

**VOICE Grand Bargain Task Force &
ICVA Humanitarian Financing Working Group
Collected Feedback and Recommendations for ODI's annual
report on the Grand Bargain**

Background

On 28 March 2018, VOICE and ICVA convened a workshop in Brussels to bring together the VOICE Grand Bargain Task Force and the ICVA Humanitarian Financing Working Group for a face-to-face joint meeting. One of the agenda items for the workshop included a debrief on the Guiding Questions presented to Grand Bargain signatories by ODI as part of the annual Grand Bargain reporting process for 2018. This paper is designed to summarize the key feedback and recommendations identified through the group discussion for ODI to consider as it prepares the final report.

The Grand Bargain, despite its shortcomings, is helping to advance collective progress

Despite the initial slow pace of implementation, signatory and non-signatory NGOs alike remain active in implementing the Grand Bargain. Most of the Grand Bargain workstreams touch on issues identified in the sector beforehand. The Grand Bargain has created a momentum to strengthen existing efforts from the humanitarian community to address these issues collectively.

Positive debate, dialogue, and progress have been observed, especially around the following work streams:

- **Localization:** NGOs have played an essential role in the debate around this workstream over the last two years. Many NGOs are committed to localisation and continue to advocate for the full implementation of the workstream, contributing through many different initiatives including the Charter for Change. However, the global discussion is still ahead of the field reality and more action at the country level is required. Consulted national NGOs want to see progress towards the Grand Bargain commitments related to systematic investments in capacity sharing, reduced administrative barriers, a better use of pooled funds, and inclusive coordination mechanisms. Implementing those GB commitments will ultimately contribute to increasing direct funding to national NGOs.
- **Reporting:** 16 INGOs, 8 donor governments, 7 UN agencies, plus a broad range of national NGOs funded by UNHCR and OCHA are currently participating in a pilot with donors in Iraq, Myanmar and Somalia to test harmonized donor narrative reporting;
- **Cash:** many NGOs have developed their capacity in relation to delivering cash and use this modality in a much more systematic manner. Progress is observed as recently noted in the State of World Cash report.
- **Transparency:** NGOs are increasingly engaging in this area and developing internal tools and capacities to be able to comply with the commitments under the transparency workstream. The number of NGOs reporting through IATI is increasing.
- **Reducing duplication and management costs:** 4 UN agencies (UNHCR, WFP, UNICEF, and OCHA) are exploring ways to harmonise their approaches regarding NGO partnerships, and the IASC is exploring ways to share partner assessments at country level, though progress is slow. NRC's work on implementing the recommendations of the 'Money Where it Counts' study to harmonize cost classification and financial reporting continues.

NGOs are asked to participate (and do participate) in many direct or indirect initiatives linked to the Grand Bargain. They take part in pilots, surveys, studies, etc. Some of them (if not many) have also initiated and

are driving their own initiatives further contributing to the Grand Bargain: for example IRC and its Systematic Cost Analysis (SCAN) tool, NRC through its “Money Where it Counts” study mentioned above, etc. The InterAction initiative identifying 1 or 2 NGO co-champions per workstreams is welcomed by the NGO community.

NGOs remain hopeful about the Grand Bargain and committed to contributing to its full implementation.

NGOs are positive in relation to the increasing resources made available by NRC and the World Bank, dedicated to the GB Secretariat: better information management is observed. Co-conveners are now also perceived as being more open to NGOs.

Along with progress, some barriers and challenges to overcome

Despite the general acceptance that progress in implementation is taking place, there are challenges that stand in the way of more rapid progress toward the goals of the Grand Bargain.

Technical and cultural change: Many of the changes required to meet the commitments of the Grand Bargain take time. Implementing technical changes in projects frequently takes more than one project cycle, which can easily extend over multiple years. There is a desire among NGOs to use proper change management processes in order to ensure that the culture of aid agencies and donors is also supportive of sustainable technical improvements (for example in relation to cash, IATI, etc)

Resourcing action across work streams: The sheer number of Grand Bargain work streams, commitments, and associated activities, is a challenge for NGOs – especially medium or smaller size organizations. Despite a high level of interest, very few organizations have sufficient financial and human resources to dedicate equal attention across all work streams. Some process of sequencing or prioritization, therefore, is required to identify where to focus limited resources.

