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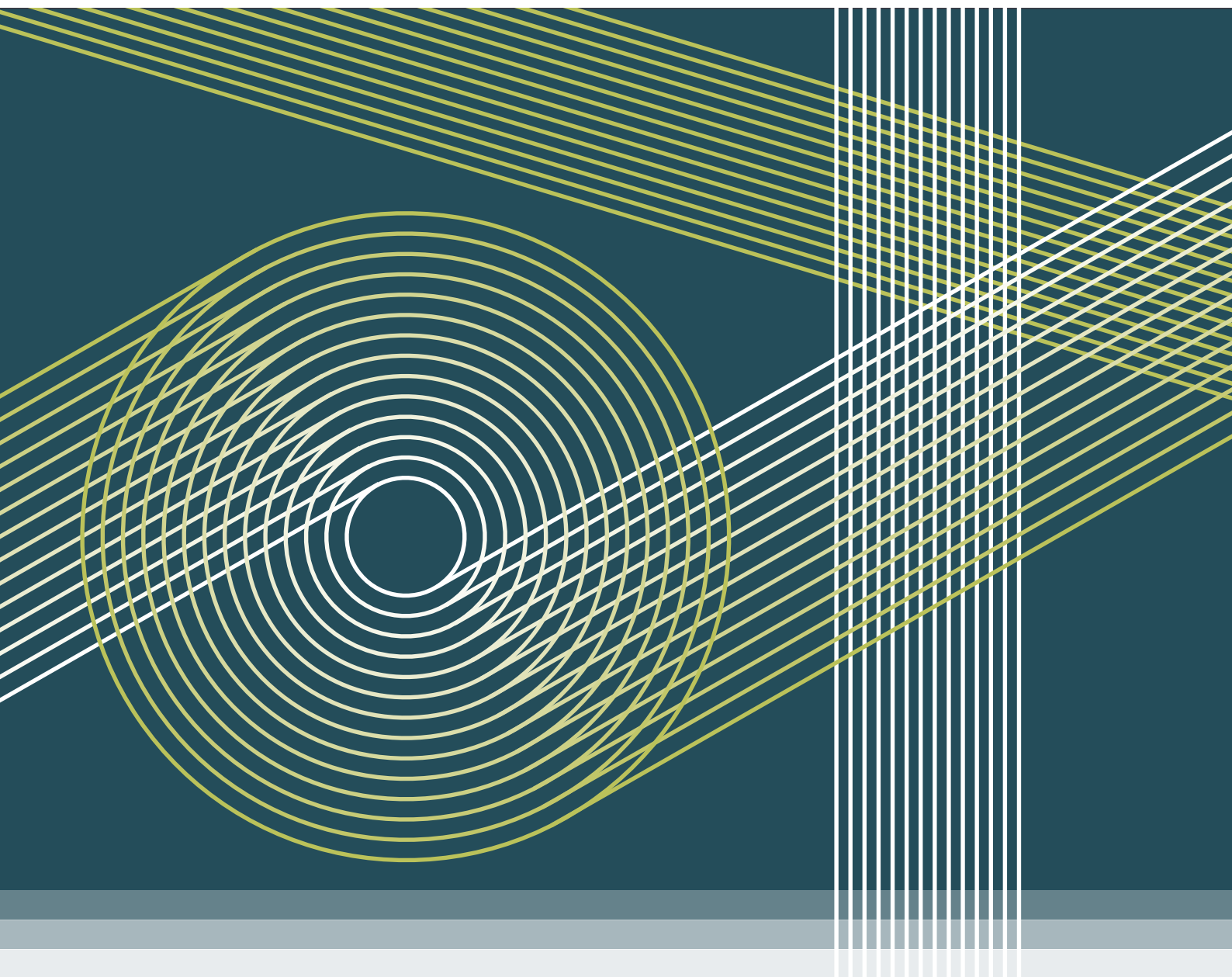
The Grand Bargain in 2022

An independent review

Executive summary

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Executive summary

Following a reformulation of the Grand Bargain priorities and structure (the Grand Bargain 2.0 framework) in 2020 and 2021, 2022 saw a consolidation of effort and some important progress. The Grand Bargain 2.0 articulated two Enabling Priorities (quality funding and localisation/participation); four ‘caucuses’ were established – on cash, quality funding, intermediaries and funding for localisation – each led by a Champion and focused on negotiating political action; and a more streamlined structure was introduced, including the closure of a number of thematic workstreams as technical coordination bodies. The signatories agreed to implement this framework over a two-year period – 2021 to 2023.

