Grand Bargain in 2020:

Annual Self Report – Narrative Summary

Name of Institution: The International Committee of the Red Cross (ICRC)

Point of Contact (please provide a name, title and email to enable the consultants to contact you for an interview):

Samar Al-Attar

Senior adviser on donor relations and policy

sal-attar@icrc.org

Date of Submission: 16.02.2021

Question 1: Reflecting on the information you have provided in the Excel spreadsheet, please highlight the 2 or 3 key outcomes or results relating to the Grand Bargain that your institution achieved in 2020?

In response to the COVID-19 pandemic, the ICRC has been working closely with its partners within the International Red Cross and Red Crescent Movement (hereafter the Movement) and others to meet the needs of affected people, building on collective capacities and expertise to complement the broader systemic response. Through the Strengthening Movement Coordination and Cooperation (SMCC) process, the ICRC together with the International Federation of Red Cross and Red Crescent Societies (IFRC) and National Societies (NS) could quickly adapt procedures to respond to the COVID-19 crisis in such areas as coordinated procurement, fleet management, cash assistance, and logistical development. To benefit from interoperability within the Movement and with other major humanitarian organizations, joint tenders were conducted for personal protective equipment (PPE). The ICRC also made use and occasionally provided common services during the pandemic, especially to transport staff and cargo, with MSF, UN Humanitarian Air Service/WFP and others, but also to deliver medicines and medical equipment. In addition, the Movement issued a collective COVID-19 appeal to streamline its collective response and increase synergies.

To **reduce management costs** and strengthen controls and data integrity, the ICRC initiated several innovative projects based on robotics automation in the areas of accounts payable and accounts receivable and bank statements. To further improve efficiency and facilitate interoperability in working with others, the ICRC also initiated a transformative programme to review the architecture of its financial system.

Strengthening the localization of aid efforts, the ICRC continued its **multi-year investment in NS capacity strengthening and development**, including on access, acceptance and security management capacities. The second round of funding for the **National Society Investment Alliance** (NSIA) was completed in 2020, in which around 1.6 million CHF was allocated to seven NS. In terms of **community engagement**, the ICRC programs worked closely with global, regional and national staff to produce information as aid products and find ways to continue engaging with communities where face-to-face contacts were not possible anymore. These efforts leveraged ICT means and reinforced cooperation with the IFRC and NS in delegations around the world. The ICRC also continued investing in building its capacities to use **Cash and Voucher Assistance** (CVA) and there was an increase of use of CVA for shelter, health and protection outcomes across all regions. By the end of 2020, the ICRC further increased the frequency of its publications from quarterly to monthly reporting to the **International Aid Transparency Initiative** (IATI) platform and started to also explore ways to automate its publications. To further build the evidence on the benefits of **flexible funding**, the organization published a case-studies report demonstrating the added value of flexible funding to its operations.

Question 2: How has your institution contributed to the advancement of gender equality and women's empowerment [1] in humanitarian settings through its implementation of the Grand Bargain? What results/outcomes have been achieved in this regard?

The ICRC's emerging **inclusive programming approach** recognizes that gender intersects with other forms of identity, including age, disability, ethnicity, race, etc., to affect people's experiences of armed conflict and the humanitarian response. In 2020, the ICRC launched an external assessment on diversity inclusion in operations which highlighted key elements to ensure a broader analysis for more relevant, empowering, efficient and inclusive programming. These include: the criticality of methodology, guidance, capacity and systematicity of doing social power analysis and ensuring data disaggregation; the vision, objectives and action plan underlying the ICRC's ten-year Vision 2030 on Disability; lessons learned from the cross-organizational collaboration on inclusive programming in the COVID-19 response; the findings and recommendations of a report on gender and CVA; and the

---

[1] Refer to the IASC definitions of gender equality and women empowerment, available here.

intersection with other guiding principles of the Accountability to Affected People (AAP) framework, including analysis, participation, two-way communication, physical and digital proximity and minimising negative consequences. The ICRC uses a gender-sensitive approach to respond to emerging dynamics in its programming and therefore aims for **equality of access to assistance and protection** for all. While the ICRC's objective is not to transform gender relations, its operations have the potential to influence the socio-economic position of the women and men it serves, thus contributing to greater equality and empowerment.

