof of concept about what works best -or doesn't work- in different scenarios. The experiments are a practical way of fast-tracking functional improvement and innovation for our pooled funds.

C. Implementation

This exercise is part of OCHA's change management programme. Concretely, it is 'part two' of the action plan endorsed by senior leadership in December 2017 to (i) identify efficiencies in the pooled fund management function (completed in February 2018); and (ii) advance transformational thinking on our organization-wide approach to humanitarian financing.

Activities will begin in May 2018, aiming to make significant progress on all of them by the end of the year. Ahead of the start, HFRMD collected staff views and feedback on the general idea and design of the proposed exercise. This concept note reflects their advice and suggestions. HFRMD has also started to identify and reach out to individuals in academic, public and private institutions who could be interested in collaborating with this initiative.

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[2] For more background on backcasting, refer to: http://designresearchtechniques.com/casestudies/backcasting/

The implementation and duration of this exercise will be flexible, considering its scope, and the current engagement of multiple staff across OCHA with different work streams of the change programme. Commitment to the following principles, facilitation arrangements, and timeline will ensure the exercise is successful, well-supported and completed.

1. **Principles:**
   - Focusing on internal organizational learning while generating a public good (more knowledge and thinking towards a better humanitarian financing system that is open and accessible)
   - Promoting active participation of staff of all levels across functional areas and in the field
   - Proactively informing, documenting and sharing the process and its outcomes on an open platform (ReliefWeb site), including full access to substantive content (recordings, background reading, think pieces), progress updates, and announcements about dates and logistics of related activities (seminars, key meetings)
   - Complementing all activities with online conversation, as well as follow-up sessions and briefings with internal and external common interest groups (heads of office, functional experts, fund managers, donors, NGOs)

2. **Facilitation:**
   - Lisa Doughten, functional lead on humanitarian financing, will oversee the implementation of the exercise.
   - HFRMD programme advisers, Juan Chaves and Rob Gaylard, will serve as the technical focal points and provide overall support and coordination.
   - HFRMD will seek support from the functional areas to form a small facilitation group. The role of the facilitation group will be to advise on the planning, logistics, content, and methodology of the three activities, as well as to help follow up and document the process.

3. Timeline[3]:

ACTIVITY	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
➔ Blog – USG speech inputs	█											
➔ Dublin speech – a six-point policy agenda		█										
Design and prep-work of exercise												
• Consulting staff, mapping and talking to potential collaborators			█									
• Developing the concept note			█									
Launching the exercise												
• Forming facilitation group + inception meeting				█								
• Developing microsite				█								
Activity 1 - seminar series												
• Monthly seminar 1				█								
• Discussion and posting of think piece(s) for seminar 1 on ReliefWeb				█	█							
• Monthly seminar 2					█	█						
• Discussion and posting of think piece(s) for seminar 2 on ReliefWeb					█	█						
• Monthly seminar 3						█						
• Discussion and posting of think piece(s) for seminar 3 on ReliefWeb						█	█					
• Monthly seminar 4							█					
• Discussion and posting of think piece(s) for seminar 4 on ReliefWeb							█	█				
• Monthly seminar 5								█				
• Discussion and posting of think piece(s) for seminar 5 on ReliefWeb								█	█			
• Monthly seminar 6									█			
• Discussion and posting of think piece(s) for seminar 6 on ReliefWeb									█	█		
• Monthly seminar 7										█		
• Discussion and posting of think piece(s) for seminar 7 on ReliefWeb										█	█	
• Monthly seminar 8											█	
• Discussion and posting of think piece(s) for seminar 8 on ReliefWeb											█	█
Activity 2 – "backcasting" a better humanitarian financing system												
• Backcasting methodology session						█						
• Backcasting workshop							█					
• Backcasting workshop report – posted on microsite								█				
• OCHA's long-term strategy on humanitarian financing – posted on ReliefWeb									█			
Activity 3 – designing and running funding experiments												
• Session on methodology (seminar 5)								█				
• Workshop – designing funding experiments									█			
• Final experiment designs agreed – posted on ReliefWeb										█		
➔ Start + progress monitoring + findings of funding experiments (duration TBD)											█	█

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[3] This is a top-level timeline, which will be adjusted based on the pace of implementation, progress monitoring (emerging challenges and opportunities), and detailed planning of each activity with the support of the facilitation group, staff, and collaborators.