This seventh Annual Independent Review (AIR) of the Grand Bargain, commissioned by the Facilitation Group, analyses progress achieved and challenges faced by signatories against the commitments during 2022. The research team reviewed 59 signatory self-reports submitted by the agreed deadline of 1 March 2023, alongside additional/supplementary data provided by signatories, and conducted semi-structured interviews with 58 signatories and seven thematic experts. The team also drew on the findings of a survey of local actors by the Network for Empowered Aid Response (NEAR) and data from field perception surveys conducted by Ground Truth Solutions (GTS), as well as publicly available literature. As in previous years, the research faced a number of challenges, the most substantial of which again related to the quality of the data reported by signatories. This report should be read with these limitations in mind.

The research indicates that signatories collectively advanced in key areas including the increased provision by institutional donors of multi-year and flexible funding; empowerment of local and national actors to assume greater leadership and exert greater influence in decision-making processes, and investments in their institutional capacities; and increased provision and more predictable coordination of cash assistance. Signatories utilised the caucus model to generate political commitment to change while drawing on the technical and operational work done in past workstreams and/or undertaken by the Inter-Agency Standing Committee (IASC) and in other forums.

Despite this progress, the potential of the Grand Bargain to address the political barriers to change in other areas is still to be realised. There was no concrete progress towards a more demand- rather than supply-driven humanitarian response; there is an ongoing failure to substantively increase funding to local and national actors; and quality funding is still insufficient to enable the desired step-change in efficiencies and effectiveness. The signatories will need to further refine their focus and approach if this mechanism is to help them realise the transformation of the international humanitarian system the Grand Bargain originally envisaged.

The Grand Bargain 2.0 – achievements, challenges and key lessons

Focus, approach and links with other forums

A narrower focus

The majority of signatories across all constituency groups felt that the more focused approach set out in the Grand Bargain 2.0 framework had been appropriate and effective, enabling signatories to concentrate institutional capacities and political capital on key areas of concern, including increased quality funding and increased investment in and support for local and national partners. The higher profile also afforded to the participation revolution under the 2.0 framework encouraged further investments in communicating with affected people.

Crucially, this more concentrated focus at the collective level has not prevented signatories from moving ahead institutionally and/or in groups on other thematic areas under the original Grand Bargain framework. There was important progress on needs analysis (Workstream 5) with the development of the Joint Intersectoral Analysis Framework (JIAF) 2.0 document; expanded use of the UN Partner Portal (Workstream 4); and continued investments in policy and programming on the humanitarian–development–peace nexus (Workstream 10). That signatories continued to make progress in these areas strongly indicates that they continue to believe that the original 2016 framework remains relevant to the humanitarian system, and that they remain committed to making the broad changes in policy and practice that the original authors of the Grand Bargain envisaged. These two factors offer an important foundation for the next iteration of the Grand Bargain.

A political approach

The majority of signatories expressed support for the caucus model as an effective vehicle for overcoming political barriers or bottlenecks to change. However, while each caucus has necessarily functioned differently due to the nature of the political challenge to be addressed, some signatories noted that this has resulted in varying levels of visibility and transparency. Signatory feedback also indicates that there were common issues across the four caucuses which will need to be addressed. Signatories highlighted that significant resources were required of the Champions to lead and manage the caucus processes. The time and resources required of participating signatories has also been substantial, and there were questions whether the outputs were proportionate to the investments being made. Some signatories were concerned that the Champions might not be considered neutral brokers in leading what were essentially political negotiations. Some smaller signatories felt left out of negotiations, and there was at times insufficient communication on what was happening in the negotiations. Coordination between the four caucuses was not always optimal, and several were slow to build on relevant technical work already done in workstreams and other forums. Many signatories remain unclear as to whether they are expected to implement the outcomes agreed even if they did not participate in the negotiations, and how or to what degree all signatories will be held accountable for doing so.

When the 2.0 framework was launched at the Annual Meeting in 2021, there was a more general call – indeed, a broad commitment – for more political engagement at the highest levels from all signatories.

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However, only a few senior-level leaders stepped up to lead caucuses or engage in other aspects of the Grand Bargain, and political-level engagement within the Facilitation Group has been less than expected. While the Eminent Person was extremely active at the political level, as he steps back from his role it will be imperative for the leaders of all the other signatory institutions to engage more robustly in decisions on the future of the Grand Bargain, and for more of them to assume roles in the governance structures.

Functional links within and outside the Grand Bargain

Past AIRs have highlighted the lack of coordination between the different mechanisms of the Grand Bargain, and the failure to connect dialogues under different themes or integrate or cross-reference other commitments. Addressing this was a key element in the Grand Bargain 2.0 framework, and the four caucuses all integrated – to a degree – other Enabling Priorities in their negotiations or outcome documents. But there were also missed opportunities to reiterate some of the other original commitments in the caucus outcomes, or to fully exploit links between the different mechanisms. Maximising the value of the caucus model in future will necessitate forging closer links between the different mechanisms and empowering the Secretariat to support this.

