

## **ECW Executive Committee Meeting 13 February 2019**

### **Decision Paper**

#### **1. Replenishment of FER reserve**

##### Background

At its January 2018 meeting, the Executive Committee heard a presentation about ECW's financial status. Among other things, it was noted that the balance of the First Emergency Response (FER) Reserve stood at close to \$23 million. It was agreed to reduce the amount of the reserve to \$15 million until April 2018 pending finalization of the ECW 2018-2021 Strategic Plan and Resource Mobilization Strategy.

Over the course of 2018, ECW allocated a total of \$12.9 million in response to emergencies in the Democratic Republic of the Congo, Papua New Guinea, Syria, Indonesia and Nigeria. As of January 2019, the balance of FER stands at \$2.4 million. This presently leaves the Fund unable to respond to new emergencies or make allocations from the First Emergency Response Window.

The 2018-2021 ECW Resource Mobilization Strategy notes that "...funds under this window are unrestricted and a minimum reserve fund should be continuously replenished to maintain preparedness in the face of sudden-onset and escalating crises."

At its September 2018 meeting ECW's High-Level Steering Group approved the Fund's resource mobilization targets for its first strategic period as outlined in "Resource Mobilization Targets August 2018 – December 2021".

The target of the up to \$25 Million per annum was based on a historical analysis of funding to education needs in humanitarian appeals. On average education appeals are less funded than appeals for other sectors. While total amounts funded as compared to amounts requested are on average of 68 per cent when all appeals are considered, only 39 per cent of education amounts requested are funded, on average. Funding 25 per cent of an appeal through ECW's First Emergency Response Window could, therefore, go a long way toward reducing the gap between the funding level of education appeals and that of other appeals.

While the size of education requirements in new appeals fluctuates, the ECW secretariat has determined that a \$25 million reserve would provide the Fund with sufficient assurance to address upcoming demands provided that support is targeted to new or sudden onset appeals and that any single appeal exceeding \$40 million should only be 15 per cent funded.

In line with those goals, ECW's target for the FER reserve for 2019 is \$24.7 million. The ECW secretariat requests ExCom to approve a replenishment of the reserve to the authorized level from existing contributions.

#### **ECW requests ExCom**

- To approve the replenishment of FER reserve to \$24.7 million.

## **2. Option for Review of MYRP and Acceleration Facility Proposals**

- *Papers - Report of the Task Team on Review Mechanisms*

### Background

At its July 2018 meeting, ECW secretariat briefed ExCom on options for reviewing proposals to the Multi-Year Resilience Window and discussed the three options put forward by the ECW secretariat, namely

- a) Reviews to be undertaken in-house by the ECW secretariat,
- b) An independent proposal review panel, and
- c) Maintaining the current approach of staff members of ExCom organizations assessing proposals.

No consensus having been reached, ExCom resolved to establish a Task Team which would work with the secretariat to propose a permanent quality assurance mechanism ahead of ExCom's February 2019 meeting. Nominations for participation were received from DFID, UNHCR, Save the Children, USAID and Global Affairs Canada. The Task Team members met over the course of the fourth quarter in 2018 to reassess the review options and agree on a recommended approach. Following an initial teleconference on 23 October and development of a draft recommendations paper, the group held its second meeting on 16 November to debrief following the 8/9 November ExCom retreat and update its work in line with discussion at the meeting.

The Task Team considers two options suitable for adoption recommends that ExCom adopt one option in order of preference:

- 1 External Review Panel,
- 2 ExCom Quality Assurance Group.

While both options could be successfully implemented, the TT considers that the External Review Panel offers the best trade-off in terms of costs and benefits.

Option three, an ECW secretariat only review was not considered suitable for adoption.

### **ECW requests ExCom**

- a) **To decide on an option for proposal review to be subsequently implemented by the secretariat.**

## **3 Acceleration Facility strategy**

- *Papers - Acceleration Facility Strategy*

### Background

The overall aim of the Acceleration Facility is outlined in ECW's Strategic Plan (on page 24). The original version of the Operating Model Design specifies that a "strategy for the Acceleration Facility will be set every 3-5 years by the High-Level Steering Group as part of ECW's overall

strategy” (page 9). Over the period July-December 2018 the Acceleration Facility Steering Committee (comprised of members from DFID, Dubai Cares, EU, GIZ, INEE, Norad, Plan, Save The Children, UNESCO, UNICEF and USAID) has therefore overseen an extensive consultative process of developing such a strategy and the final version will be presented at this meeting for approval.

To facilitate a more streamlined approval process at the level of ExCom rather than the HLSG, it was agreed at the 10th July ExCom meeting that “the Secretariat write to the Executive Committee to request that each member gets approval from their HLSG member for the Acceleration Facility Strategy to be approved by ExCom” (reference July ExCom minutes). **In advance of the February ExCom meeting, ExCom members are therefore requested to seek approval from their respective HLSG member for ExCom to approve the Acceleration Facility Strategy.**

#### **ECW requests ExCom**

**a) to approve the Acceleration Facility Strategy**