



Grand Bargain 2.0 Spotlight:

Operationalising the commitments—NRC's approach

NRC has engaged in the Grand Bargain since its formation. Most recently, NRC endorsed the GB 2.0 caucus outcome commitments and is actively engaging—both internally and externally—to ensure their operationalisation. Looking back, we see that the GB has produced—or quickened the pace of—key incremental changes in the system. Looking ahead, operationalising further change within each of our institutions will remain key to a successful Grand Bargain beyond 2023.

Grand Bargain 2.0 and beyond

In February 2023, NRC endorsed the **Grand Bargain caucus outcome documents** on quality funding, on the role of intermediaries, and on cash coordination, **building on the commitments NRC made at the 2022 annual meeting**. To ensure continued progress in operationalising and applying the commitments within NRC, we have mapped each one against ongoing our ongoing work to ensure continued institutionalisation, and highlighted where we need new initiatives to push the commitments forward.

In addition to the changes already implemented within NRC as driven by the Grand Bargain, we will continue our engagement beyond 2023, further operationalising the GB internally and engaging on the policy initiatives that move the sector forward on localisation, participation of affected communities,

and quality funding, as well as the new area of catalysing sector-wide transformation.

Caucus on quality funding

Flexible and predictable funding is a critical tool for humanitarian actors. It supports principled humanitarian action and is essential for prioritised, timely, strategic, and sustainable responses, particularly in neglected and protracted crises.

Promoting best practices

NRC continues its policy and advocacy work on quality funding, including through the production and dissemination of several reports. In 2022, NRC published the report, "[Pooled funds: the new humanitarian silver bullet?](#)", to identify ways to improve pooled fund efficiency and effectiveness—a key focus of quality funding. Following the release of

the report, NRC organised workshops with interested stakeholders on key findings. Together with Action Against Hunger and the International Rescue Committee, NRC also released the report, "[Quality Funding: From pilot to practice](#)", with key lessons learned on the Programme-Based Approach (PBA). NRC continues to support donors in promoting the PBA for wider use across the system.

Addressing the Funding Gap

NRC is also committed to engaging in the issue of the **system-wide funding gap** and has adopted this theme as a priority within our 2023-2025 Global Advocacy Strategy. One component of this work focuses on **quality funding**—as needs continue to grow, we must use the available humanitarian resources available in the most efficient and effective way possible. Working with all stakeholders on this issue—including how we cascade the characteristics of quality funding to our partners—will continue to be a priority moving forward. Looking beyond 2023, NRC's work on the system-wide funding gap dovetails with the **GB's new focus on catalysing sector-wide transformation and bringing all relevant actors together around the nexus**—particularly in protracted and neglected contexts.

Complementing our work on quality funding and alignment of humanitarian and development financing in protracted crisis contexts, NRC will work on **expanding the humanitarian donor base** and efforts to promote a **more equitable allocation of resources**, including to neglected crises.

Transparency and reporting

At the 2022 GB annual meeting, NRC committed to strengthen its efforts to report to FTS; and the recent Quality Funding Caucus again focused our collective attention on reporting and transparency. NRC has recruited an Open Data Product Manager who will be responsible for IATI/FTS reporting in line with these commitments. This is an area where NRC will make further gains in 2023 and beyond.

The role of intermediaries

NRC is committed to strengthening its work with local and national actors, **working to better embody the principles of equitable partnerships** and strengthen our **support to locally led humanitarian action**. At the 2022 annual meeting, NRC committed to improve the quality and substance of NRC's localisation efforts in each country operation and to promote equality between INGOs and LNNGOs, including through concrete efforts to **cascade overheads**.

Partnerships with local actors

In July 2022, NRC re-established its Implementing Partnership Help Desk to advise NRC operations on how to establish and manage stronger partnerships with local and national partners. In line with [NRC's Global Strategy 2022-2025](#), NRC has invested resources in a position to provide strategic and operational guidance on NRC engagement with local partners. Linking this work to the commitments of the GB will enable the internal changes needed to operationalise the caucus commitments.