Progress has been made in forging closer links between political discussions in the Grand Bargain and the technical or operational work in the IASC Task Forces and related mechanisms. The incorporation of new content on participation and localisation in the revised Global Guidelines on Country-based Pool Funds (CBPF) illustrates how the political attention brought to issues by the Grand Bargain can be used to support significant changes in operational policy and practice. However, signatories highlighted during interviews their concerns that opportunities to clearly embed the substantive content of the Grand Bargain in other aid reform processes are being missed. Some also raised the question as to how far donor signatories are reflecting their Grand Bargain commitments and positions through their roles on the Executive Boards of UN agencies and other international organisations.

Engagement with local and national actors

Greater engagement with, and more influence of, local and national actors in the Grand Bargain was a key element in the 2.0 framework. The two local/national NGO networks that are signatories to the Grand Bargain – Alliance for Empowering Partnership (A4EP) and NEAR – have assumed rotational representation roles on the Facilitation Group, and both have been effective in influencing the direction of the Grand Bargain and the evolution of its structures. Both have also played lead or key contributory roles in the various caucuses. There have also been efforts by the Friends of Gender Group (FoGG) to facilitate the participation of local/national women's rights organisations/women-led organisations (WROs/WLOs) in the Grand Bargain's global processes.

This influence and engagement at global level does not appear to have been replicated at country level. Roll-out of National Reference Groups (NRGs), conceived under the 2.0 framework as the main mechanism through which local and national actors could both support and benefit from implementation of the Grand Bargain commitments, has been stymied by disagreements over the aim and purpose of this mechanism, insufficient clarity on how the NRGs would work in practice, and parallel

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efforts to increase local and national actors' engagement in Humanitarian Country Teams, cluster coordination groups and other forums. The rationale for or added value of NRGs has not been made clear, including to local/national actors themselves. A serious rethink of this concept is thus required.

The next iteration of the Grand Bargain

Signatories' perspectives on the Grand Bargain 2.0

Despite important progress across a number of areas in 2022, political-level engagement and interest from some signatories has continued to wane. There are different positions within and across constituency groups on the value of the Grand Bargain, but several discernible themes stand out, most of which are long-standing but which were not adequately addressed in the 2.0 framework. These include (mis)understandings of and a lack of confidence in the quid pro quo, the burden of engagement and the prevailing negative narrative around 'success'.

With regard to the quid pro quo, several signatories, particularly but not exclusively in the United Nations (UN) group, feel that they have played their part but have not received the benefits or dividends they expected. Similarly, many non-governmental organisations (NGOs) consider that they have given the most in terms of trying to drive collective progress, but have seen little in return from donors and UN partners, and are concerned at what they see as decreasing engagement and interest from these other two groups in the Grand Bargain's processes and structures. In all constituencies there remains a concern that, after seven years, the transaction costs of engaging have not been equal to the benefits accrued.

Although communication from the Secretariat has increased, showcasing examples of impact and progress, there has been a growing negative narrative that the Grand Bargain has not been 'successful', that it has not had 'impact'. While this is not a correct assessment of the evidence available, countering negative narratives has proven difficult particularly because of the paucity of data reported by signatories against the indicators developed by the workstreams. As the Grand Bargain moves into its next iteration, it will be critical that signatories step up efforts to report more accurately and comprehensively on the outputs and outcomes of their efforts, both as a matter of transparency and accountability but also to ensure a more accurate narrative on where the Grand Bargain is proving effective in driving change, and where it needs to make greater political investments.

Initial proposals for the future of the Grand Bargain

At the Annual Meeting in June 2022 the Eminent Person launched the process to determine the next phase of the Grand Bargain, and in February 2023 the Facilitation Group put forward for signatories' consideration a preliminary formal proposal on future scope, timeline and structures. The proposal included continuation of the Grand Bargain until 2026 with two 'focus areas': the existing Enabling Priorities (quality funding, localisation and participation), and a wider remit to 'reduce dependencies and contribute to shrinking the needs, gain in efficiencies, and contribute to sector-wide transformation through partnerships across sectors, anticipatory action and innovative financing mechanisms', and 'Increase investment by Signatories to scale-up and replicate innovative practices based on evidence,

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knowledge sharing and lessons learned'. In terms of governance and structures, the proposal recommended continuation of the Eminent Person role; continuation of the Facilitation Group; the retention of the Secretariat; the continuation of the Annual Meeting and Caucuses; establishment of Communities of Practice; and use of existing local and national platforms to 'play a stronger role in ensuring an exchange with local and national actors'.

The broad consensus during interviews for this AIR was that the Grand Bargain should be maintained, and that it should continue to focus on the existing Enabling Priorities. There was far less consensus on the second 'focus area', in part because it was not clear what specific objectives were proposed or what actions will be considered necessary to achieve them. In regard to the timeframe, many NGOs have openly called for the mechanism to continue until 2030, aligning its timeline with that of the Sustainable Development Goals, but most UN and donor signatories were uncomfortable with such a lengthy extension. The majority of signatories considered 2026 an acceptable compromise.

