



The Grand Bargain

Where do we stand and how is NRC engaging in this process?

The Grand Bargain is a landmark agreement between more than 50 of the biggest donors and aid agencies to improve how actors within the sector work together.

At the World Humanitarian Summit in May 2016, world leaders agreed to a package of ten reforms, clustered around workstreams to make financing for humanitarian response more efficient and effective. This agreement, called the 'Grand Bargain' (GB), was one of three solutions proposed by the High-Level Panel on Humanitarian Financing in their report to the UN Secretary General, 'Too Important to Fail: addressing the humanitarian financing gap'. The reforms of working practices of donors and aid organisations outlined in the GB is envisaged to deliver an extra US\$ 1 billion in savings over five years for people in need of assistance. While the GB alone cannot solve the issue of the funding gap, it represents a great opportunity to improve the way the aid sector operates.



The first year of the GB was largely focused on internal reflection, with key actors taking time to review each commitment and workstream. A consensus emerged from the experience that clear synergies and complementarities among workstreams are essential, and collaboration between agencies and donors is key in moving forward. The Facilitation Group established to provide impetus to each workstream has identified top priorities for the coming months and is focusing on mobilizing change at the operational level through pilot projects and initiatives. A key priority for the pilots is to ensure the Quid Pro Quo principle is respected amongst all actors.

World Bank CEO, Kristalina Georgieva, has returned in the leadership role of 'Eminent Person', offering a welcomed opportunity to further advance the agenda and support political momentum for the entire process. Owing to a new collaboration between NRC, including NORCAP, and the World Bank, the GB Secretariat has also been strengthened with an additional resource staff, former NRC Country Director Gianmaria Pinto. Gianmaria will play an instrumental role in improving communication and enhancing much-needed synergies between actors and initiatives of the GB process.

NRC will continue to take a strong leadership role within the 'NGO Co-Champion' framework launched by InterAction and other NGO networks. NRC is co-champion for two workstreams: multi-year funding and planning, and reduced duplication of management costs.

All signatories need to invest proactively in the fulfilment of GB commitments. The rest of this document gives a brief overview of NRC's engagement and objectives within the GB.

Workstream 1 Greater Transparency

Convened by the Netherlands and the World Bank

In order to improve efficiency and accountability in humanitarian operations, the commitment on transparency focuses on the requirement that signatories publish timely, harmonized, open and high-quality data on humanitarian funding in line with the standards outlined by the International Aid Transparency Initiative (IATI). Moving forward, the workstream plans to make IATI and the Financial Tracking System interoperable and to improve linkages with other workstreams such as the one on harmonised/simplified reporting.

NRC action: *NRC is fully compliant with the requirements of two institutional donors; DFID and the Netherlands, and reports manually on IATI every quarter. The introduction of the new Project Management Information System will enable direct reporting to the IATI platform as well as more consistent and reliable information sharing.*

Workstream 2 More support and funding tools for local and national responders

Convened by Switzerland and the IFRC

Co-Champion NGOs: CRS, CAFOD, and Christian Aid

Signatories of the GB have agreed to channel 25 percent of global humanitarian funding to local and national responders as directly as possible by 2020. According to the Global Public Policy Institute (GPPi),¹ 51 percent of signatories reported efforts to address legal and technical barriers to funding local actors, and 34 percent reported an increase in funding (mainly through contributions to pooled funds). In November 2017, the workstream finalised the definition of local actors that will be used to measure progress, focusing on organisations that are not affiliated with international NGOs.