Revisiting the High-Level Panel Report: On 7 March 2018, the World Bank and NRC organised a panel discussion : “*Beyond the Grand Bargain, two years on – taking stock of the recommendations of the UN High Level Panel’s Report on Humanitarian Financing*”. This exercise provided the opportunity to highlight again the first two recommendations of the report, focused on shrinking the needs and addressing the root causes of humanitarian crises, and deepening and broadening the resource base for humanitarian action. While there has been significant attention on the Grand Bargain over the past two years, stakeholders should not lose sight of these other two recommendations. NRC will be conducting a mapping of all initiatives undertaken under these two recommendations to identify progress, challenges, and good practices to the benefit of the broader community. In this regard, we welcome a new IASC initiative on innovative (new) financing mechanisms.

Improving trust: The so-called “Quid Pro Quo” of the Grand Bargain has been an ongoing point of discussion. However, there have been insufficient discussions of the underlying assumption for why donors feel that trust towards NGOs has to be strengthened. Without this foundational clarification, it remains challenging for NGOs and donors to hold each other accountable to the commitments made in the Grand Bargain.

Application in the field: Over the past year, attention has increasingly shifted towards implementation of the Grand Bargain at the field level with frontline responders. While some work streams have developed clear pilot opportunities or otherwise engaged in some discussion at the field level, most workstreams

have yet to develop clear and useful tools for application in humanitarian operations. NGOs would welcome dialogue at the country level with donors, UN agencies, the Red Cross Red Crescent Movement, International and National NGOs and affected persons on what the Grand Bargain means for them. For added accountability, one idea is for the Eminent Person to call for a country-level pilot to demonstrate the implementation of the Grand Bargain in its entirety.

Mixed signals on “mainstreaming”: The recent decision to “mainstream” the Humanitarian-Development Nexus workstream is concerning to NGOs. Before phasing out any workstream there should be a clear set of criteria established for assessing how well commitments have been met, and lessons learnt should be documented. Mainstreaming a workstream without completing these steps sets a risky precedent for co-conveners to simply decide to end their work without fully consulting stakeholders, including the signatories, which may undermine the Grand Bargain process.

Key recommendations

On the structure and the process:

- The Grand Bargain Secretariat should enhance its role as a support structure across work streams, with a responsibility to conduct regular analysis on overarching implementation, ensure clear communications on progress, and be propositional. One practical way to do this is to maintain the “Grand Bargain Explained” document published by ICVA in 2017 as a living document, updated on a regular basis to reflect current leadership, activities, and opportunities for engagement within each work stream.
- The role and mandate of Kristalina Georgieva as Eminent Person should be further clarified with the aim to provide the necessary leadership required to support the change management processes needed to implement Grand Bargain commitments. We see the value in her helping with “trouble shooting” regarding areas that are not achieving progress, as well as mobilizing attention, including through convening one or more country-level events in the coming year

To foster implementation:

- It is critical to address the underlying issue of trust between donors and NGOs.
- The issue of risk management is increasingly emerging as a key factor in establishing the basis for how levels of trust can be increased. Further discussions should be embedded in relevant work streams on the issue of risk management and risk sharing.
- The original time frames envisioned for fulfillment of commitments appear to have been optimistic. A more realistic approach to implementation should be developed, taking into account that several project cycles at the field level are often required to fully implement changes in tools and systems. While it is important to develop a clearer process for understanding when it is appropriate to transition or mainstream work streams, we are still in the early stages of implementation.

Conclusion: A Year for Action!

In the first year of implementation the Grand Bargain community mainly organised itself around the need to develop work streams and launch discussions. The second year was increasingly dedicated to defining work plans and launching the first activities within work stream. As we move into the third year of implementation, the focus should be on practical action in the field. Building from the experience of the 8+3 template pilot, NGOs encourage work streams to initiate pilots and continue the development of meaningful tools for field staff.