The Enabling Priorities: achievements and remaining challenges

Quality funding

The financial data reported by signatories was inconsistent and incomplete, and thus it has been challenging to provide a definitive statement on overall trends in 2022. However, there is sufficient data to indicate that important progress was made in terms of an increase in the overall volume and percentage of funds available to address identified humanitarian needs. The volume, and to some extent the proportion, of quality funding, particularly multi-year funding, has also increased. However, overall funding is not keeping pace with the ongoing increase in needs, with the proportion of needs that are unmet continuing to increase in volume terms. Quality funding is still unevenly distributed across different types of organisations, and funding in general is still not equitably allocated across crises.

Many donors are continuing to increase the volume of quality funding they provide. This includes multi-year, flexible core funding for the UN and Red Cross and Red Crescent Movement (RCRCM) as well as incremental increases in the use of programme-based approaches for select international NGOs (INGOs). While driving change in donor institutions has long been challenging, it is clear that the political momentum being built through the Grand Bargain continues to have an impact, and a number of donors explained during interviews that the discussions on multi-year funding held in the Quality Funding Caucus in 2022 were helpful in pushing arguments internally to allocate more funding as multi-year. Corresponding quantitative data provided by UN signatories and the RCRCM signatories on what they received also indicated an upward trend, with increases in the volume, and in a number of cases the percentage, of multi-year funding. There were increases also in the volume and in some cases the percentage of flexible funding received by these aid organisations, but data available suggests that some, possibly a substantial part, of that increase in 2022 came from private donations rather than institutional donors. Data from INGOs is very incomplete, and thus it is not possible to identify specific trends. Quantitative data on how much quality funding is passed down to smaller international and local and national partners is also very incomplete, but it appears that most of the funding that is passed down does not have the same multi-year and/or flexible quality with which it is received.

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The barriers to greater provision and more equitable distribution of quality funding across the humanitarian system remain much the same as in previous years. Those donors that have not traditionally provided much multi-year and, particularly, flexible funding continue to face cultural, policy and administrative challenges in changing practices – this particularly affects the European Union Directorate General for European Civil Protection and Humanitarian Aid Operations (EU/DG ECHO) and the US, two of the largest donors, but a number of smaller donors also explained how difficult it is to shift long-established ways of working. Several of these donors also explained that the political pressure generated by the Grand Bargain is informing institutional dialogue and creating internal momentum for change. A number of donors highlighted during interviews that their internal deliberations are not helped by what they consider inadequate reporting by many recipient organisations on how they have used quality funding to greater effect. Several donors also flagged during interviews and in their self-reports a concern that their efforts to provide flexible funding at country level are not being credited because this type of funding does not fall under the definition of softly earmarked funding in the Grand Bargain.

Localisation

Signatories across all constituency groups consider the Grand Bargain to have been an effective mechanism for driving change in policy and practice on localisation across the humanitarian system. Certainly, it remained a high-profile agenda within the Grand Bargain, and more broadly across the humanitarian system, in 2022. Collective efforts towards a more localised response were concentrated in a number of structures under the Grand Bargain, including Workstream 2 (led by the International Federation of Red Cross and Red Crescent Societies (IFRC) and Switzerland and, later in 2022, by Denmark) and the caucuses. Many signatories articulated that the ‘successes’ thus far achieved under the Grand Bargain stemmed in part from a more coordinated or at least more mutually reinforcing approach to localisation with the IASC and other forums (e.g. the Core Humanitarian Standard (CHS)), as well as the elevation of this theme to an Enabling Priority.

There have been significant policy shifts from some signatories and a number of targeted programmes of support to strengthen local and national partners’ institutional capacities. Donors have shown strong commitment to localisation through both policy-setting and practical support to aid organisation partners. There is also growing momentum among signatories to provide targeted support to local/national actors to access international funding directly, with some promising results reported in this AIR and in previous years. But actual progress towards the target of providing 25% of funding to local/national actors as directly as possible appears to have been very limited, with Financial Tracking Service (FTS) data suggesting a further decline in the percentage of funding provided for coordinated appeals reaching local actors, and the self-reports for this AIR evidencing only a minor increase in the number of signatories having met that target institutionally. A significant scaling up of local actors’ access to international funding, particularly to quality funding, remains a critical element without which it will be impossible to realise the broader ethical and practical benefits of a more localised response.

Progress relating to support for local and national actors’ leadership of and meaningful influence over international humanitarian coordination was generally positive, though as many signatories pointed out there is still much to be done. At global level, there has been a sea-change since 2020 in terms of the

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influence local and national actors have exerted over the Grand Bargain decision-making processes, with clear evidence of influence of NEAR and A4EP in the governance structures of the Grand Bargain and on substantive themes. At country level, engagement with and even awareness of the Grand Bargain among local and national actors remain more limited. This is perhaps not surprising given that the main mechanism through which awareness of or engagement with the Grand Bargain by local and national actors was expected to be addressed – the NRGs – had not been widely rolled out in 2022.

