

THE GRAND BARGAIN

July 2019

WHAT IS THE GRAND BARGAIN?

As part of the preparations for the World Humanitarian Summit (WHS) in 2016, the **High-Level Panel on Humanitarian Financing sought solutions to close the humanitarian financing gap**. Their report made recommendations to shrink the needs, deepen and broaden the resource base for humanitarian action, and to improve delivery. In relation to the latter recommendation, the report suggested “a *Grand Bargain between the big donors and humanitarian organisations in humanitarian aid*”. The Grand Bargain, launched during the WHS in Istanbul in May 2016, is a unique agreement between some of the largest donors and humanitarian organisations who have committed to get **more means into the hands of people in need** and to **improve the effectiveness and efficiency of the humanitarian action**. Currently **61 Signatories** (24 Member States, 21 NGOs, 12 UN agencies, two Red Cross movements, and two inter-governmental organisations) are working across nine **Workstreams** to implement the commitments:

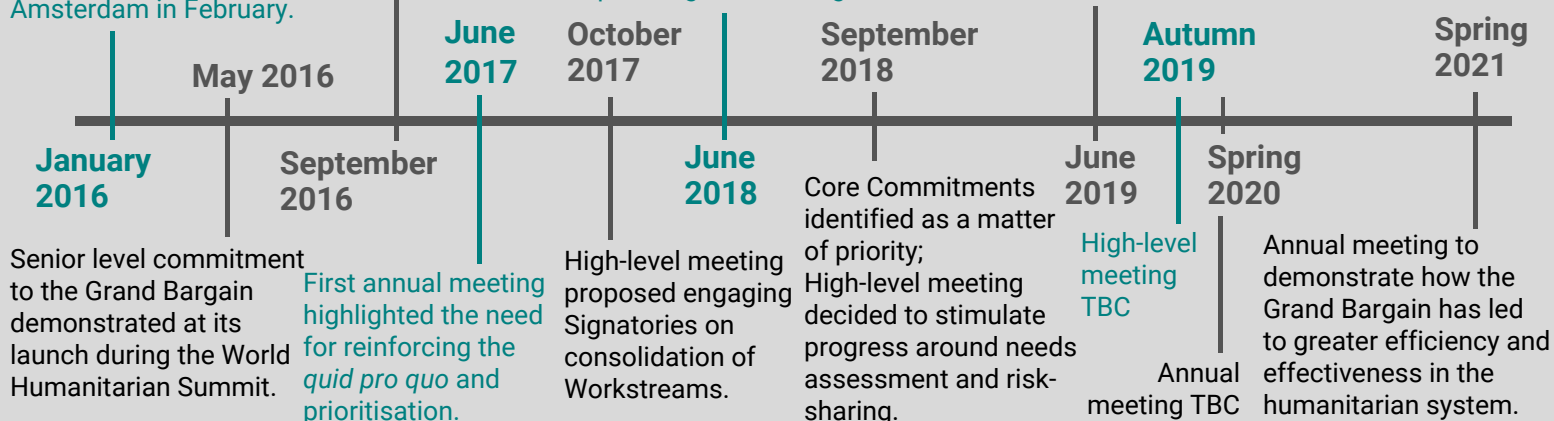
- 1 Greater transparency**
Co-conveners: The Netherlands, World Bank
- 2 More support and funding tools for local and national responders**
Co-conveners: Switzerland, IFRC
- 3 Increase the use and coordination of cash-based programming**
Co-conveners: UK, WFP
- 4 Reduce duplication and management costs with periodic functional reviews**
Co-conveners: Japan, UNHCR
- 5 Improve joint and impartial needs assessments**
Co-conveners: ECHO, OCHA
- 6 Participation Revolution: include people receiving aid in making the decisions which affect their lives**
Co-conveners: USA, SCHR
- 7 Increase collaborative humanitarian multi-year planning and funding**
Workstreams 7 & 8 were merged in 2018.
Co-conveners: Canada, Sweden, UNICEF, ICRC
- 8 Reduce the earmarking of donor contribution**
- 9 Harmonize and simplify reporting requirements**
Co-conveners: Germany, ICVA
- 10 Enhance engagement between humanitarian and development actors**
Workstream was mainstreamed in 2018.

