

**Grand Bargain in 2020:**  
**Annual Self Report – Narrative Summary**

**Name of Institution:** International Federation of the Red Cross and Red Crescent Societies (IFRC)

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## 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?**

1. In 2020, IFRC made great progress in collectively sharing real-time operational and financial reporting from across its membership for the COVID-19 response. These improvements in data collection and analysis enabled unprecedented Federation-wide planning and reporting, feeding into a **RCRC Movement collective COVID-19 appeal, directly in support of National Societies' own domestic response plans. 60% of the funds received at global level were directly passed through to over 160 National Societies and IFRC provided support to National Societies in redefining their auxiliary role to government authorities.** For the first time, IFRC is able to monitor not only international resourcing but also National Societies' domestic fundraising and expenditure. This will help to shed light on the scope of domestic efforts in this global crisis, traditionally almost invisible at the international level.

The establishment of the [GO platform](#) Field Report system allows National Societies to alert the network to emerging crises. The system was greatly expanded in 2020, with early warning and epidemic versions, a disaster-affected area mapping service, and [COVID-19 focused reporting](#). The launch in 2020 of a [3w module promises to create an overview of Movement-wide project data](#), providing estimates of people targeted and reached, capacities and funding support at sub-national level.

2. Throughout the COVID-19 pandemic we witnessed how **community trust is essential to ending epidemics and ensuring that responses are effective.** Building on existing tools and community engagement approaches used in different contexts, IFRC provided National Societies with [tools, guidance](#) and remote support to collect, analyse and act on community perceptions, questions and feedback (ex: [dashboard](#) from Asia Pacific). With this support, National Societies were able to adapt services, information provided and response strategies for the uptake of protective measures and strengthen trust in the response. From a [whatsapp line for migrants](#) in Peru, to mobilizing neighbourhood volunteers in Libya via social media, the IFRC network demonstrated innovation in ensuring communities were able to access information and have a say in the response. Together with key partners, multi-country [perception surveys](#) were also conducted to inform overall operational priorities.

The IFRC and its network also played a leading role in the newly established [Risk Communication and Community Engagement \(RCCE\) collective service](#), a collaborative partnership between the IFRC, UNICEF, WHO which ensures effective coordination, so that the strengths and community-footprint of the Red Cross Red Crescent network and other local actors are leveraged and collectively supported to deliver the greatest impact, ensure coherence, and increase effectiveness of localized action in the COVID-19 response and beyond.

3. On 1<sup>st</sup> April 2020, in partnership with the Turkish Red Crescent, the IFRC took over the contract management of the Turkey Emergency Social Safety Net (ESSN) with funding from ECHO. With a value of Euro500m per year and reaching 1.8m vulnerable people every month, this remains the largest humanitarian cash programme in the world. Taking over the management of such a contract in the context of the COVID-19 pandemic, allowed the IFRC and its ESSN partners to immediately adapt the programme to provide additional support to households impacted by the increased economic strains of the pandemic lockdown. In June/July 2020, the ESSN demonstrated its ability to respond to shock by scaling up to provide a one-time, additional disbursement to those economically impacted by the pandemic. The successful management of the ESSN thus far has allowed IFRC and its partners to develop approaches within this unique cash programme, specifically through strengthening of Community Engagement and Accountability, improving

community outreach and feedback and enhancing data analysis and reporting. The learning from the implementation of the programme are being leveraged for greater impact to IFRC membership programming and beyond. In December 2020, ECHO agreed to an extension of the ESSN with an additional Euro 400 million that will allow the continuation of activities up to mid-2022.

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

The COVID-19 response has highlighted the important role that National Societies play in supporting excluded and marginalised people before, during and after crises of all kinds. The global coordination of a strategic approach to protection, gender and inclusion (PGI), based on a new [Protection Gender and Inclusion in Emergencies toolkit](#), was developed with the IFRC's regional offices and National Societies. General guidance covering all key PGI issues including, [key messages](#) and a [technical guidance note](#) for PGI were developed and shared across the membership.

Collaboration with PGI regional focal points and sector focal points in the IFRC was ensured to establish a joint plan of support to National Societies in their programming and monitoring of PGI-related responses to COVID-19. For example, the eight National Societies supported in the SGBV Appeal 2019-2023 received technical support to adapt their implementation plans to the COVID-19 pandemic in their local contexts. Effort was made to ensure that PGI aspects were integrated and embedded in all sectors, with dedicated support, including deployment of specialist support, given on specific themes such as such as in fragile, conflict and vulnerable contexts. To this end thematic guidance was developed on: [Trafficking in Persons and Covid-19](#), [Prevention and response to SGBV and Covid-19](#), [Child protection and Covid-19](#) and [Guidance on working with older people](#).