Participation

Narrative reports and interviews indicate that ‘the participation revolution’ remains an important agenda item at the institutional level and across the system. From the information available in self-reports and from interviews, it is evident that individual signatories have continued to invest in enhancing capacities, tools and mechanisms aimed at improving their engagement with and enabling greater participation of affected people in international aid responses. Workstream 6 remained open throughout 2022 with monthly meetings of interested signatories on the workplan the co-conveners (the United States and the Steering Committee for Humanitarian Response (SCHR)) had developed for the year.

Clearly there has been ongoing investment institutionally and across the system by aid organisation signatories in improving their communication with affected people to ensure transparency and a degree of ‘accountability’. But, in terms of increasing the actual influence that affected people have in the design, planning and delivery of aid at country level (in strategies and/or programmes/projects), there is as yet no evidence of a substantive shift in practice on the ground. Added to this, once again the perception surveys by GTS show no fundamental improvement in how people feel about the aid they receive and how they receive it. Research by REACH echoes these findings.

Investments continue to be made by donors and aid organisations in diagnosing the problem and identifying the barriers to more people-centred approaches, but as at least one signatory pointed out, these are already well known. The main emphasis should be on investing in scaling up programming approaches that have been proven or can be expected to afford far greater influence to affected people. From the evidence available for this AIR, this kind of investment is still sorely lacking. Like localisation, the nature of the transformation envisaged is huge and shifting entrenched cultures and ways of working will take time. While practical obstacles in complex crises make it much more difficult for aid organisations to engage with and enable affected people to participate directly and in a meaningful way in aid decisions, the most significant challenge – as previously identified by the workstream co-conveners – is the lack of incentives. It is clear that the ethical and moral arguments for working in this way are not on their own sufficient incentives for change. Without more coherent, coordinated and sustained action from donors, aid organisations are unlikely to make the fundamental shifts in operational practice required to realise the participation revolution outlined in the Grand Bargain.

Progress against other core commitments

Increase transparency

Self-reporting indicates a similar pattern as in previous years, namely that a majority of signatories from all constituency groups are reporting at least some financial data to the International Aid Transparency Initiative (IATI) standard but few are actually using data published to this standard for analysis and/or decision-making. All UN agencies and the two RCRCM signatories have continued to enhance their publication of data to the IATI standard, including publishing data more regularly and with more granularity. Many NGOs are publishing some financial data to the standard, with some making significant investments to do so. But as in past years, most NGOs that publish any financial data to the standard only do so when donors require it and/or only publish data from some country operations or programmes or only from certain members within a confederated structure. The workstream was officially ‘open’ throughout 2022, but it is unclear whether any activities were undertaken by the co-conveners (the Netherlands and the World Bank) during the year.

Increase the use and coordination of cash

Signatories continued to treat the provision of cash assistance as an institutional and system-wide priority, and momentum continues to build in terms of using cash and voucher assistance (CVA) as the preferred modality unless contextual circumstances preclude it. Many aid organisation signatories reported on the breadth and scope of their CVA programming in crisis contexts, including working with and strengthening the capacities of local and national partners to programme CVA, more effectively integrating gender in CVA, and supporting access to sexual and reproductive healthcare or education. There has also been some emphasis on increasing the digitalisation of cash transfers, with signatories reporting on efforts in the Ukraine response. Momentum also seems to be building around group cash transfers. The most prominent output under this theme was agreement on a model for cash coordination reached within the caucus in February 2022 and endorsed by the IASC in March.

Reduce duplication and management costs

As in previous years, there was limited reporting under this theme. Most donors that did provide information in their self-reports indicated that they do not undertake individual functional reviews or assessments of partners. The UN Partner Portal was the main subject of aid organisation signatory reporting, with important progress in terms of an expansion in the number of UN entities signing up to use the portal (to six) and an increase in civil society partners registered in the portal to 28,000 by end-2022. However, no broader coordination effort was discernible among donors or between donors and aid organisation signatories on the wider issues covered under this workstream, with different signatories continuing to pursue their own activities aimed at increasing efficiencies in different areas of humanitarian operations. As recommended in past AIRs, there are opportunities for signatories to integrate commitments under this theme in the Enabling Priorities, such as supporting local and national actors’ access to funding by harmonising across a broader group of partners’ due diligence procedures and partnership agreements (e.g. drawing on the UN Partner Portal systems and standards).

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Improve joint and impartial needs assessments

The main collective activity under this theme has taken place in the JIAF Steering Committee, JIAF Advisory Group (JIAG) and Project Management Unit (PMU). Their focus has been on developing and finalising the revised Joint Intersectoral Analysis framework – JIAF 2.0. A number of signatories highlighted that this revision has addressed concerns with the previous version and that lessons relating to the development and testing of the first JIAF had been integrated in the revision process. According to several signatories involved, the framework is now simpler to understand, easier to implement and more transparent, and is likely to provide more robust analysis. Now that the JIAF version 2.0 has been largely completed, there seems limited value in retaining the workstream (led by EU/DG ECHO and the UN Office for the Coordination of Humanitarian Affairs (OCHA)) as an official structure under the Grand Bargain.

