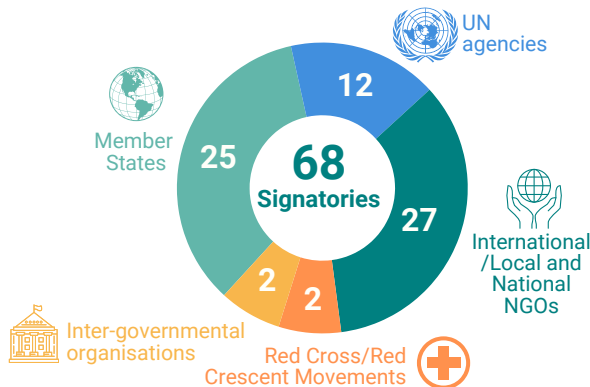


# THE GRAND BARGAIN

## WHAT IS THE GRAND BARGAIN?

The Grand Bargain, launched during the World Humanitarian Summit 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.

The Grand Bargain was launched as part of the efforts to address the humanitarian funding gap (along with broadening the resources base and shrinking the needs).

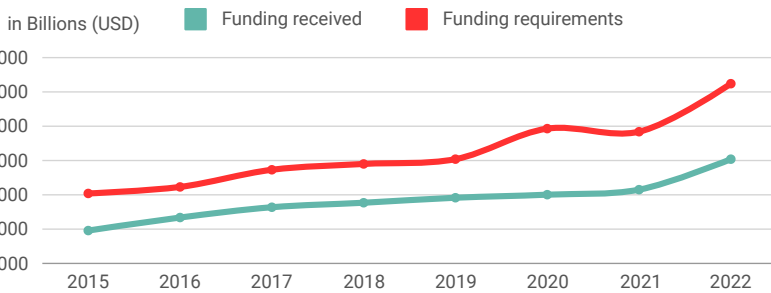


In 2024, there are 68 Signatories in the Grand Bargain, ranging from some of the largest donor governments to smaller implementing organisations (25 Member States, 26 NGOs, 12 UN agencies, 2 Red Cross/Red Crescent movements, and 2 inter-governmental organisations). They are working to implement the 51 commitments aimed at reducing bureaucratic costs and ensure more aid for the people in need. The process is championed by three high-level Ambassadors **Jemilah Mahmood**, **Manuel Bessler**, and **Michael Köhler**, supported by a Secretariat based in Geneva.

## WHY THE GRAND BARGAIN MATTERS

Global humanitarian needs continue to increase, since the last revision of the Grand Bargain in 2021. As of mid-June 2023, the required funding for the global humanitarian response reached a staggering US\$54.8 billion, with a focus on assisting 249 million people out of the 362 million in need. These needs are driven and exacerbated by ongoing crises, conflicts, climate change, natural disasters, and public health emergencies. As the level of funding does not keep the pace with the needs, it is crucial not only to enlarge the funding base, but also to improve efficiency and effectiveness of the aid - the core objective of the Grand Bargain.

### Funding received vs. Funding requirements



Source: UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS)

### Top 5 donors as percent of GNI

1. Luxembourg (1%)
2. Sweden (0.9%)
3. Norway (0.86%)
4. Germany (0.83%)
5. Denmark (0.7%)

### Top 3 donors in bUSD

1. USA (16.6b)
2. EU/DG ECHO (3.6b)
3. Germany (3.5b)

## HOW IS THE GRAND BARGAIN TRANSFORMING HUMANITARIAN AID?

### QUALITY FUNDING

By reaching a critical mass of quality funding that allows an effective and efficient response, whilst ensuring visibility, transparency, and accountability.

### LOCALISATION

By providing greater funding and support for the leadership, delivery and capacity of local responders.

### ANTICIPATORY ACTION

By scaling up anticipatory action, better integration of technology, and more flexibility in programming to foresee and respond to future shocks.

### FOCUS AREA 1

### PARTICIPATION

By ensuring greater support for the participation of affected communities in addressing humanitarian needs.

### NEXUS

By using the convening power of the Grand Bargain as a platform to bring together all relevant stakeholders of the nexus.

### INNOVATIVE FINANCING

By mapping, supporting and scaling-up existing financing mechanisms that enable cross-sector collaboration and innovative financing approaches, that are fit for purpose in protracted crises.

### FOCUS AREA 2

# WHAT HAS THE GRAND BARGAIN ACHIEVED SINCE 2016?

## A NEW CASH COORDINATION MODEL

was developed by the Grand Bargain caucus after years of stalled challenges, and subsequently endorsed by the Inter-Agency Standing Committee (IASC).



The IASC adopted a plan for the implementation of the model, according to which all country contexts will transition to the new model by March 2024.



## PROGRESS IN HARMONISING AND SIMPLIFYING REPORTING

By the end of 2022, more than half of the Signatories that provide grants were using the 8+3 template reporting for their downstream partners.



through the creation of a simplified reporting template allowing humanitarian organisations to spend less time on bureaucracy and more on their core tasks.



## MULTI-YEAR FUNDING WAS RECOGNISED AS A PREFERRED MODALITY

acknowledging also the importance of flexibility to enable the recipient to respond efficiently and effectively, and the need to channel multi-year funding as close to the frontline as possible.



### Examples:

- In 2022, more than half of donor Signatories provide at least 30% of their funding as multi-year. More than half provide at least 30% of their funding as flexible.
- DG/ECHO: committed to increasing by at least 30% the portfolio of multi-year funding by the end of 2023, compared to 2021.
- Canada: 58% of the current humanitarian funding is multi-year, an increase of 30% from 2016.

## LOCALISATION

Grand Bargain has been driving policy and practice changes to advance localisation; ensuring participation of local actors advancing access to funds for local and national actors and promoting equitable partnerships.



## REACHING THE 25% TARGET OF FUNDING TO LOCAL/NATIONAL ACTORS AS DIRECTLY AS POSSIBLE

The Grand Bargain caucus on funding for localisation members (USAID, DG-ECHO, Denmark, OCHA, UNHCR, Save the Children, IFRC, A4EP and the Northwest Syria NGO forum) agreed to:

1. Measure funding to Local and National Actors (LNAs)
2. Report all funding to LNAs through publicly available platforms (FTS and/or IATI)
3. Develop individual roadmaps for when and how the 25% target will be reached.

### Examples of policy shifts include:

- Christian Aid decided to phase out all direct implementation by 2024
- WHO has developed new localisation strategy
- UNHCR rolled out its new simplified grant agreement designed to enable direct funding for local organisations led by displaced and stateless persons.
- The US launched its first Equity and Inclusion strategic framework aimed at embedding a localisation approach across its operations.
- EU DG/ECHO developed a Guidance Note on Promoting Equitable Partnerships with Local Responders in Humanitarian Settings

## A JOINT INTERSECTORAL ANALYSIS FRAMEWORK (JIAF)

was elaborated, embedded within the Grand Bargain, and endorsed by the IASC to support a broader contextual and intersectoral analysis, facilitating a common understanding of the needs, which are people-centered, and intersectoral, inclusive of underlying vulnerabilities and causal factors.



In 2022, the JIAF Steering Committee and Advisory Group focused on finalising the JIAF 2.0, with three cycles of field testing in South Sudan, Niger and Iraq extensive field consultations.