

# The Grand Bargain

## Transforming Humanitarian Action

### Annual Meeting 2023 – Summary Note

19-20 June 2023, Geneva, Switzerland



**The launch of the new iteration of the Grand Bargain was marked with enthusiasm and energy demonstrated by the Signatories at the Annual Meeting. Over 120 Signatory representatives gathered in Geneva for two days on 19 and 20 June 2023 to take stock of progress achieved in implementing the commitments in 2022, and to agree on the operationalisation of [the new iteration of the Grand Bargain](#), endorsed by the Signatories ahead of the Annual Meeting.**

Opening the meeting, EP Jan Egeland announced the new Grand Bargain Ambassadors: Jemilah Mahmood, Manuel Bessler, and Michael Köhler. While the trio will be overseeing the overall advancement of the Grand Bargain commitments, each will also be responsible for specific issues. Jemilah Mahmood will be overseeing advancement of progress on participation of affected people, Manuel Bessler on localisation and quality funding, and Michael Köhler on quality funding, the nexus approach, and innovative approaches, including anticipatory action, to respond to some of the challenges that the sector is facing.

In their contributions at the meeting, the Signatories emphasised the need for the Grand Bargain to continue, recognising its unique value as a platform that brings donors and aid organisations together. Putting forward concrete initiatives and individual efforts, the participants committed their institutions to deliver change in the coming years.

#### Progress is slow, but sure

For the sixth consecutive year, ODI analysed the annual progress made by the Signatories. Researchers noted that the shift towards a more narrowed, focused and politically oriented approach yielded results. The caucuses effectively functioned and generated significant outcomes, providing valuable support for organisations to advance progress.

The main areas of progress and achievements in 2022 include 1) **quality funding**, whereby over half of the donors allocated 30 % or more of their funding as multi-year, with notable increases in the volume of flexible funding as well, and an increase in funding to Central Emergency Response Fund and Country-based Pooled Funds; 2) **localisation**, noting particularly the increase of investments in strengthening capacity of local actors and providing opportunities for local leadership and influence within the Grand Bargain; and momentum on overhead costs. While local actors' direct access to funding remains a challenge, several Signatories set themselves targets or indicators to measure how well they are doing in supporting local partners to access funding directly from donors or creating specific channels for local partners to use. Progress was made **on other commitments** too, including advancement of cash coordination model, Joint and Intersectoral Analysis Framework (JIAF) being ready to be implemented, expansion of the UN Partner Portal, and a continued investment in nexus approaches.

The least progress was made on **participation of affected people**, although there has been growing political momentum and investment in accountability of affected people at IASC and institutional levels – with new guidance, frameworks, tools, and policies. To advance progress in this area, ODI notes that without a more coherent, coordinated and sustained push from donors, aid organisations are unlikely to make the fundamental shifts in operational practice required to realise real change.

### Tackling the challenges

According to ODI, some challenges remain, including a lack of confidence in the **principle of Quid Pro Quo** (give and take), which has often become an excuse for inaction. Furthermore **lack of comprehensive data** by the Signatories continues to undermine the success and the credibility of the Grand Bargain. **Lack of systematic connection to country-level** ultimately means that the impact at country level is not sufficient to deliver on the ambition.

However, some challenges are being tackled. The recently concluded **caucus on funding for localisation**, outcomes of which were presented at the meeting by the EP office/Norwegian Refugee Council and NEAR, delivered some concrete agreements to measure funding to local actors, and report it through IATI or FTS. Members also agreed to develop individual roadmaps to inform how and when organisations will achieve the 25% target.

Furthermore, a session of the Annual Meeting was dedicated to **strengthening the engagement with country and local levels**. As demonstrated by case studies from Myanmar, Türkiye, and the Philippines, there are different ways to achieve that: in Myanmar and Türkiye, the National Reference Groups provided the platform for conversations among local actors, donors, UN, and NGOs, while in the Philippines the OCHA-led flagship initiative offered that space for dialogue. It was highlighted that solutions need to be context-specific, and that it is the substance of the Grand Bargain that needs to trickle to the country level, including through existing structures (for example, Humanitarian Country Teams).

### Impressive sum of concrete actions

**Strong commitments** for the coming year were heard from all groups: several donors are ensuring their humanitarian strategies focus on strengthening **localisation**, based on the outcomes of the two concluded caucuses, including through concrete policies and guidelines, encouraging partners to more equitable sharing of overheads with local implementing partners. They are also focused on ensuring that quality funding is passed on to local and national actors and looking at ways to increase funding to local and national actors. It was mentioned that financial support should be provided to women-led and women's rights organisations. Friends of Gender Group will continue championing the issues in the Grand Bargain. Both NGO and UN Signatories made commitments in relation to scaling up locally-led responses and increasing the volume of quality funding passed through to local partners. NGOs mentioned improving their overhead costs policies, and harmonising and simplifying due diligence to their partners. The UN put forward concrete plans and RCRC informed of ongoing efforts to strengthen the capacities of local actors.