Harmonise and simplify reporting requirements

As at the end of 2022, over half of all signatories that are grant-giving (including institutional donors, UN entities and INGOs) were using the ‘8+3’ narrative reporting template in at least some form for their civil society partners. There is – as reported in previous AIRs – confidence among signatories using the template that it is an effective tool to reduce the reporting burden on those downstream partners. However, it is also clear that those benefits will be maximised only when the template is being used at scale by grant-giving signatories. This is not yet the case, based on self-reporting through the AIR process, with many only using it partially for a few partners and/or in a few contexts, or offering it as an option rather than a requirement. The UN Partner Portal has embedded the template in its reporting framework and, given the number of civil society partners registered in the Portal by end-2022 (28,000), it could be assumed that this alone constitutes a major step forward in terms of reaching the scale of use necessary to maximise benefits across the system, but there is no specific data available to confirm this. The co-conveners of Workstream 9 (Germany and the International Council of Voluntary Agencies (ICVA)) continue to promote use of the template within their constituencies, which may have led to the slight increase in the number of signatories reporting using it over the course of the year. The workstream remained officially open through 2022, but it has not been active as a collective mechanism, and it is not clear what added value there is in retaining it in name only.

Increase engagement between humanitarian and development actors

As in previous years, self-reporting evidences a range of activities and commitments across signatories to implement a humanitarian–development–peace nexus approach at policy and programming levels. Information provided by signatories for this AIR suggests progress particularly with strategic-level prioritisation of nexus approaches, increased bilateral engagement with international financial institutions to address complex issues such as the impact of the Ukraine crisis on food security in Africa, and growing momentum among donors to adjust funding, including blending humanitarian and development funds, to better support nexus programming. There is evidence that this is a priority for signatories engaging in forced displacement and/or food security responses, thematic areas where (arguably) humanitarian actors have long adapted their operational approaches in this way. However,

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in operational terms, the self-reporting and interviews suggest that embedding triple nexus approaches at country level is still far from consistent. This is, according to some signatories, in large part due to inadequate political ownership at the most senior levels of the global, particularly UN, aid system.

Overall, despite significant institutional-level investments, there is a feeling among some signatories – particularly but not only those that have more of a development portfolio – that there have been missed opportunities for the Grand Bargain to play a more prominent role in supporting, encouraging and enabling nexus approaches across the aid system. There were hopes that this could be corrected in the Grand Bargain 2.0 framework, but efforts to integrate the nexus more prominently have not gone far enough, and as a result some UN signatories have or are considering deprioritising their engagement specifically because they see little opportunity to engage on nexus issues within the Grand Bargain structures and dialogues. While work to implement nexus approaches at strategic and operational levels is ongoing in a number of other forums, none of those involve the diversity of actors represented in the Grand Bargain, and thus do not offer the same scope for multi-stakeholder collaboration.

Gender and the Grand Bargain

Gender equality and women's empowerment (GEWE) was perhaps less prominent in Grand Bargain processes and dialogues in the 2.0 framework than in past years, though it remained a priority agenda item for signatories at institutional level and across the humanitarian aid system. All signatories that submitted self-reports in 2022 responded to the question in the narrative report, with the information provided indicating that GEWE continued to be a priority across all constituency groups. There were also efforts to identify and empower local and national WROs/WLOs, and several mapping exercises were undertaken to identify and enable targeted support, with a focus on working to increase their access to funding and their participation in and influence over decision-making processes. However, there remains a broader challenge relating to lack of data or efforts to track funding to WROs/WLOs.

The FoGG undertook a consultation in 2022 with its members to clarify its main areas of added value, its proposed focus for the remainder of the 2.0 framework period and its transition to WLO co-chairs in mid-2023. The chairs (UN Women and Care International) and individual members continued to engage in mechanisms and processes of the Grand Bargain to enable integration of GEWE in decision-making processes. Their advocacy focused particularly on greater provision of financial and other support to WROs/WLOs, as evidenced in their collective statement at the 2022 Annual Meeting, support for participation in and an address to that meeting of a WRO/WLO partner from Afghanistan, and their inputs into Workstream 2 on localisation and the caucus on funding for localisation. The 2021 AIR highlighted that disagreements between the FoGG and the Facilitation Group and Secretariat over ways of working had meant opportunities were missed by the FoGG to engage with and influence decision-making processes at the heart of the Grand Bargain. The chairs of the FoGG sought to remedy this in the latter half of 2022, reaching agreement on new ways of working with the Facilitation Group in early 2023.

