

Grand Bargain in 2020:
Annual Self Report – Narrative Summary

Name of Institution: Germany (Federal Foreign Office)

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

Marten Menger, Desk Officer, S08-2@diplo.de

Date of Submission: 16.02.2021

(NB. Please limit your answer to no more than **5 pages in total** – anything over this word limit will not be considered by ODI in their analysis. Please respond to all of the questions below.)

Grand Bargain in 2020

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 2020, Germany has significantly increased the flexibility of its funding. With 37.2% of its humanitarian funding being unearmarked or softly earmarked, Germany for the first time reached and surpassed the collective goal of 30%.

This was achieved in particular through Germany's efforts to allocate 450 million Euros of additional funds for humanitarian assistance in the context of COVID-19 as flexibly as possible. Most of the funding was only earmarked on the overall "Covid-19 response" of the Red Cross and Red Crescent Movement and the respective UN agencies as included in the GHRP. This enabled Germany's humanitarian partners to respond timely and efficiently to the rapidly evolving situation according to the priorities they identified.

Germany continued its efforts to provide local and national actors as directly as possible with quality funding. As direct funding for legal and institutional reasons is less feasible, Germany continued to rely on intermediaries such as international NGOs, UN agencies and Country-based Pooled Funds (CBPFs). One of the reasons for increasing funding to the CBPFs in 2020, including through additional funds for the COVID-19 response, was their strength in localization. In terms of capacity building, Germany supported the "ToGETHER" initiative, a project of several NGOs which aims at strengthening capacities of local actors in Bangladesh, Colombia, DR Congo, Ethiopia, Indonesia, Myanmar, Pakistan and Somalia. Through this initiative, Germany actively supported better partnerships between international and local actors, and needs-based capacity strengthening.

Question 2: How has your institution contributed to the advancement of gender equality and women's empowerment¹ in humanitarian settings through its implementation of the Grand Bargain? What results/outcomes have been achieved in this regard? (please outline specific initiatives or changes in practice and their outcomes/results). Please refer to the Guidelines for definitions of Gender Equality and Women's Empowerment, which are included in this self-report template package.

In its humanitarian assistance, Germany contributes to women's empowerment by providing dedicated funding; by systematically asking its partners to mainstream gender considerations into all phases of the project design and implementation; by improving its own data collection of disaggregated data; and by promoting gender mainstreaming at an institutional level. These efforts go hand in hand with efforts

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

to implement the Grand Bargain (GB) commitments. The elimination and prevention of sexualized and gender-based violence (SGBV) continues to be a priority for Germany. In addition to other dedicated projects, Germany continued to fund the ICRC Special Appeal “Strengthening the Response to Sexual Violence” with an additional 3 million Euros in 2020 (thus a total of 15 million Euros since 2014). This flexible, softly earmarked humanitarian funding benefits women’s empowerment efforts.

Germany, through the introduction of a gender, age, and disability marker, systematically asks partners to provide disaggregated data and to provide information on gender mainstreaming in design and delivery of their projects. This has a mainstreaming effect on all projects, including projects with a focus on localization and participation. By using the harmonized 8+3 reporting template, Germany has a tool at its disposal to track gender aspects in narrative reporting that keeps the reporting burden also with respect to this aspect manageable.

Germany supports processes promoting institutional change that aim at mainstreaming gender equality and women’s empowerment into the humanitarian system and, thus, into GB implementation as a whole. In September 2020, Germany was among the first to renew its commitments to the Call to Action for Addressing Gender-Based Violence in Emergencies. As partner of the Call, Germany uses its role in supervisory and advisory boards of humanitarian organizations to advocate for greater empowerment of women and girls in humanitarian assistance.

Question 3: How has the humanitarian-development nexus been strategically mainstreamed in your institutional implementation of the Grand Bargain commitments? Please explain how your institution has linked commitments 10.1 - 10.5 with other commitments from other workstreams.

In 2020, Germany continued its efforts to operationalize the humanitarian-development-peace (HDP) nexus. These efforts are closely linked to the implementation of its GB commitments. Germany’s continued support for forecast-based action and preparedness approaches includes a strong local component (commitment 10.3). By supporting the START Network’s Start Fund as well as of IFRC’s Disaster Relief Emergency Fund (DREF), Germany was able to provide flexible funding (Workstream 7/8) for such approaches. The Start fund can be accessed also by local NGOs (as Start Network member or through consortia) while the DREF provides funding for National RC/RC Societies. Support to these thus also contribute to further localization (Workstream 2).

Germany also continued its efforts regarding the core commitment of Workstream 10. In 2020, German humanitarian assistance and German development cooperation have funded a number of dedicated nexus projects in Lebanon, DR Congo, Iraq, Sudan, Myanmar and Ukraine. Related humanitarian and development projects of the same NGO were linked by an overarching concept paper that defines collective outcomes. This approach allows better overall allocation of resources and greater coherence and coordination between humanitarian and development interventions in related sectors and locations. In Somalia, efforts to better link German HDP efforts continued. German humanitarian assistance and

German development cooperation funded a joined-up nexus project that links financing for humanitarian or development goals through common collective outcomes based on internationally agreed collective outcomes in Somalia. In order to effectively link humanitarian and development projects like this, the ability to provide multi-year humanitarian funding remains key (link to Workstream 7/8).

Grand Bargain 2016-2020: Overall achievements and remaining gaps

Question 4: What are the 2-3 key achievements/areas of most progress by your institution since 2016? Please report on your institutional progress for the period 2016-2020, **even** if your institution did not become a signatory until after 2016.

