



## **NEAR Statement on the future of the Grand Bargain**

### **June 2019**

Despite the challenges linked to practically operationalizing localisation, NEAR's position on the Grand Bargain is that **the process must stay alive but that it needs to be re-imagined.**

#### **Time is needed for system change**

With the Grand Bargain commitments, we are talking about system change and for systems to change, we need time. So it is too early for the Grand Bargain to die out. We must transform it in ways that suits the purpose.

#### **For true representation and move in the right direction, inclusivity is a must**

If the Grand Bargain is to stay alive and if genuine change is to take place, then we need to talk about representation and the inclusivity of the Global South in a serious way. The implementation of the Grand Bargain needs to be at the Southern level. It needs to be happening in the regions and not merely at the global, policy level.

We first need to open up the Grand Bargain to new signatories from the Global South, ensuring the engagement of the G77 countries as well as national/regional groups such as the ASEAN and the African Union. To bring in the perspective of local actors for authentic and inclusive discussions on localisation, Grand Bargain Sherpas and workstream conveners should ideally be led by actors from the South. The leadership of initiatives like NEAR that represent the diversity of local actors becomes crucial.

Still today, local actors depend on the discretion of their international partners to cover the costs of their participation and presence in global/regional events and discussions on localisation. As NEAR, we are able to attend the Grand Bargain annual meeting with funding secured from a private foundation, while access to funding from traditional donors was not possible.

The Grand Bargain process needs to be re-imaged and re-designed to include Southern networks like NEAR as well as national fora that are critical to the process yet whose voices are not sufficiently heard. We have only superficial contact with those we claim to empower. We have been talking about localisation without locals at the table.

#### **Sourcing is required to engage local actors in the Grand Bargain process**

Almost all resources allocated for moving forward the localisation agenda currently goes to Northern actors. Some of that sourcing needs to go to local, national and regional level actors so that time and energy can be invested also in the Global South to contribute to relevant discussions, to the re-design of the Grand Bargain pathway, to identify and push for effective practices towards localisation, and to develop tools and means of shifting practice in that direction.

We talk about strengthening the capacity of local actors, yet the most essential way of providing capacity is to ensure they have the resources to sit at the table and raise their issues in all discussions on localisation.

### **Separate funds for programming, capacity strengthening, and management costs**

Despite discussions on funds being channelled to local organisations for strengthening their capacity, distinction needs to be made between administrative/overhead or management costs that local actors incur while building and retaining that capacity.

### **Donors are key in changing the rules of the game**

Legal frameworks and partnership agreements define the framework of global humanitarian funds channelled to intermediaries and their implementing partners. Despite the availability of local and national NGOs to respond to disasters and conflicts in affected countries, international NGOs and UN agencies still choose to become directly operational in the event of an emergency. In reference to the Grand Bargain commitment of “as local as possible, as international as necessary”, donors can make local partnerships mandatory or can demand justification for situations where external actors choose to become operational.

Donor rules allowing unearmarked funds to cover administrative/overhead costs for local actors will go a long way in sustaining strengthened capacity. This could easily include donor rules allowing some of these unearmarked funds to be diverted for fundraising purposes and developing alternative financing mechanisms for the sustainability of local actors.

### **The right tracking mechanisms and tools for intermediaries and donors**

While we recognize the real challenges that exist, we continue to worry about effective mechanisms and tools in place to measure how much progress we are actually making in terms of putting into practice the commitments on localisation. As one of the central commitments, the tracking of the 25% target of global funding diverted “as directly as possible” to local actors is still not traceable due to systems not being fit for purpose.

Taking into account the administrative, legal and political constraints that exist around financing flows, NEAR has recently developed alternative financing strategies as well as a localisation performance measurement tool that can be taken up by all signatories and stakeholders to be utilized in benchmarking localisation and measuring progress in that direction.

### **National Pooled Funds that genuinely work for local actors and affected populations**

We know that Country based Pooled Funds such as the one hosted by OCHA do not genuinely contribute to localisation as most of those funds still go to international actors and intermediaries. Until and unless national pooled funds are owned and managed by local actors themselves, and means are created for the engagement of non-traditional donors in country, locally-led response will never become a reality.

For some years now, NEAR has been developing the idea of a harmonized due diligence and a definition of capacity that is locally-driven, which can all positively contribute to a nationalized pooled fund that genuinely works for localized responses to humanitarian crises as well as disaster risk reduction and preparedness, while empowering local actors and building true resilience.