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

Our members routinely work across the humanitarian-development nexus, so the notion of connecting resilience to response and recovery is well engrained in our programming. We also know that greater investment in preparedness and early action decreases humanitarian needs and saves lives. It is for this reason that the IFRC continues to make investments in its flagship Disaster Relief Emergency Fund (DREF) which is accessed by an average of 75 National Societies for 100 – 120 events each year. With an increase in global migration, impact of climate change and expanding humanitarian needs, access to DREF has increased in previous years, a trend foreseen to continue. The amount of allocations that were spent by National Red Cross and Red Crescent Societies has been steadily increasing from some 16 million Swiss Francs in 2016 to 32 million in 2019, exceeding the immediate target of CHF 30 million set for 2020.

DREF funds have been allocated for anticipatory action and response to imminent, small and larger disasters and crises through a combination of expert judgement when analysis is needed at the time of allocation and fully automated when skilled scientific forecasts of humanitarian impact exist. In 2020, National Societies in 29 countries were developing the Forecast-based Financing (FbF) approach to enable anticipatory action to be taken ahead of a hazard's impact. Compounded with COVID19, this year's storms, floods, drought and locust infestations are stark reminders of the need for organizations and communities to be ready ahead of time. By having systems, plans and resources in place to act before a hazard's impact through the FbF approach, National Societies were able to implement anticipatory action in Bangladesh, Mongolia, Bangladesh, Ecuador and Mozambique this year. Funded by the DREF FbF component, National Societies were able to mobilize early action support such as unconditional cash transfers, livestock protection and shelter

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

strengthening to reduce the predicted impact of disasters. The humanitarian vulnerabilities and needs emerging as a result of lockdown measures, and resulting economic implications are hardest for those who are already suffering from multiple vulnerabilities. By establishing systems, plans and resources well in advance, anticipatory action provides a cushion for at-risk communities to anticipate and protect themselves against the compounding risks of multiple crisis events happening at the same time.

### **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?**

1. The IFRC has been strongly engaged with partners on localisation as co-convenor of the Grand Bargain Localisation Workstream. As a member-governed international network of local actors, localisation objectives are already familiar to our systems. Nevertheless, since 2016, IFRC has been able to improve on a number of its practices and procedures including strengthening peer-to-peer learning, strengthening HR systems and supporting domestic fundraising. Furthermore, in 2019, a new “**National Society Development Compact**” was adopted aimed at ensuring that capacity-strengthening support from partner National Societies and the IFRC are fully aligned, supportive of recipient National Society’s self-identified needs, and applying lessons from past best practice. In addition, we have increased the reach of the **Disaster Relief Emergency Fund (DREF)**, a pooled fund channelled to NSs for their own programming, as noted above. Together with the ICRC, moreover, the IFRC created the **National Society Investment Alliance (NSIA)**, a pooled fund entirely devoted to supporting locally-identified long-term capacity needs of National Societies.

2. Since 2016, IFRC has also considerably invested in community engagement/accountability approaches by developing tools, training and guidance, used widely by many humanitarian organizations; through the presence of dedicated technical teams at headquarters, in each regional office and in most in-country operations; by setting up community feedback mechanisms in many emergency responses; and ultimately through the adoption of the **Movement Commitment on Community Engagement and Accountability in 2019**. Since 2016, the IFRC has steadily increased the inclusion of community feedback systems in its emergency responses. In 2020, approximately 70% of IFRC responses had community feedback systems.

3. Cash programming at the IFRC has also seen impressive growth since 2016 with the delivery of more than CHF850m (excluding overhead) in humanitarian cash globally in 2020 to more than 6m people across more than 80 countries worldwide. The Red Cross Red Crescent Movement is the second biggest implementer of humanitarian cash globally and through investments in cash preparedness approaches, investments in cash delivery systems and strengthened reporting of our work, we are confident that this number will continue to grow. In 2020, we saw more than 75 National Societies undertake cash activities for COVID-19 response, a tripling of the number that implemented cash in 2016. As a further example of the IFRC’s continued commitment to support the dignity and choice of affected populations, **by 2025, the IFRC aims to deliver 50% of humanitarian assistance through the use of cash and vouchers**. We believe that by supporting communities and local economies in this way, we will improve our accountability, effectiveness and efficiency.

4. The ICRC-IFRC jointly led process for **Strengthening Movement Coordination and Cooperation (SMCC)**, has seen progress both resulting in and stemming from progressive change of mindset and systems. This was especially apparent in the context of the **Movement-wide response to COVID-19**, from launching a joint international financial Movement Appeal to strong global coordination between Movement partners in support of National Societies. The SMCC process has also been a catalyst for greater efficiencies, whether it be through joint tendering of PPE during the first wave of Covid-19, or to developing a joint agreement on fleet that allows sourcing vehicles from one another’s stocks and using one another’s maintenance structures.