High-Level Panel on Humanitarian Financing Report recommends a.o. a Grand Bargain. First negotiations about greater efficiency take place in Amsterdam in February.

Grand Bargain implementation mechanisms agreed upon at a meeting of Signatories in Bonn.

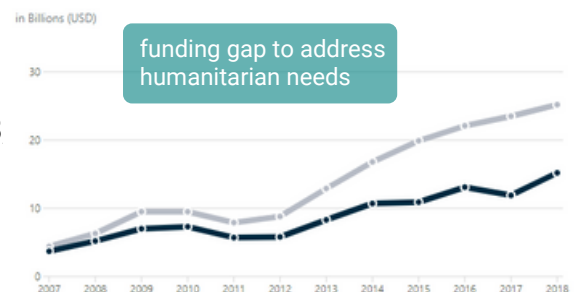
Decision made at the annual meeting to streamline the Grand Bargain to enable better decision-making. Progress identified around on cash, participation and multi-year planning and funding.

At the Annual meeting, Signatories agreed on actions to scale-up successes (on reporting, needs assessments, transparency and cash) and unlock further change (on quality funding, reduced management costs, transparency, needs assessments). Ms Sigrid Kaag took over as the Eminent Person.



WHY THE GRAND BARGAIN MATTERS

As needs of affected people are increasing, the humanitarian community has to find better ways to respond to crises. In 2018 25 billion USD was needed to respond to humanitarian needs, but only 15 billion USD was funded. As one of the three recommendations of the High-Level Panel on Humanitarian financing, **the Grand Bargain helps to overcome this gap by making humanitarian aid more efficient.**



WHAT HAS THE GRAND BARGAIN ACHIEVED SO FAR?

Source: 2019 Annual Independent Report



The Grand Bargain brought a normative and an operational shift towards increased use of **cash programming**, which gives **greater choice** and **empowers the people in need** and **strengthens local markets**.

Example: UN humanitarian agencies and NGOs scaled-up their use of cash and vouchers, some by as high as 21%, and some donors doubled their provision of funding for cash programmes.



Example:

>50% of Signatories are participating in the pilot. One third of those involved in the pilot reported that the reporting template would save time.

Under the Grand Bargain framework, donors and humanitarian organisations are piloting a **common, simplified template that saves time and money**.



Moving forward, it will be key to have a critical mass of donors adopt the same template, which may partly depend on efforts from aid organisations to increase the quality of their data and reporting.



Multi-year planning by humanitarian organisations has become a norm, enabling better linkages between humanitarian and development actors.

Example: 12 out of 23 Humanitarian Country Teams are already working with or developing multi-year plans.

Donors have **increased multi-year funding**, which lowers administrative costs and enables humanitarian programming that is more responsive and adapted to the needs of affected people.

Example: 78% of donors reported an increased volume/percentage of multi-year funding. Five donors reported that multi-year funding accounts for more than 50% of their overall humanitarian funding.

Moving forward, it will be key to understand the disconnect between donors and humanitarian organisations who had not seen an increase in multi-year funding available to them.

Donors and humanitarian organisations have increased their focus and investments in **national and local responders**, who are often the first to respond to crises, remaining in the communities they serve before, during, and after emergencies.

Example: Seven Signatories reported that they had met or exceeded the 25% target for funding to local organisations.

Example: In the Central Emergency Response Fund (CERF) and Country-based Pooled Funds (CBPFs), a reduction in overhead charges by a third meant that in 2018, an extra US\$5 million and US\$8.4 million was freed up for programming.

Humanitarian organisations, particularly in the UN, have improved **transparency** and comparability in **cost structures**, bringing **measurable cost savings** and efficiency gains.



WHAT ARE THE NEXT STEPS?

The Grand Bargain set to make big changes to the way humanitarian aid is financed and delivered, and **these changes take time**. According to the Annual Independent Report 2019, the **investments made so far need to be sustained** for another two to three years **before the returns will be fully evident**.

Next two years:



Based on **actions agreed at the Annual Meeting** in June 2019 in Geneva, Signatories are now taking concrete steps to **scale-up progress** in areas of transparency, harmonised and simplified reporting requirements, joint needs assessments, localization, cash programming and participation revolution. They also agreed to **address challenges** in areas of transparency and joint needs assessments, quality funding, and management costs in order to unlock further change and maximize our collective impact for people affected by crises and disasters.