Providing overhead to local actors

One step NRC has already taken is rolling out a **new policy on the provision of overhead to local partners**. The policy was adopted in May 2023 and will become mandatory for all new partnerships as of July 2023. The policy commits NRC to providing overhead to national, local and sub-national NGOs, CSOs, and National Red Cross or Red Crescent Societies. In tandem, we are updating our systems to track this funding and to ensure better monitoring and reporting. NRC is also engaging with donors on their policies related to cascading of overheads through intermediaries in a way that reflects and legitimises the responsibilities and needs of both intermediaries and local partners.

Reducing duplication in due diligence

In 2023, NRC launched an updated version of its Organisational Assessment Tool (OAT), used to assess the operational and compliance capacities of all implementing partners. The new version aims to

reduce duplication by considering any recent capacity evaluations that potential partners may have undertaken with other organisations, reaffirming the original Grand Bargain commitments related to harmonisation and simplification.

Stronger partnerships moving forward

NRC is more broadly reviewing its approach to local collaboration, developing a new policy on partnerships with local and national actors and reviewing our partnership toolkit. This includes better defining and illustrating NRC's approach to **creating space and removing barriers** for local actors to provide assistance and services to displacement-affected populations. NRC also aims to use its policy and operational influence to promote the interests of frontline responders, particularly those of local and national actors, and to **promote more inclusive coordination mechanisms** through engagement at country and global levels.

Participation revolution

At the 2022 annual meeting, NRC committed to strengthen its digital efforts to accelerate the participation revolution. Since then, NRC has conducted two internal reports to inform its work on community engagement and accountability, including on complaints and feedback mechanisms. With these reports, NRC is equipped to implement the changes necessary to better engage with and be more accountable to the people we work with.

NRC's Secretary General Jan Egeland, in his role as GB Eminent Person (EP), and Emergency Relief Coordinator Martin Griffiths held a high-level roundtable on 7 June 2023 focused on the sector's shared commitment to accountability to affected people. NRC plans to continue work on this topic even after EP Egeland's term comes to a close, as evidenced through the focus on community engagement and accountability in NRC's 2022-2025 Global Strategy.

We commit to taking this forward as a priority!

Joining the CHS Alliance

In June 2023, NRC **joined the Core Humanitarian Standard (CHS) Alliance**. While NRC's global strategy

was already aligned with the CHS commitments, the decision formalises our investment in programme quality and accountability, strengthened local capacities, and community participation. It is also aligned with NRC's advocacy efforts toward system reform, calling for simplification, harmonisation, and more inclusive approaches.

Safe and inclusive programming, participation, and community feedback

Since the 2022 annual meeting, NRC country offices have prioritised the development and implementation of community feedback mechanisms, and work has already started on the roll out of community engagement and participation initiatives across most country offices. Looking ahead, NRC aims to expand its Digital Community Hubs (DCHs) to re-invent the business model of aid, which should be founded on people's voices, needs and preferences. The DCHs aim to transform the way we engage with communities, and is a replicable, scalable platform for communication and accountability that can also support integrated services (including referrals, capacity building, and shared technical guidance). Using a phased approach, we will expand our use of DCHs, and then move to scale it up for use by other agencies coordinating humanitarian response activities.

Toward better risk sharing

At the 2021 Grand Bargain annual meeting, signatories committed to generate evidence and collect good practices on risk sharing. NRC engaged in that work through its 2022 report, "Risk sharing to improve humanitarian response in hard-to-reach areas", and through active engagement in the [Risk-Sharing Platform](#), co-led by ICVA, ICRC and the Netherlands.

Piloting the risk-sharing framework

Looking ahead, NRC aims to pilot the Risk-Sharing Framework with interested donors, particularly as it relates to alleviating risk transfer in local partnerships. NRC will continue engaging in the platform to contribute to further evidence generation by sharing our experiences and operational practices on risk sharing.