Some NGOs acknowledged the issues with data and committed to improving their data systems, and tracking funding that goes to local and national actors.

**Quality funding** was at the forefront of the conversation as well, with donors acknowledging that flexible and multiyear funding is key to ensure efficient and needs-based aid, and promising to continue increasing such funding.

Efforts on **participation of affected people** were noted by UN agencies, including by planned mechanisms to ensure policies and procedures are influenced by affected people, and through concrete strategies on community engagement.

### Additional focus – additional energy

Existing Grand Bargain commitments on the nexus are being re-prioritised in a new focus area that looks at catalysing sector-wide transformation. The Signatories enthusiastically supported the new area, recognising that we need to shrink the needs and broaden the resource base, and that humanitarian actors cannot do that alone – actors from all relevant sectors should be mobilised to contribute their share based on comparative advantages.

Among some of the concrete focuses in the next year, **anticipatory action** was highlighted overwhelmingly, as it is instrumental in saving lives and reducing response costs, enhancing readiness, as well as localisation. Germany offered to take a leading role in developing concrete steps to mainstream anticipatory action as an innovative approach to shrink needs. When it comes to the nexus, there is a need to look at existing good practices and creating an enabling environment that promotes knowledge-sharing. Signatories need to build on progress already made in the Grand Bargain, for example through the JIAF and coordinating needs as best as possible together, to better leverage our complementarities with international financial institutions and development partners.

Throughout the conversations on both focus areas, the importance of **ensuring synergies with other fora** was highlighted by several Signatories. ODI advised that the IASC and Good Humanitarian Donorship Initiative could enhance inclusivity for local actors. That way technical discussions could be conducted in alternative forums, allowing the Grand Bargain to prioritise its efforts on political advocacy and driving change. Linkages to OECD-DAC dialogue were also mentioned, particularly on the focus area two.

### “The challenge lies in finding common ground, working together to achieve our shared goals”

The first day of the Annual Meeting concluded with the new Grand Bargain Ambassadors and the Facilitation Group thanking EP Jan Egeland for his leadership. As noted by EP Egeland, the Grand Bargain *“proves to be a wonderful forum, from the biggest donors to the smaller NGOs. It is important to recognise that each stakeholder has different roles and perspectives. The challenge lies in finding common ground and working together to achieve our shared goals.”*

## Day 2: Principals demonstrate high level support for the new iteration



Following opening remarks by **Robert Mardini, Director General, ICRC**, the outgoing **EP Jan Egeland** invited the new Ambassadors to share their thoughts and reflections on the Grand Bargain. **Michael Köhler** emphasised the need for the humanitarian sector to adapt and increase the impact of its action, adding that the Grand Bargain serves as a sole platform where all humanitarian actors can come together.

**Manuel Bessler** noted that the Grand Bargain is the only issue from the World Humanitarian Summit 2016 which continues to gather momentum, and highlighted the importance of local engagement as a factor for success. **Jemilah Mahmood** appreciated the commitments shown by the Signatories during the first day and stressed the relevance to increase participation of local and national actors and affected people. The three Ambassadors recognised the platform as crucial for collaboration and shaping the sector's direction.

### Unleashing potential of the new focus area

The meeting kicked off with a panel discussion focused on utilising the Grand Bargain to scale up existing innovative approaches to transform the humanitarian system and tackle emerging challenges. Panellists from the World Bank (Soukeyna Kane, Director of the Fragility, Conflict and Violence (FCV) Group), WFP (Valerie Guarnieri, Assistant Executive Director for Programme and Policy Development), and the Danish Refugee Council (Charlotte Slente, Secretary General) highlighted the value of the new focus area, which includes **anticipatory action**, the **nexus approach**, and **innovative financing**. One of the panellists emphasised the challenges faced in conflict-affected and fragile contexts and stressed the need for collaboration and partnerships to achieve common goals. For example, the World Bank – although not a humanitarian actor – has been partnering with humanitarian organisations, such as UNHCR and ICRC, to work on the common vision of reducing needs. Innovative financing was mentioned as one of the means to use available resources efficiently. Successful existing examples of innovative financing mechanisms include WFP's debt swaps, funds for women's economic empowerment (She Can - crowd-fund capital from individual lenders and donors to ensure women's access to affordable finance), the Danish Refugee Council's Refugee Investment Facility (launched last year with a Swiss entity, which enables investors to come together and pool funds to support durable solutions for refugees). One of the panellists also highlighted the role of the private sector in driving solutions, for example through impact-linked loans, with favourable terms to reach pre-agreed objectives, and provision of technical assistance and knowledge on how to invest. After the panel, **EP Jan Egeland** invited the Signatories Principals to share their perspectives, actions, and commitments for the year to come.