Question 3: How has the humanitarian-development nexus been strategically mainstreamed in your institutional implementation of the Grand Bargain commitments?

In 2020, the ICRC continued to pursue its commitment to understanding and addressing **organizational readiness** factors to generate more sustainable humanitarian outcomes throughout its operations, better engage with development actors, and further efforts on innovative financing models. Of note is the ICRC's contribution to the Good Practices Playbook,[2] commissioned by the Good Humanitarian Donorship initiative and released in July 2020. The Playbook is helping the ICRC develop a structured approach to organizational readiness in areas such as strengthening multi-year outcomes-based programming and planning multi-year multi-partner projects.

Knowledge exchange and knowledge development initiatives with development actors were pursued throughout 2020. These included for instance preparations for staff exchanges with several institutions, cross-participation in forum and on platforms of common interest, increased peer-to-peer exchanges, notably leading to the finalization of a joint World Bank/UNICEF/ICRC Handbook.[3] The ICRC is also playing an active role in the Humanitarian Resilience Initiative, notably in helping set up its Research, Development and Education Hub.

Multi-year projects in the areas of health and urban water and sanitation services continued in 2020. These included initiatives with the World Bank in South Sudan, Agence Française de Développement in Iraq, ECHO and SIDA in Gaza. In Marawi, Philippines, the ICRC was also able to upscale the impact of its action by leveraging its expertise, existing assessments and solid relationship with local water service providers to mobilize large-scale investment by the Asian Development Bank. Lastly, at institutional level, the engagement with development actors was formally integrated in the ICRC's new 2020-2030 **Resource Mobilization Strategy**.

Efforts aimed at **strengthening Movement cooperation and NS capacities** also contribute to more sustainable humanitarian impact, not least owing to the role that NS play in their own countries anchored in their communities.

<u>**Grand Bargain 2016-2020: Overall achievements and remaining gaps**</u>

Question 4: What are the 2-3 key achievements/areas of most progress by your institution since 2016?

In 2018, the ICRC adopted its Institutional Strategy 2019-2022 which reflects many of the commitments the organization made in the framework of the Grand Bargain (GB). National Society development, accountability to affected people, inclusive programming, achieving sustainable humanitarian impact in protracted crisis, and digitalization were among the key institutional objectives identified. In past years, the ICRC has regularly engaged with its donors and partners on these priorities.

---

[2] Title: Organizational Readiness and Enabling Private Capital for Innovative Financing in Humanitarian Contexts, Good Practices Playbook.
[3] Title: Joining Forces to Combat Protracted Crises: Humanitarian and Development Support for Water and Sanitation Providers in the Middle East and North Africa.

Between 2016 and 2020, the ICRC and the IFRC worked together to further **strengthen coordination and cooperation within the Movement**. The use of collective tools and mechanisms, greater interoperability in logistics, security and surge mechanisms, harmonized due diligence assessments, enhanced resource optimization and aligned resource mobilization efforts resulted in **greater efficiency gains**. Through established processes, the ICRC, the IFRC and NS were able to better use collective assets and reduce costs in emergency operations.

Together with the IFRC, the ICRC pursued several initiatives aimed at **strengthening the role and capacities of NS**. The organisation has increased its investment in developing its partners' communication, finance, security management and operational capacity to enable sustainable service delivery. Furthermore, the ICRC and the IFRC jointly set-up the NSIA in 2017 to scale up the investment in the operational and functional capacity of NS as frontline responders and to support their delivery of relevant services.

The ICRC is playing a pioneering role in the international community with regard to quality control and ethical procurement. It has developed a Quality, Social and Environmental policy on cost accountability, good environmental and social practices, and transparency throughout the supply chain. Over the past years, the ICRC made available to other organizations related tools, management processes and best practices resulting in a significant **reduction of management costs and duplication of efforts** within the wider humanitarian community.

AAP is an integral part of the ICRC's operational model. In 2018, the ICRC undertook an evaluation of AAP and diversity inclusion in its operations, the findings of which were used for its framework on AAP, adopted in 2019. Beneficiary feedback channels were scaled-up through the Community Contact Centers, and significant investments were made to allow the implementation of the organization's AAP approach. Furthermore, the ICRC and the IFRC contributed to developing a Movement-wide approach to Community Engagement and Accountability.

