

Brief on the GHD Study

Everyone's business - Use of unearmarked funding for disability inclusion in humanitarian action

One of the key Grand Bargain commitments is increasing the provision of quality funding by donors with the understanding that organizations would improve reporting. An important category of flexible funding is **unearmarked funding** (a.k.a. core funding)¹. Secondly, **disability inclusion** (DI) in humanitarian action has been increasingly recognized as necessary for delivering aid to those most in need. The most visible manifestation of this was the Charter on Inclusion of Persons with Disabilities in Humanitarian Action² in 2016, followed by the IASC Guidelines³ in 2019. Both quality funding and disability inclusion are also well supported by the principles of Good Humanitarian Donorship (GHD)⁴. Both DI and the provision of unearmarked funding are key themes in Finland's humanitarian policy⁵.

The Ministry for Foreign Affairs (MFA) of Finland commissioned a study on the use of unearmarked funds for disability inclusion for its co-presidency of the Good Humanitarian Donorship (GHD) Initiative. The study was conducted by Finland's GHD team's humanitarian advisor, Niklas Saxen, between December 2021-June 2022. The summary report of the study is available to GHD members and the involved organizations; the full study is available to Finland, Belgium and the involved organizations.

The study looks at WFP, UNHCR and ICRC. It focuses on three areas: 1) unearmarked funding for DI, 2) strategy and reporting, on DI and 3) DI technical experts and focal points. Though the last two are also linked to spending funds (expenditure/costs), they are also used as indicators of progress and commitment to DI. The focus is on **programmes**⁶. This study looks at **unearmarked funding** only (excluding loosely earmarked funding⁷). The methodology focused on the three organizations, and as such has a limited basis for generalizing across the broader humanitarian sector.

In terms of **strategy**, WFP has a Disability Inclusion Roadmap 2020-2022; UNHCR has a Disability Action Plan 2020-2024; ICRC has a [Vision 2030 on Disability -strategy 2020-2030](#). Additionally, WFP and UNHCR are guided by the mandatory [UN Disability Inclusion Strategy](#) (UNDIS). As a success, each organization had a key framework guiding DI efforts in the organization. Each organization also had a plan of action for its implementation, and coordination mechanisms for it at the Headquarters (HQ) level.

All organizations, at HQ, had a **disability inclusion advisor** as the focal point for coordinating the work around the organizations' DI strategy. Additionally, all organizations had assigned specific people responsibility for certain sections of the strategy, in the sense that the responsibility for progress was assigned to those with the power to implement the changes.

All organizations were **reporting on their DI strategy / Plan of Action** at an organizational level. ICRC had yearly reporting against the Plan of Action (PoA); UNHCR and WFP were reporting the results of their Plan of Action (UNHCR) and Roadmap (WFP) through the UNDIS reporting (entity -level). UNDIS and the

¹ Flexible funding = unearmarked funding + loosely earmarked (to region or programme) as per Grand Bargain.

Organizations noted that they consider that loosely earmarked funding comes with almost the same advantages.

² [Charter](#) on Inclusion of Persons with Disabilities in Humanitarian Action 2016. Core funding is different from core budget of organizations, which includes other revenues e.g. overheads (indirect support costs).

³ IASC 2019. [Guidelines on the Inclusion of Persons with Disabilities in Humanitarian Action](#).

⁴ For quality funding esp. [GHD Principles](#) 12 & 13; for DI esp. 2 & 4.

⁵ Ministry for Foreign Affairs of Finland 2019. [Suomi humanitaarisen avun antajana](#).

⁶ 'Programmes' in this report refers to generally implemented humanitarian activities. However, organizations might not have a *specific* DI programme as such covering all DI activities, that could e.g. be directly funded.

⁷ Earmarking funds for a region or a specific programme (globally).

organization's documents are aligned. WFP is also reporting on the Road Map's progress internally. Country operations were not contributing to these reports. On the other hand, operations could report, on a non-mandatory basis, on operational efforts on DI, including expenditure when this was tracked. These efforts feed into organizational reports at a global level.

The study looked at the implementation of the **twin-track approach**, i.e. programmes **targeted** for persons with disabilities, and programmes where disability inclusion had been **mainstreamed**. All of the organizations had efforts to mainstream disability inclusion in their organization and programming, and had a reporting mechanism to track this, notably at HQ-level. This is especially related to the respective strategies and their implementation plans and their budgets.