In their interventions, the Principals **expressed support to the endorsed iteration of the Grand Bargain, and welcomed focus area 2**. Donor Signatories expressed their commitment to anticipatory action and demonstrated their funding efforts and their willingness to provide further support. Other Signatories underscored the importance of engaging in discussions on anticipatory action, highlighting its role in **enhancing cost efficiency, preparedness, and response effectiveness**.

During the discussion, Signatories from various constituencies committed to engage with the private sector, promote cross-sector collaboration, and explore innovative financing. It was acknowledged that the potential in these areas is still untapped. The Principals also delved into the **nexus approach** in the Grand Bargain, stressing the relevance of a dialogue on risk and highlighting the importance of a coherent approach that encompasses both humanitarian and development efforts through collaborative and practical solutions. Several **existing examples were shared**, including pilot projects that blended funding with financial institutions, the consolidation of humanitarian and development staff, and the implementation of fund streams to facilitate the nexus approach. Overall, there was a strong call for the development of **new mechanisms to enhance response efficiency and coordination to maximise impact across the nexus**.

### Risk Sharing Framework for better outcomes

One of the sessions focused on introducing the **Risk Sharing Framework**, developed by the co-leads of the Risk Sharing Platform (ICRC, the Netherlands, and InterAction) through an iterative, multi-stakeholder process. Panel participants included Lars Tummers, the Netherlands, Ambassador for Humanitarian Affairs), Robert Mardini (Director General, ICRC), Jennifer Poidatz (Vice President, CRS,

representing InterAction), and EP Jan Egeland, and was moderated by Nanette Antequisa (representing A4EP).

Much of the exchange demonstrated how far the community has come in its understanding of risk sharing, and its importance. There was a recognition of a need for a more holistic view of risk management throughout the delivery chain, "if we share risk well, we will have better results", "zero risk approaches don't work", and that "if we aren't careful, we can create more risk for ourselves and others". Other reflections focused on a trend towards increased risk aversion in polarised political environments and that this is leading to risk transfer and possible harm to programs. Panellists highlighted the importance of having a framework in place to structure discussions with partners within and beyond the sector, and recognized the development of the framework as an important milestone to better serve affected populations by improving risk management within the aid delivery chain. **The Framework is built upon a number of key principles, and aims to enable a more open and equitable dialogue among partners.**

Panellists announced initiatives to pilot the framework: the Netherlands announced it is exploring potential testing with the Dutch Relief Alliance; ICRC is exploring pilots with SIDA; and InterAction will host a Tabletop Exercise for Signatories who have committed to piloting the framework in fall 2023.

Other Signatories welcomed the new guiding tool and had the opportunity to share their planned actions on the Risk Sharing Framework. The value of the framework for the sector was stressed and the role of intermediaries in shared responsibilities was underlined. Several UN agencies highlighted the criticality of risk sharing for the humanitarian system, particularly in challenging political contexts, and expressed their commitment to finding practical solutions. Other Signatories went further by expressing the intention to adopt the Framework and test it with their partners in fragile contexts, such as Syria or Ukraine.

### Political engagement needed to drive tangible transformation

Recognising that it has been "*a motor for change*" and "*a platform for reform*", the Signatory Principals expressed strong belief in the Grand Bargain and emphasised the importance of **elevating it at the political level to drive tangible transformation on the ground. Principals reaffirmed their commitment** to localisation, quality funding, and participation and shared concrete planned actions, continuing the result-oriented spirit of the first day of the meeting. Principals also committed to disseminate innovative practices and partnerships across sectors and scale them up.

In conclusion of the Annual Meeting, Grand Bargain Ambassador **Manuel Bessler** noted that the Grand Bargain is vibrant, but commitments are yet to be effectively implemented. "*It is important to ensure that everyone is speaking the same language and adhering to common standards,*" he emphasised. **Jemilah Mahmood** underscored that defining success and striving for better outcomes are key: "*It is crucial to navigate the process while recognising the good will present. Holding each other accountable and maintaining communication will be essential.*" **Michael Köhler** emphasised that exploring innovative financing options and identifying low-hanging fruits are priorities: "*The goal is to operationalise these approaches and engage with new donors.*"