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

1. While still far from the “tipping point” on this issue, **the Grand Bargain has supported real progress towards cultural and normative change in the humanitarian system on localisation.** The Localisation Workstream has contributed in part by promoting dialogue, including at the regional and country levels, and in synthesizing agreed priorities and best practice in a series of guidance notes about partnership, financing, capacity strengthening, coordination gender, and donor/intermediary arrangements -- points further taken up in the IASC’s interim guidance on localisation and COVID-19. Several agencies and donors have also made policy changes (e.g., to allow direct funding of local actors, and/or to provide overhead costs to them, where this was previously disallowed). Coordination mechanisms, in particular the humanitarian clusters and UN country based pooled fund (CBPF) advisory boards, have seen an increase in the number of local actors participating. While overall progress on direct funding for local actors has been disappointing, the number of signatories individually meeting that target is increasing (10 as of last year) as have many of the CBPFs.

2. Significant progress has also been made in deepening our collective understanding of the importance of **predictable and flexible humanitarian funding.** Many donors were especially generous in responding to requests for flexible funding to the COVID-19 appeal, with higher than ever levels of un-earmarked and lightly earmarked contributions. In a context in which conditions are constantly evolving and needs changing, flexibility has been paramount to allow for adaptation of the response and to pass down quality funding to our member National Societies. There is nevertheless concern that a deteriorating economic outlook could result a slide backwards from the positive trends in quality funding seen in 2020.

**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?**

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 practice that will enable progress on other commitments.

For example, while there has been a culture shift on localisation, **the humanitarian system has made disappointing progress toward the Grand Bargain’s target of channelling 25% of overall funding to local actors “as directly as possible”.** **Direct** funding has been constrained by capacity gaps, mainly in **donors’** capacity to monitor and oversee a multiplication of partners in a manner satisfying their risk mitigation concerns. Meanwhile, the looser concept of “direct as possible” has not served as an effective metric of cost-efficiency or empowerment of local actors. While existing local capacity is often underestimated and under-valued by the international system, it is also the case that **an important gap remains in local civil society responders’ access to funding to support their long-term institutional capacities and core costs.** They struggle to access overhead allowances or multi-year, targeted support for the capacity needs they themselves have identified, as noted by the 2020 Independent Report. This is, in part, due to gaps between humanitarian, development and climate funding sources, each of which tend to see capacity goals belonging to one of the other categories.

Finally, **a true participation revolution** requires the whole humanitarian system at country level working together for better accountability, including holding one another accountable. Leadership in large humanitarian organizations and within the donor community need to champion this area and request for change. To date, **community feedback mechanisms have been small scale and agency specific making it difficult to achieve the power-shift to affected people** that is required to make substantive progress on this commitment.

## 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?

Limited growth in core funding and continued high levels of donor earmarking are fundamentally at odds with increasing donor expectations around central activities such as programme management, fraud, Sexual Exploitation Abuse and Harassment (SEAH), results and risk management. This makes it hard to meet our commitments while still delivering for emergency responses. We have also witnessed an increase in donors looking to transfer risks down the supply chain to local actors, without the commensurate investment in their ability to effectively manage such risks. Without investment in the institutional capacity of local actors to effectively manage risk, local-actors will continue to be excluded from international funding sources and we will remain far from our goal of a more localized humanitarian system.

Finally, we have also seen a growth in contract clausuring, including financial clawbacks, anti-terrorism legislation and audit for lower funds, all of which make **principled**, agile, progressive humanitarian programming much harder. Risk free humanitarian response is inherently impossible given the dangerous and changing circumstances in which we operate. IFRC believes that a dialogue on risk and responsible data sharing is key to foster 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 localisation agenda and the overall goals of the Grand Bargain.

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

**Trust in humanitarian action** was put on the agenda of the [33rd International Conference](#) because of declining trust in institutions and governments, an increase in public scrutiny, and calls for stronger integrity and accountability. Maintaining our integrity is critical for our network. In 2019, **the IFRC General Assembly approved an enhanced integrity policy**. In support of the policy, IFRC is developing a toolkit of policies and training to help National Societies in delivering on our shared integrity standards. In response to an increasingly challenging operating context **IFRC is enhancing its risk management systems and risk maturity**. We have recruited a global team of risk managers to support the development and implementation of our risk management strategy, including rolling out a tool kit and providing regular training to staff and volunteers within all of our offices.

The Office of Internal Audit and Investigations (OIAI) has continued to enhance its audit work and practice. **In 2020 the OIAI became fully risk-based in its audit work**. The full risk-based approach allows our internal audit to provide greater focus and risk-based prioritisation of the OIAI's work to enhance value for money as well as more conscious planning and development of human resource, intellectual property, processes and audit methodology to meet world-class best practice. IFRC continues to invest in increased transparency and engagement with stakeholders, especially donors. **IFRC also continues to lead the international organisation community in our ongoing commitment to transparency around fraud and Sexual Exploitation Abuse and Harassment investigation**. IFRC provides detailed quarterly briefings to all NS and Donors covering ongoing investigations.