¹ [Independent Grand Bargain report](#), June 2017

NRC action: *Committed to identify needs and ways in which to support the development of local organizations, NRC developed a detailed Local Partnership Toolkit for internal management purpose. In 2017, NRC rolled out the Frontline Humanitarian Toolbox, developing Arabic language training materials to support frontline partner staff in hard to reach areas with knowledge and best practice. NRC is considering including a localization aspect in its upcoming study on pooled funds to determine obstacles local and national NGOs face in accessing pooled funds. NORCAP is also moving forward with this agenda with two special projects “Civil Society Capacity Development, Lake Chad Basin” and “Government Capacity Development, Somalia”.*

Workstream 3 Increase the use and coordination of cash-based programming

Convened by the UK and WFP

Co-Champion NGO: CCD Platform

Cash can enhance humanitarian action by enabling affected populations to choose their own priorities relative to their specific individual, collective and changing needs. As such, donors and aid agencies committed to increase the routine use, coordination and evaluation of cash-based programming. According to GPPi,¹ almost half of aid organisations (including the largest UN agencies) participating in the GB reported increases in cash transfer programs, while one fifth of donors reported an increase in their cash-based assistance.

NRC action: *In 2017, NRC increased the use of cash alongside other tools across its programmes by 50% (provisional figures) over the previous years. The guidance materials, tools and trainings of the ECHO funded Remote Cash Project were completed and shared (“[Cash Transfers in Remote Emergency Programming](#)”). In 2017, NRC finalized its position paper on cash based interventions*

called "[Cash alone is not enough: a smarter use of cash](#)".

Furthermore, NORCAP and the CashCap project have been a key contributor of cash based interventions expertise and coordination capacity at the global and community level during 2017 with approximately 108 deployment.

Workstream 4 Reduce duplication and management costs with periodic functional reviews

Convened by Japan and UNHCR

Co-Champion NGO: NRC

This workstream is composed of several commitments, ranging from the harmonisation of partnerships agreements, joint logistic and procurement procedures, to the provision of transparent and comparable cost structures. No common system is applied in the humanitarian sector for cost classification, and actors use different and often complicated financial reporting templates. Reducing the time spent on meeting numerous individual reporting requirements frees up resources for the benefit of the affected population.

The variety of commitments involved has made managing this workstream and finding synergies complicated. Moving forward, the work-stream will focus on developing new donor guidance on how to reduce individual assessments, as well as on the recommendations of a joint report completed by NRC and Boston Consulting Group on the harmonisation of cost classification.

Money where it counts: Harmonise, simplify and save costs

- In 2017, NRC conducted [a study](#) with the Boston Consulting Group (BCG) to develop concrete suggestions for a

harmonised cost classification structure and financial reporting.

- NRC presented the recommendations to a variety of stakeholders (NMFA, SIDA, UNHCR, UNICEF, OCHA, ECHO, DFID and German FFO) and gathered a high level of interest despite the perceived complexity surrounding the implementation of a harmonized cost structure and financial report.
- In 2018, NRC plans to move beyond the presentation of recommendations and into the preparation of a concrete proposal and toolkit to implement a pilot project similarly to the one ongoing under the harmonization of reporting work-stream.
- NRC has established an NGO working group to further define the recommendations of the study and to design the financial reporting tools. Some donors have expressed interest in seeing this through to the piloting phase.

An encouraging sign of progress within this workstream is the creation of the UN Partner Portal (UNPP), a new platform developed by WFP, UNHCR and UNICEF due for testing in Q1/Q2 of 2018. The UNPP will centralise registration of civil society organisation partners, due diligence screening and the management of calls for expressions of interest. NRC is amongst the agencies testing the Portal.

Workstream 5 Improve joint and impartial needs assessments

Convened by ECHO and OCHA

Co-Champion NGO: Voice

Uncoordinated needs assessments lead to duplication and wasted resources, reducing benefits to affected populations. We require needs assessments that are impartial,

unbiased, comprehensive, context-sensitive, timely and up-to-date. Donors and aid agencies agreed to provide a single, comprehensive, cross-sectoral, methodologically sound and impartial overall assessment of needs for each crisis to inform strategic decisions on how to respond and fund crises. The logical outcome is reducing the number of assessments and appeals produced by organisations. The Humanitarian/Resident Coordinator plays a key role in this process.

NRC action: NRC is dedicated to increasing engagement in joint response analysis through integrated programming. NRC and NORCAP are fully supporting the work of ACAPS, a project led by a consortium of NRC and Save the Children. ACAPS is engaged in a joint training programme for analysts, the development of a crisis severity index and a methodology for evaluating the quality of assessments.