Since 2016, Germany has made significant progress in providing quality flexible and multi-year funding. Germany's share of flexible funding (unearmarked and softly earmarked) grew from 11.2% in 2016, to 37.2% in 2020, thereby exceeding the collective goal of 30%. Since 2016, Germany has both increased its unearmarked funding such as voluntary core contributions and funding to the CERF as well as developed new approaches for softly earmarked funding such as programme-based funding for NGOs, flexible regional funding for International Organizations as well as new flexible funding arrangements with the German Red Cross. Germany also increased its share of multi-year funding from 25.6% in 2016 to 64.4% in 2020. The resulting predictability helps partners plan humanitarian assistance more efficiently and effectively.

A major achievement has been the harmonization of Germany's narrative reporting requirements. As a co-convenor, Germany was actively involved in the development of the harmonized and simplified "8+3 Template". Therefore, Germany also ensured a timely adjustment of its own requirements in line with the developments in the workstream. From the start, Germany took part in the pilot exercise for the 8+3 Template. Once the template was finalized, Germany made the 8+3 Template its official narrative reporting template for NGOs. UN agencies are free to report in this format as well. In addition to the harmonization and simplification, German NGO partners also benefit from the new option of submitting their reports in English. Although a German version of the 8+3 Template exists, most partners choose to report in English, as this makes it easier for partners to include text elements from staff in the field who might not speak German.

On cash and voucher assistance (CVA), Germany's sustained efforts at building internal and external capacities, awareness raising and knowledge transfer, as well as fostering innovative approaches have led to a more systematic approach to, and increased consideration of, using CVA in humanitarian programming. Among other things, the harmonized reporting template includes a reporting element on CVA, in line with respective GB commitments on employing markers to measure the use of CVA.

Since 2016, Germany has strengthened its localization efforts. Germany now ensures that NGO partners collaborate closely with local partners. Germany directly funds a local NGO in Colombia. In most cases however, Germany relies on

intermediaries to support local actors as directly as possible (see question 1). To ensure that local actors benefit from improvements of funding arrangements as well, Germany enabled and encouraged international partners to forward the “quality” of funding to their local partners, i.e. the multi-year nature of funds or in the case of NGOs the funds received for indirect support costs. In terms of capacity building, about a third of the projects funded by Germany in 2019 included a capacity-strengthening component for local or national actors.

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

Please indicate specific commitments, thematic or cross-cutting issues or workstreams where you think most progress has been made collectively by signatories.

The GB signatories have achieved significant progress regarding the issue of quality funding. It seems that the commitments in the area have helped donors to move towards more flexible and multi-year funding arrangements. This is certainly the case for Germany. Much of the technical work in terms of definitions and concepts has also helped clarifying what quality funding means.

In terms of harmonizing and simplifying reporting requirements, the GB signatories have achieved tangible success that resulted in a concrete product: the harmonized and simplified 8+3 Template. The template was tested by a broad range of donors and humanitarian organizations and was finalized in 2019. As almost half of the relevant signatories (donors or UN agencies) have at least partly introduced the 8+3 template, significant harmonization and simplification across the system has been achieved.

The GB has also moved the needle regarding the localization. The work of the workstream has clarified the gaps in localization, international humanitarian organizations have improved their partnerships with local and national actors, and donors have adjusted their funding arrangements.

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? Please indicate specific commitments, thematic or cross-cutting issues or workstreams where you think there remain key gaps or obstacles.

In terms of quality funding, much has been achieved collectively (see question 5). However, it has become clear that there are aspects of quality funding that have not yet been addressed. In order to sustain a significant level of flexible funding, it is important to ensure the timely visibility of such funds and to demonstrate their impact to taxpayers, representatives and auditors. There remains a need for arrangements between donors and humanitarian organizations that facilitate timely information on the allocation and impact of such funds without restricting the flexibility that they are meant to give to organizations.

While the localization agenda has resulted in progress, partnerships between local and national actors, international humanitarian organizations and donors should still be strengthened further and not limited to issues of direct funding.

While there has been accelerated progress in the last couple of years, the issue of Joint Needs Assessments has not progressed as far as was hoped. Though the implementation of the Joint-Intersectoral Analysis Framework by UN-OCHA was an important step in the right direction, there remains potential to achieve truly prioritized and inclusive needs assessments. As the humanitarian sector continues to face a significant funding gap, reliable needs assessments that allow for a prioritization have a critical function in the system.

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?

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

Joint Answer to question 7a and 7b: Risk has been an issue that Germany encountered in many areas when implementing the core commitments. However, in most cases, ways to mitigate the risks associated with the implementation of the commitments could be developed. The risk that humanitarian staff on the ground could be endangered by publishing data through IATI had to be mitigated regarding transparency. Germany thus ensured that data from sensitive projects could be exempt from publication.

In terms of localization, Germany opted to allocate funds as directly as possible to local NGOs, i.e. through intermediaries such as CBPFs and international NGOs. Faced with legal and institutional constraints (i.e. little field presence), this approach mitigated the legal and fiduciary risks regarding partner assessments from headquarters. Through measures such as the option to forward funds for indirect support costs to local actors, Germany mitigated the risk that local actors would not receive the same quality of funding as directly-funded partners.

Implementing the commitments on quality funding included political and fiduciary risk regarding information on allocation and impact of funds. In the case of flexible funds for the COVID-19 response, Germany and his partners agreed on ways to share preliminary information on the allocation of funds, while aiming at preserving the flexibility of the funding.

Political and fiduciary risks were also associated with the harmonization and simplification of reporting requirements, as Germany needed to maintain a high quality of reporting. The pilot phase of the 8+3 Template in three contexts thus helped to test on a small scale if the quality of the reports would remain sufficient in the new format. After a positive assessment during the pilot, it was easy to implement the template more broadly.