

Grand Bargain 2.0: let's make it a turning point in the global humanitarian aid system

VOICE POLICY RESOLUTION 2021

The Grand Bargain (GB) remains the most important initiative collectively developed to strengthen humanitarian aid efficiency and effectiveness. In June 2021, the current version of the GB will come to an end. The humanitarian community, including non-governmental organisations (NGO), donors and the UN, have invested considerable time into this initiative. There is widespread agreement that we have not yet made as much progress as is needed and that the Grand Bargain needs to be extended and sharpened because humanitarian crises have become more complex and protracted. The gap between need and funding is steadily growing.

NGOs welcomed the desire of the international community to strengthen the efficiency and effectiveness of the delivery of aid. However, they also stressed the importance of implementing the two other recommendations of the High-Level Panel [report](#) on humanitarian financing: shrinking the humanitarian needs, and deepening and broadening the resource base for humanitarian action. The EU is the biggest humanitarian donor and must continue to play its part in addressing the systemic and growing shortfall in global humanitarian funding. In the recent [EC Communication on Humanitarian Aid](#), the EU acknowledged the importance of the GB commitments, which it noted were “more valid and more urgent than ever before”. Moreover, the EU clearly mentioned its desire to move towards a practical implementation of the nexus. NGOs ask the EU to share publicly the assessments made on the six pilot projects launched in 2017 and to ensure a nexus approach in line with humanitarian principles.

Ahead of the GB annual meeting in June to progress GB 2.0, NGOs express their support to the general direction agreed by the GB Eminent Person, the GB Facilitation Group, and the Inter-Agency Steering Committee Principals. However, they strongly recommend that, to achieve transformative change, the GB 2.0's timeframe must be longer than the proposed two years. If five years were not enough to make substantial progress, two are an unrealistic timeframe. While welcoming proposals to narrow the GB 2.0 commitments to localisation and quality funding, they stressed the importance of harmonisation and simplification, and the need to make significant progress on these three areas to achieve the [overall objective of the GB 2.0](#). Gender equality and the empowerment of women and girls is equally considered as a transversal priority for the GB 2.0. Overall, there is an urgent need for donors to go beyond promises, to be accountable for the GB commitments and to convert proposals into concrete actions.

VOICE RECOMMENDATIONS:

VOICE calls on the EU and its Member States (MS) to make the GB 2.0 a real turning point in the humanitarian aid system through the adoption of the following set of recommendations:

- > **Harmonisation and simplification:**
 - Standardise donor proposal and reporting requirements.
 - Increase cross-reliance on existing donor ex-ante assessments and audits.
- > **Localisation:**
 - Develop an EU localisation policy that leads the way for other donors on capacity building and risk management.
- > **Quality funding:**
 - Ensure flexible, predictable and timely funding.
 - Move from piloting to implementing structural changes.

Harmonisation and simplification

Humanitarian NGOs are constantly being required to adhere to increasing compliance requirements, while adapting themselves and seeking innovative solutions to address the increase in the level of humanitarian need. Donors are also pressured to protect themselves from a large number of risks (fiduciary, reputational, etc.), which result in a multiplication of requirements for humanitarian actors. Harmonised and simplified rules and requirements – applied by all donors – would bring substantial efficiency gains and offer NGOs the possibility to shift resources and capacities from compliance to humanitarian actions. During the COVID-19 pandemic, donors showed what is possible when the political will for more harmonisation and simplification is translated into action. Recognising the key role of international and local humanitarian NGOs as frontline responders to the pandemic, and the challenges they were facing on the ground, donors greatly increased projects' flexibility and simplified their rules. The EU and MS should lead by example and recognise harmonisation and simplification as essential means to deliver on the GB commitments. Donors should strongly promote good practice, such as the harmonised template for narrative reporting (the '8+3' template) and propose a similar approach to budgeting and financial reporting. Cross-reliance on existing donor ex-ante assessments and audits should be considered as a practical way forward. MS' harmonisation and simplification efforts should be coordinated at EU level in order to ensure coherence in donors' system and avoid duplication on donors' reporting requirements for NGOs at national level.

Localisation

As mentioned in the [VOICE localisation paper](#), promoting localisation into the wider aid reform process is essential. Donors support for localisation has yet to translate into practical implementation or clear guidance on their approach towards it. A good representation of local and national humanitarian actors within the GB 2.0 framework would be a key first step. The increased expectations on accountability, the ever-increasing compliance requirements, and the financial and legal risks that international NGOs face vis-à-vis donors when working with local partners should also be considered in the localisation discussion. The EU should consider developing a localisation policy aimed at ensuring equal partnership, strengthening local capacities, promoting access to local partners, especially women-led organisations in decision-making processes, and addressing the issue of mutual accountability and risk sharing. To do this, further collaboration between DG ECHO and other EC services, such as DG INTPA, should be explored to support local and national actors' preparedness and response capacity. Encouraging donors contributing to pooled funds to promote greater transparency in the management of these funds, and involving local and national NGOs in the governance and decision-making processes, would be another step to implementing the GB's localisation commitments.

Quality funding

For humanitarian NGOs, predictable, timely, flexible and longer-term funding are essential. NGOs implement the majority of humanitarian projects worldwide and need to be able to adapt to a constantly changing humanitarian context. The COVID-19 pandemic showed that project flexibility is possible and worthwhile. Donors have already started piloting projects, such as the ECHO Programmatic Partnerships, aimed at increasing project flexibility. Despite the importance of having pilot projects to test new practices, humanitarian NGOs urge donors to identify lessons from these projects, and to move towards structural changes. This would result in a big leap forward on quality funding. Moreover, while promoting quality funding, donors also need to ensure that sufficient funding is available for sudden onset emergencies and that this funding is timely and efficient.

Now is the time to act! The GB 2.0 should be a key moment for the EU and its MS to strategically address the funding gap and move towards a more efficient, effective and inclusive global humanitarian aid system.

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www.VOICEeu.org

+32 (0) 2 541 13 60 ■ voice@VOICEeu.org
VOICE asbl ■ Rue Royale 71 ■ 1000 Brussels ■ Belgium
Company number: 0475213787 ■ RPM Brussels

[@VOICEeu_](#) ■ [VOICE EU](#)