Risk and the Grand Bargain

As per the previous AIR, it is not possible within the timeframe and budget for the research team to conduct a proper assessment of actions under the Grand Bargain relating to enhancing risk-sharing. Signatories that responded to this question in the self-reports provided a range of information on efforts to adopt or enhance existing approaches to risk-sharing with partners, including supporting local and national partners in improving their security risk management capacities and practices and efforts to minimise the burden of risk compliance frameworks required by donors. However, it is clear from the self-reporting that concerns remain that there has been too little progress towards a risk-sharing approach particularly in regard to financial risks. Most signatories expressed appreciation for the Risk-sharing Platform launched by the International Committee of the Red Cross (ICRC), InterAction and the Netherlands in early 2022, which began work towards development of a risk-sharing framework. Although progress towards a risk-sharing approach remains less than many signatories would like, the volume of information reported and level of interest in the platform arguably reflects a strong cross-constituency awareness and interest in this theme, and in finding solutions to the barriers to more effective risk-sharing.

Conclusions and recommendations

The data provided for this AIR demonstrates that there has been important, concrete and measurable progress by signatories towards the Enabling Priorities. Signatories have also continued to drive progress in other areas of the Grand Bargain. The concentration of collective effort in a few key areas under the 2.0 framework has not deterred or distracted signatories from making progress elsewhere, too. While significant challenges remain, the progress that has been made reinforces the value of the Grand Bargain as the latest framework period concludes and signatories engage in another round of debate on its future.

As to that future, there is consensus among signatories that the Grand Bargain should continue in some form, based on an agreement that it remains an important agent of change. But there are clear differences of opinion on exactly how the mechanism should evolve, the objectives it should focus on, how it should adapt to achieve those objectives and what timeframe would be reasonable for achieving them. Reflecting on the last seven years of this mechanism, there are some key lessons that could help inform discussions around the future of the Grand Bargain:

- First, a narrower focus for collective efforts is key to maximising the impact the Grand Bargain can have with limited resources and political capital.
- Second, clearly articulated milestones or targets are essential to identify where progress is being made, as well as identifying blockages and gaps.
- Third, strong leadership is necessary to provide a clear, coherent vision and direction for what is now a large, diverse group of aid actors.
- Fourth, ensuring functional links with other technical bodies and change processes is important to reduce duplication of effort and multiply impact.
- Lastly, a more streamlined structure is essential to reduce process and allow an increased focus on substance.

The recommendations set out below are based on these five lessons.

Recommendations

Recommendation 1: A renewed focus

The Grand Bargain signatories should focus their collective efforts on four thematic areas or objectives, with clear milestones and/or outputs to be achieved by the proposed deadline of 2026. This focus of collective effort should not preclude or divert signatories from taking institutional action on the other areas of the original Grand Bargain framework to which they committed upon becoming signatories. Building on the current Enabling Priorities, these four areas for collective focus are as follows:

- Quality funding: signatories should set, and work together to achieve, a specific objective on increasing the volume and proportion of flexible funding.
- Localisation: signatories should articulate, and work together to achieve, a specific objective to increase funding to and capacities of local and national actors to enable their leadership of the humanitarian response.
- ‘Participation revolution’: signatories should elevate this to a stand-alone priority, and articulate and work towards a specific objective focused on giving affected people meaningful influence in the design, planning and delivery of aid responses at strategic and programme/project level.
- Humanitarian–development–peace nexus: signatories should elevate the nexus to a priority area of work, articulating and working together to achieve a concrete objective that focuses on the identified added value of the Grand Bargain as a multi-stakeholder political mechanism.

Recommendation 2: A more defined function

Signatories should further consolidate the changes made under the 2.0 framework to narrow the Grand Bargain’s remit exclusively to political-level coordination, engagement and negotiation. Specifically:

- Signatories should close the remaining technical workstreams and more consciously rely on the IASC and/or other relevant forums (e.g. the CALP Network and Good Humanitarian Donorship (GHD)) to find technical solutions to key challenges, allowing the Grand Bargain to focus on higher-level political solutions.