The study found that while the main institutional strategies and frameworks within organizations for DI are relatively new (2020) and being rolled out, **DI activities have been and are being implemented** at country-level, although there is less systematic overview of these. This is important to recognize.

Looking at the efforts to have an **institutional approach to DI** based on the respective strategies, the focus has arguably been at HQ-level and working on ensuring an institutional set-up and framework for DI, with fair success. The work on DI at HQ needs to continue, but the focus is planned to shift to regional and country-level.

Any kind of **systematic tracking** of disability inclusion efforts **at country level** - whether looking at it globally, at regional, or at country level itself - is currently very limited. As DI at country-level involves a very broad set of efforts and workstreams, that may be quite context specific, this would not be easy, though necessary in the next phase of implementation. If there is no systematic and institutional approach to tracking and showing this work globally, the institution's success at beneficiary level may be difficult to assess. There were very **few reporting requirements** on DI specifically that were **mandatory at country-level** (e.g. indicator). The organizations were not currently using a marker that tracked both mainstreamed and targeted programmes.

While there were exceptions, in most cases **the person responsible for DI** and mainstreaming DI at **country-level** was a **focal point** for whom DI was not the only task, and had limited technical experience on DI. Often, DI experts or focal points did **not have a dedicated budget** for activities but were reliant on other units' budgets. A key enabler for DI that was highlighted across the board was access to, and **buy-in** from, **managers** - whether globally, regionally or at country-level.

The key question for this study was to see whether organizations use **unearmarked funding for disability inclusion**. To answer this question, organizations would need to be able to connect three data points: a) which programmes or activities are disability inclusive (targeted or mainstreamed), b) what is their expenditure, c) how much of the funding used for these was unearmarked. None of the organizations tracks the use of unearmarked funds for DI, and there are no plans for this to change.

The study argues for a more **nuanced understanding of unearmarked funding and DI**. First, there is no direct connection between the use of unearmarked funding, and DI programming (or other programming). They largely work independently of each other. Unearmarked funding is crucial for organizations to start implementing from the start of the year, based on the needs they have assessed and prioritized, and not being dependent on waiting for earmarked funding. As earmarked funding comes in, this frees unearmarked funding to be used for other priorities, filling remaining gaps. At the end of the year, activities that were prioritized in the planning phase, and did not receive earmarked funding, will be covered with unearmarked

funds⁸. For DI to receive unearmarked funding, as with other programmes, the key is the **priority level** given to the thematic at country-level and as an organization, and **whether it receives earmarked funding**.

Having **unearmarked funding** means organizations can 1) take risks and implement programmes to some degree irrespective of funding being available or anticipated (although this is always considered), 2) have the structures in place to support implementation, which are often not funded otherwise (e.g. support services like finance or Human Resources (HR), HQ positions, regional structures, thematic initiatives including DI), 3) allows organizations to implement their core priorities, strategic plans and objectives, as defined by their mandates, 4) enable organizations to prioritize based on needs and not purely on availability of earmarked funding, 5) respond to humanitarian needs in situations that do not receive media, policy or donor attention – so-called “forgotten crises”. The level of unearmarked funding will increase/decrease the margin of maneuver of organizations, and is critical for organizations to deliver aid independently and impartially.

The study suggests that it is more relevant for donors to track **the expenditure** for DI **irrespective of the earmarking level** of the funds used. None of the organizations is tracking their overall expenditure for DI (targeted & mainstreamed), though through different mechanisms, all organizations were able to track the expenditure of some part of their DI work.

The study **concludes** that donors and organizations should work towards ensuring a sufficient priority level for DI in organizations; mainstreaming DI in different sectors; ensuring systems in place to report DI results in all operations – including reporting expenditure (irrespective of earmarking level of funds used); and resourcing of DI – both in terms of HR and ensuring focal points have both time and budgets allocated for implementation, especially at regional and country-level. Through these elements humanitarian aid will be more accessible for persons with disabilities.

Report: Study on use of unearmarked funding for disability inclusion in humanitarian action

Author: Niklas Saxen, Humanitarian Advisor (consultant)

Date: June 2022

Commissioned by: Ministry for Foreign Affairs of Finland, for the co-presidency of the Good Humanitarian Donorship (GHD) Initiative 2021-2023

⁸ See e.g. ICRC 2020. The Added Value of Flexible Funding to ICRC. p.33.