Workstream 6 Participation revolution: include people receiving aid in making the decisions that affect their lives

*Convened by the USA and SCHR
Co-Champion NGO: SCHR*

This commitment aims to ensure humanitarian response is relevant and timely by including the affected population in the assessment of their needs. A framework for participation and the possibility to provide feedback improves the transparency and accountability of activities. Among the commitments made, aid organizations and donors are strengthening local dialogue and harnessing technologies to secure feedback, develop common standards, and coordinate approaches for community engagement.

NRC action: NRC carried out the Core Humanitarian Standards (CHS) self-assessment and remains committed to implementing the Accountability to Affected Population framework. In particular, NRC has been engaging with communities through digital programming. NRC is also committed to

begin the CHS certification process in 2019. Through NORCAP, NRC is engaging in the Communication with Communities project, especially the Communication with Disaster Affected Communities Network (CDAC-N)

Workstream 7 Increase collaborative humanitarian multi-year planning and funding

*Convened by Canada and UNICEF
Co-Champion NGOs: NRC, OXFAM*

By allowing for more predictable and flexible funding, multi-year humanitarian financing (MYHF) can lower administrative costs and directly fund more effective programming. This strengthens preparedness and resilience, particularly in the contexts where humanitarian needs are protracted and recurrent. As such, donors committed to increase MYHF instruments and it was agreed that by the end of 2017, at least five countries should be supported in developing multi-year collaborative planning and response plans through MYHF, and the outcomes of these responses would be monitored and evaluated.

NRC action: NRC, together with OCHA and FAO has produced the report “Living Up to the Promise of Multiyear Humanitarian Financing” to highlight the impact and potential for MYHF. Stemming from the report, NRC, in conjunction with UNICEF, OCHA and Canada, is now working on a study to analyse the obstacles and support needed to pass on the benefits of MYHF to partners on the ground.

Living up to the Promise of Multi-Year Humanitarian Financing

- NRC co-commissioned a study together with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). The study was released in October 2017 and launched at the OCHA Humanitarian Network and Partnership Week.

- The study explores when and where MYHF can have the greatest impact, and identifies the investments and enabling conditions required at the organisational and systemic levels for it to live up to its potential. The research also points towards a set of new and emerging challenges related to the 2030 Agenda for Sustainable Development.

Workstream 8 Reduce the earmarking of donor contributions

*Convened by Sweden and the ICRC
Co-Champion NGO: Voice*

Increased flexibility in humanitarian financing is key to improving efficiency. Pooled funds are seen by many donors as the optimal tool to reduce earmarking. NRC conducted a mapping of different humanitarian pooled funds to draw lessons and propose actions to replicate best practices. The study [“Understanding Humanitarian Funds: Going Beyond Country Based Pooled Funds”](#), published in March 2017, has been used as a basis for discussions on improvements with actors in Brussels, with OCHA and with Pooled Funds Working Group members.

NRC action: *Further collaborations between the MYF and the reduced earmarking workstreams are scheduled in 2018 to ensure the right balance between flexibility and multi-year funding. NRC will expand its pooled funds study by looking at the role NGOs can play in ensuring greater efficiency of pooled funds - in particular, CBPF and CERF – and at the effectiveness of pooled funds in reducing earmarking.*

Workstream 9 Harmonise and simplify reporting requirements

*Convened by Germany and ICVA
Co-Champion NGO: ICVA*

Complexity, duplications and unnecessary requirements in terms of donor reporting are

hampering efficiency in the delivery of humanitarian assistance. To address these challenges, donors, UN agencies and NGOs committed to harmonising and simplifying donor reporting.

A standard template for narrative reporting is currently being tested in three countries: Myanmar, Iraq and Somalia. More than ten donors joined the pilot, namely, Canada, Germany, Italy, Norway, Sweden, Switzerland, UK (DFID), US (BPRM), FAO, OCHA, UNFPA, UNHCR, UNICEF and WFP. NRC is participating in this pilot by using the same reporting template for over 40 projects in the three pilot countries.

