

Too Important to Bargain?

The Grand Bargain for Efficiencies: A Briefing Note

Five donors supplied 60% of the international humanitarian resources in 2014, and 50% of humanitarian funding was spent by six UN agencies. In January 2016, the High Level Panel on Humanitarian Financing proposed a 'Grand Bargain' to improve the delivery of humanitarian financing. This Briefing Note is a readers guide to the Grand Bargain.

Background

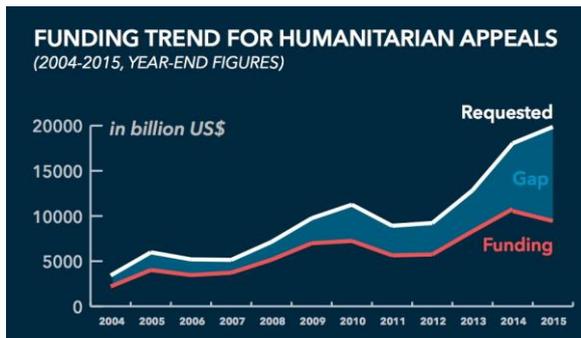
The Grand Bargain is one of three elements of the UN Secretary-General's High-Level Panel (HLP) Report on Humanitarian Financing, "***Too Important to Fail - Addressing the Humanitarian Financing Gap***" (January 2016). According to the HLP, three elements -- shrinking the needs, deepening the resource base, and improving efficiency -- are necessary to establish a sustainable funding framework for humanitarian action. The UN Secretary-General's "***Agenda for Humanity***" (February, 2016) states that the Grand Bargain '*would be a critical complement to the new approach of working towards collective outcomes*'¹. There was a Call to Action at the World Humanitarian Summit (WHS) in May 2016, where stakeholders were invited to join in the process. 700 people were able to participate.

Why is NRC Engaging in the Grand Bargain?

NRC chose to engage with the Grand Bargain as it was considered to be one of the most concrete outcomes from the WHS, with the potential to incentivise, or not, badly needed longer term changes to the international humanitarian financing system.

NRC completed a Donor Conditionalities Project in partnership with the Boston Consulting Group in 2015-16. That study highlighted shortcomings in harmonisation of reporting, risk sharing, inconsistent terminology, and inadequate coordination, all of which affected efficient programme implementation. Aspects of the NRC study are reflected in the Grand Bargain commitments.

¹ Agenda for Humanity (February, 2016), para. 167, pg. 41.



OCHA/Global Humanitarian Overview

The Current Status:

Before the WHS meeting in May 2016, the Grand Bargain changed from a “bargain” to a “Call for Action.”

It remains unclear, one month after WHS, whether those who signed onto the Grand Bargain committed themselves to all 51 Grand Bargain commitments or a selection. For example, InterAction and ICVA signed on ‘in principle’ knowing that they represent a wide and diverse membership who may not all individually sign onto the Grand Bargain.

What is in the Grand Bargain ‘Call for Action’?

Signatories to the Grand Bargain Call for Action commit to change working practices in ten key areas:

1. Achieving greater financial transparency
2. Providing more support and funding tools to local and national responders
3. Increasing the use of cash-based programming, with more coordination in its delivery
4. Reducing duplication of efforts and management costs with periodic functional reviews
5. Conducting more joint and impartial needs assessments
6. Facilitating a participation revolution by listening to affected people’s views and including them in decisions

7. Increasing collaborative multi-year planning/multi-year funding (multi-year humanitarian funding)
8. Reducing the earmarking burden placed on humanitarian organisations
9. Producing harmonised and simplified reporting requirements
10. Bridging the humanitarian-development divide

The Next Steps:

There are several issues which were visibly absent from the final Grand Bargain text (and WHS as a whole), such as risk sharing, reducing the impact of counterterrorism measures on humanitarian action, and the lack of tangible commitments around cash. NGOs were represented at Grand Bargain discussions by ICVA, SCHR and InterAction. NRC raised the aforementioned issues frequently in the eight months prior to the WHS. NRC also raised concerns about doubling Central Emergency Relief Fund funding to one billion USD. However, the final Grand Bargain text did not reflect those concerns. It is anticipated that having an operational NGO voice(s) at the table during the follow-up phase of the Grand Bargain will bring an operational perspective and make implementation of the commitments more realistic.

As such, NRC participated in the final Sherpa² meeting which was convened on the margins of the June 2016 ECOSOC meeting in New York on 27th June to start mapping the way forward, both for implementation and for monitoring progress against commitments. Unfortunately, that meeting failed to define a clear way forward. This will be followed by another Sherpa meeting in September. NRC expects to see a robust implementation plan that brings together all the relevant stakeholders, as well as an empowered

² Sherpas are thirty representatives of donors and humanitarian organisations

monitoring mechanism to ensure that the parties to the Grand Bargain are held accountable against their commitments.

NRC recommendations:

- NRC to participate in the next phase of implementation of aspects of the Grand Bargain, building on NRC Donor Conditionality Project.
- Urge donors to review risk sharing with humanitarian actors and share risk with operational organisations.
- Urge donors to harmonise financial and narrative reporting.
- Urge donors (including UN agencies) to harmonise partnership agreements and

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