The ICRC has scaled-up the use of **CVA** across all sectors since 2016, particularly in Protection and Shelter. While the number of beneficiaries assisted through CVA had not increased significantly from 2016 to 2020, there was an 18% increase in the financial value of CVA transferred. Moreover, the ICRC has both increased its own CVA capacity and supported the CVA capacity of NS as part of a Movement wide approach to CVA Preparedness.

The ICRC has also taken significant steps to increase **transparency** by reporting around the use and allocation of its funding, including flexible contributions. In 2018, the ICRC started publishing its financial data to the IATI platform and since then, has invested to further improve the frequency and quality of its publications. In addition, the ICRC has provided its donors with greater visibility on the use of unearmarked contributions and allocation process.

As for the **humanitarian-development nexus,** the ICRC has made progress across various organizational readiness areas, finding ways to engage operationally with development actors in a manner that remains compactible with humanitarian principles. The ICRC engaged on knowledge exchange with development actors, and it has developed a more structured approach to operational and financial collaboration with development actors and private investors.

Question 5: What, in your institutional view, have been the main achievements of the Grand Bargain signatories, as a collective, since 2016?

Overall, the GB process succeeded in facilitating a more nuanced discussion between signatory groups on the challenges faced in changing practices, and how to work together to address these. Collective efforts have also contributed to advance commitments on **gender** equality and women's empowerment, which had already been made elsewhere. Significant progress has been made in deepening our collective understanding of the importance of **predictable and flexible humanitarian funding**. The workstream clarified related definitions and commissioned a series of research papers to

build further the evidence base on quality funding and document good practices. Several humanitarian organizations have stepped-up their reporting and tracking of quality funding and some donors have increased their multi-year and flexible contributions, including in response to the COVID-19 crisis.

Since 2016, data-driven **transparency** and the use of **CVA** have increased across the sector. In addition, we witnessed enhanced attention on the importance of strengthening the **complementarity of local and international humanitarian** action. The workstream's efforts and active engagement to advance the **localization** agenda resulted in a more focused approach on key priority issues, such as capacity building of local actors and quality partnerships.

Question 6: What has the Grand Bargain not been able to achieve in its five-year tenure? What outstanding obstacles, gaps, areas of weakness still remain after five years, in terms of improving the efficiency and effectiveness of humanitarian action?

While tangible results were achieved since 2016, substantial challenges remain to achieve the original goals of the GB and the spirit of "quid pro quo" that underpins it. Despite the progress highlighted above, barriers and challenges remain that hinder the transformative potential of **quality humanitarian funding**, and the volumes currently provided and "cascaded" to local responders fall well short of the critical mass required to drive change. Political will is now required to make the necessary shifts in practices.

While more data is now available on the IATI platform, the quality and the frequency of the information provided by signatories remain inadequate, limiting the possibility to use the data for decision-making. In addition, the focus of the **transparency** commitments on IATI does not adequately reflect the transparency demands from donors. Furthermore, a substantial shift in practices to further channel funds and **support local actors** has yet to happen. Investments in local actors' capacities remains limited and more needs to be done to move towards better-quality partnerships with local actors. In addition, there is still no clear global-level agreement on the operational coordination of **cash** programming.

With respect to the **humanitarian-development nexus**, the approach of the GB focused on collaboration around analysis and planning. As a multi-stakeholders' platform, it would have a stronger added value for the sector if it focused on issues of strategic and institutional nature. The rigidity of financing rules and traditions has been one of the key challenges facing efforts to strengthen the nexus including capacity strengthening of local actors, preserving "development holds" during crises, and addressing early recovery gaps. The ICRC believes that by building financing mechanisms that are fit for delivery in protracted crisis, and that also support resilient communities, the sector would broaden the resource pool and ensure that quality funding is channeled to address the priority needs of affected people. This in turn would allow for better investments in essential services, social protection and capacity strengthening of local actors, which would shift approaches towards greater accountability to those affected by crisis.