With the work-stream close to collecting the initial findings of the pilot, renewed interest was generated by the discussion of NRC’s study recommending the harmonization of cost classification and financial reporting.

NRC action: *NRC focal points in country offices are implementing the pilot and providing feedback to the organisers to contribute to the improvement of the template, as well as to ensure adherence to the commitments by participating donors.*

Building on the momentum generated by the launch of the pilot on harmonized narrative reporting, NRC is actively engaging with NGOs and donors to implement the recommendations of its “Money Where it Counts” study (please refer to WS4).

Workstream 10 Enhance engagement between humanitarian and development actors

*Convened by Denmark and UNDP
Co-Champion NGOs: World Vision and OXFAM*

Reducing the divide between humanitarian and development sectors has the potential to both shrink needs and bridge the humanitarian financing gap. This is particularly important in situations of fragility and protracted crises. The workstream is strictly linked to the ‘New Way of Working’ process, which recognizes the

comparative advantage of having a diverse range of actors working towards collective outcomes.

To enhance engagement with development actors, organizations and donors committed to, among others, investing in durable solutions, strengthening national and local systems and mobilizing new partnerships.

NRC action: *NRC is committed to investing in durable solutions for refugees and internally displaced people, and to sustainable support to migrants, returnees and host/receiving communities. NRC has already provided tangible examples from country programmes at the Humanitarian and Development Nexus Task Team of the IASC, contributing concrete programmatic evidence and examples of durable solutions.*

With its broad mandate spanning the humanitarian-development continuum as well as covering a wide range of thematic areas, NORCAP could particularly play a role in integrating the conflict prevention/peace building and human rights dimensions into the nexus. NORCAP, through its specialized roster NORDEM, has also launched a collaboration with the UN Secretariat on supporting the comprehensive UN Reform.

Beyond the Grand Bargain

The Grand Bargain alone will not solve the humanitarian funding gap. NRC has developed a scoping document to take stock of the achievements of the other recommendations made by the High-Level Panel report ‘*Too Important to Fail – Addressing the Humanitarian Financing Gap*’, namely to shrink the needs for humanitarian funding, and to deepen and broaden the resource base for humanitarian action. Highlights from this preliminary mapping informed the discussions at the high-level debate “Beyond the Grand Bargain” organized by NRC in Geneva on 7 March 2018. The World Bank and NRC will be

reaching out to other stakeholders to develop a collaborative review of initiatives underway at national, regional and global levels.

Links to other relevant information:

<https://www.nrc.no/countries/nrc-representation-offices/nrc-geneva/>

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THE GRAND BARGAIN

2018 is the year of action for the Grand Bargain.

The Grand Bargain is an agreement between major donors, UN agencies and some NGOs to **improve** the way we work together and **increase efficiency and effectiveness** in humanitarian financing.



NRC

NORWEGIAN REFUGEE COUNCIL

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TIMELINE

MAY 2016
World Humanitarian Summit Istanbul

The Grand Bargain was signed by donors and aid agencies.

JUNE 2017
ECOSOC Humanitarian Affairs Segment Geneva

Signatories took stock of progress made.

18 JUNE 2018
Commitments implemented!
Signatories will assess progress based on the Independent Annual Grand Bargain report.

THE 10 WORKSTREAMS & NRC PRIORITIES

NRC is acting as co-champion NGO for two workstreams!

Providing more support and funding tools to **local and national responders**

Increasing the use of **cash-based** programming

Reducing duplication of efforts and management **costs** with periodic functional reviews

Conducting more joint and impartial **needs assessments**

Facilitating a **participation revolution**

Increasing collaborative **multi-year humanitarian funding**

Reducing the earmarking burden placed on humanitarian organisations

Producing **harmonised and simplified** reporting requirements

Bridging the **humanitarian-development divide**

Pooled funds study

Pilot the 8+5 template

"Money where it counts"

"Money where it counts"

Multi-year funding study

Obstacles to passing MYHF through to partners

Achieving greater **transparency**