Recommendation 3: A streamlined format and structure

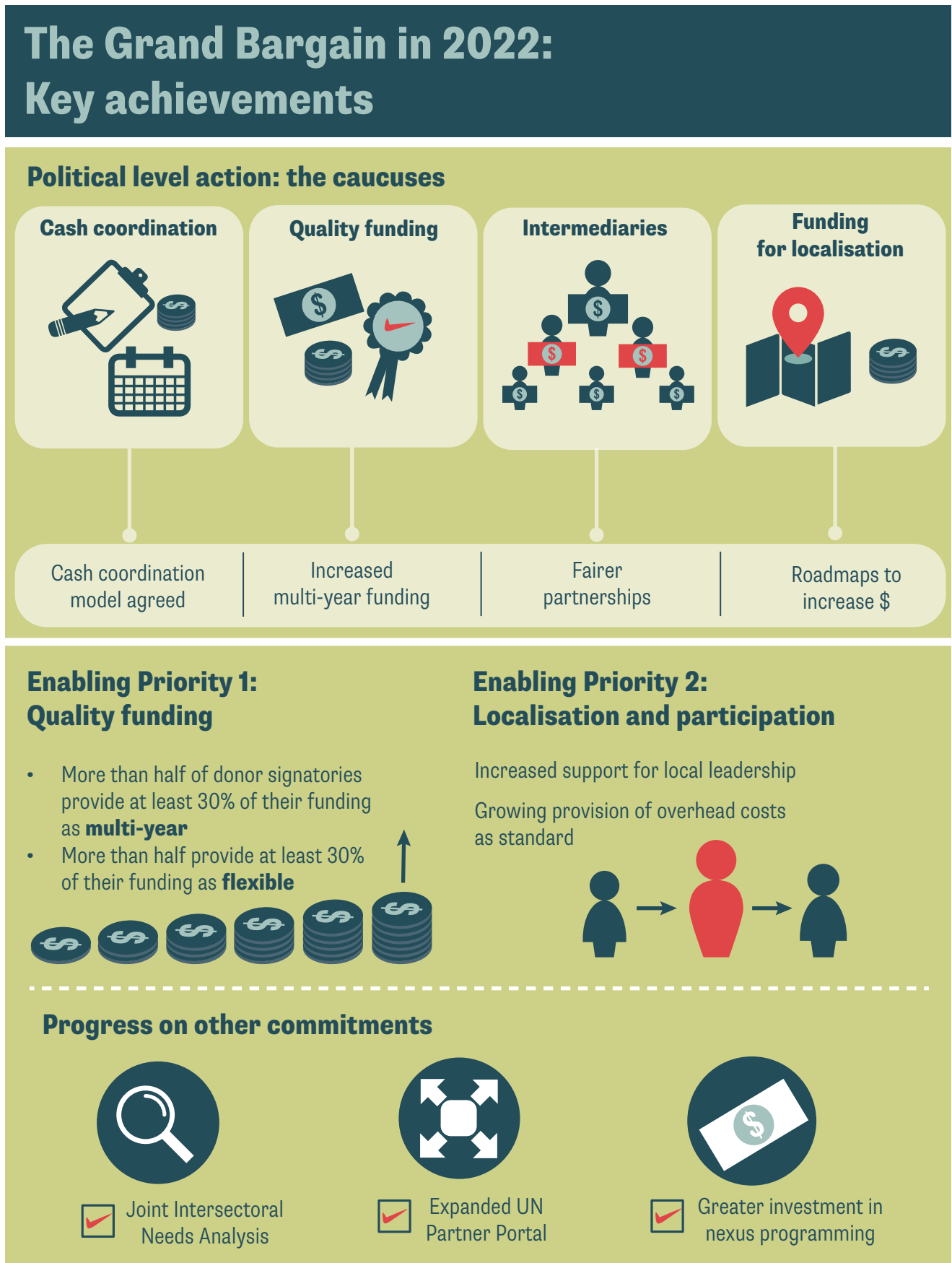
To support more focused objectives and a more defined function, the signatories should further streamline the format of the Grand Bargain, making it easier for signatories to engage and reducing the risk that issues get bogged down in process, while ensuring a more sustainable and functional structure of governance and accountability. Taking the Facilitation Group’s proposal as a starting point, the research team recommends the following:

- Replace the current model of a single Eminent Person with ‘Champions’ for each of the thematic objectives/areas of focus.

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- Strengthen the authority, remit and capacity of the Secretariat to provide substantive as well as administrative/logistical support to the ‘Champions’, and the wider signatory group.
- Reduce the Facilitation Group to the Sherpa level only, replacing the Focal Point level with the more empowered Secretariat.
- Continue to use the caucuses as a mechanism for political negotiations to address barriers to change.
- Establish the Communities of Practice currently proposed by the Facilitation Group only where strictly necessary.
- Reduce the self-reporting process to ease the burden on signatories while maintaining an annual process for accountability.

Figure 1 The Grand Bargain in 2022



The Grand Bargain in 2022: Remaining gaps

The Enabling Priorities



No 'critical mass' of quality funding reached



No participation revolution



No increase in direct funding to local actors

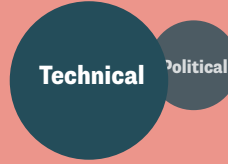
Why?



Poor data and reporting



No connection to country level



Too much focus on technical v. political



Lack of incentives for change



No confidence in the quid pro quo

The wider funding context



Funding still not keeping pace with humanitarian needs

Funding still not equitably distributed between crises



Source: fts.unocha.org (accessed 18 May 2023)



The Humanitarian Policy Group (HPG) is one of the world's leading teams of independent researchers and communications professionals working on humanitarian issues. It is dedicated to improving humanitarian policy and practice through a combination of high-quality analysis, dialogue and debate.

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