Risk and the Grand Bargain

Question 7a: How has risk (financial, operational, reputational, etc.) affected your institution's implementation of the core commitments since you became a signatory to the Grand Bargain?

In recent years, donors have increasingly raised the level and complexity of their requirements to minimize or even eliminate their risk exposure, including on fiduciary, compliance or legal and reputational risks. Additional requirements and assessments have generated further administrative processes and investment of resources, undermining efforts to achieve greater **effectiveness and efficiency**. The impact of growing due diligence requirements is also felt when partnering with **local actors** such as NS to ensure that they have the right processes and tools in place. While the intention is to accompany NS in addressing possible shortcomings, the reality is that the ICRC might not always have the means, and partners may not have the absorption capacity, to address all of the identified

gaps. Furthermore, in some instances, the ICRC has been obliged to challenge stringent donor compliance requests, as their acceptance would have jeopardized the organization's ability to deliver aid as per its mandate and humanitarian principles.

Concerns about data privacy and security of affected people was a key area of risk identified as a barrier to sharing and publishing data on ICRC financing and activities. While the ICRC is committed to ensuring **transparency** in how and where its donors' funding is used, the "do no harm" principle and protection of individuals' personal data must be safeguarded. Risk, and more importantly the perception of risk, has also affected the ICRC's ability to fully implement **CVA** commitments in some contexts. While the actual financial, operational and reputational risks of CVA vary from context to context and can mostly be mitigated through good programme design, the perception of risk by donors, governments, humanitarians and affected people can have an impact. Furthermore, to mitigate the digital risks of CVA, particularly with regards to data protection, the ICRC has in some circumstances and for specific target populations, reverted to in-kind or physical cash.

Finally, perceptions of risk and the level of risk acceptance affects the ICRC ability to **partner with development actors**, particularly International Financial Institutions who tend to be more risk-averse and whose regulatory and operational framework is ill-adapted for interventions in violence- and conflict-affected environments.

Question 7b: How has your institution sought to mitigate or address these risks to enable implementation of the core commitments?

In the last five years, the ICRC substantially strengthened the different functions supporting the organization to act with integrity, manage risks, ensure compliance, and detect and respond to wrongdoing. A Global Compliance Office (GCO) overlooking those different functions was established in 2017. The scaling up of integrity, risk and compliance activities led to the validation and implementation of key frameworks to support these new practices[4]. With regard to risk management, several key milestones enabled the ICRC to reinforce the way the organization identifies and manages risks. The Risk Management Framework adopted in 2019 builds on international standards, describes desired practices and processes for risk management, and sets global standards to be implemented gradually at all levels of the organization. Since 2019, field risks registers became an integral part of the yearly planning and budgeting process and operational guidelines for managing strategic, organization-wide and department-level risks were also adopted. Since 2020, the ICRC has been reinforcing its risk management capacity at HQ, in shared service centres and in the field.

At the multilateral level, the ICRC and the Netherlands have facilitated a dialogue on **risk sharing**. Since 2018, a series of consultations were held with GB Signatories, a comprehensive research on risk sharing was commissioned and country-level conversations were held in five high-risk contexts. In early January 2021, the ICRC and the Netherlands hosted a virtual expert meeting on risk sharing during which concrete steps to move towards better sharing of risks, balancing risk tolerance with the humanitarian imperative, were identified. The ICRC is also collaborating with Switzerland and OCHA in a multi-stakeholder dialogue to promote the **responsible use of humanitarian data** and agree on common principles for data sharing between humanitarian organizations and donors.[5] The ICRC believes that a dialogue on risk and responsible data sharing is key to fostering equitable and principled partnerships. It will result in higher levels of trust, which will engender enhanced transparency and mutual accountability while reducing the administrative burden and the risk of causing unintended harm. This in turn could help to unlock the provision of more quality funding, which is a key enabler for the localization agenda and the overall goals of the GB.

---

[4] ICRC Code of Conduct Framework in 2017, the ICRC Internal Control Framework in 2018, Sexual Misconduct and Fraud and Corruption policies in 2018, the Risk Management Framework in 2019 and the Assurance Strategy in 2020.
[5] The Humanitarian Data and Trust Initiative and the Wilton Park dialogue on responsible data sharing in principled humanitarian action