

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

**Name of Institution:** InterAction

**Point of Contact:**

Stephanie Scholz, Program Manager, [sscholz@interaction.org](mailto:sscholz@interaction.org)

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**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?**

A significant portion of InterAction’s work in 2020 was in response to the COVID-19 pandemic, facilitating dialogue between NGOs and donors while working to alleviate administrative challenges to continued operations of NGO partners. Throughout this unprecedented year, InterAction emphasized the importance of efficiency, localization, and ensuring accountability for results, while facilitating thinking and discussion on the challenges and bottlenecks that continue to stymie progress. InterAction produced documentation and reporting outlining quality funding roadblocks and recommendations in working papers such as [Strongest Together: An NGO Consortia View on Structural Issues in the Humanitarian Response to COVID-19](#). In June, InterAction surveyed its members on their experiences with quality funding during the COVID-19 response, both in seeking new awards and in flexibility on existing awards from global donors. The findings were published in InterAction’s “Performing Under Pressure: Funding and Flexibility of NGOs in the Context of COVID-19”<sup>1</sup> report, which has been used to inform strategic partnership discussions, bilateral engagement with donors, and multilateral quality funding efforts.

InterAction continued to facilitate dialogue between NGO partners, donor governments, and UN agencies to align partnering practices with Grand Bargain commitments, namely on reduced reporting, increasing multi-year planning and funding, and harmonizing cost classifications. This included facilitating several discussions between UN agencies and NGO implementing partners on specific streamlined procedures and flexibilities required to scale up the response to COVID-19 and to enable existing humanitarian programs to continue. In April 2020, InterAction and 45 member organization CEOs sent a letter outlining these specific efficiencies to the heads of the three largest UN humanitarian agencies. In June of 2020, InterAction and 45 member organization CEOs submitted a letter to the leadership of the newly formed USAID Bureau for Humanitarian Assistance (BHA) regarding specific concerns with the draft BHA Emergency Application Guidelines and urging that the creation of new business practices be used as an opportunity to promote efficiency, reduce the burdens placed on partners throughout the award and program cycle, and simplify application requirements for small and local NGOs. This letter and a submission outlining specific changes to the draft guidelines sought by NGO partners paved the way for ongoing senior-level dialogue and engagement with BHA leadership throughout 2020, emphasizing this critical window to make humanitarian assistance more efficient, effective, and in line with Grand Bargain commitments.

**Question 2: How has your institution contributed to the advancement of gender equality and women’s empowerment in humanitarian settings through its implementation of the Grand Bargain?**

In 2020, InterAction, in partnership with Translators without Borders, produced a video called “[No Excuse for Abuse](#),” highlighting the six core principles of Preventing Sexual Exploitation and Abuse (PSEA) for humanitarian actors and staff. This six-minute video was translated into 18 languages, to facilitate accessibility of these concepts in local languages and in support of localization and accountability to affected populations. InterAction also began a review and update of the [PSEA training package](#) (2010) in 2020. This training package update will incorporate a trauma-informed/survivor-focused approach into the existing materials, including feedback from localized implementation over the past decade and participatory review sessions conducted with local organizations and participants from more than 15

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<sup>1</sup> For copies of any papers, briefs, or letters not linked here, InterAction would be happy to provide them upon request.

different countries. This update will also include translation into 10 languages in 2021 and image-based messaging to increase accessibility for vulnerable groups.

InterAction's other significant achievements under the umbrella of gender equality and women's empowerment are linked across the workstreams on Transparency, Localisation, Needs Assessments, and Participation Revolution. Despite the challenges of operating remotely, InterAction deepened its work promoting and sharing localized [Results-Based Protection](#) (RBP) practices through the development of an annual briefing paper, [Embracing the Protection Outcome Mindset: We All Have a Role to Play](#), the launch of a [Practitioners' Roundtable](#), and facilitation of the first [Results-Based Protection Good Practice Contest](#) to build an evidence base of the humanitarian community's use of RBP to address protection issues in humanitarian crises. InterAction's work in protection has underscored the importance of transparent data analysis in establishing efficient and effective implementation, particularly with regards to protection interventions and Gender-Based Violence. Thus, in 2020 InterAction began the [initial development of a GBV Prevention Evaluation Framework \(PEF\)](#), which will be used to help organizations better analyze, design, monitor, and ultimately evaluate outcome-level programming aimed at preventing GBV in conflict situations. InterAction will begin piloting the PEF through partners' implementation in 2021.

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

InterAction regularly convenes, facilitates, and organizes dialogue across humanitarian and development actors, connecting the context and technical expertise of the humanitarian community with development organizations, particularly in settings where development actors are present. In 2020, InterAction facilitated discussions between the World Bank and NGOs to share guidance and views on the World Bank's Refugee Policy Review Framework (RPRF) for its IDA 18 Regional Sub-Window for Refugees and Host Communities. InterAction also developed and contributed significant thinking on behalf of the NGO community to the High-Level Panel on Internal Displacement, which focuses primarily on addressing protracted displacement and achieving durable, development-oriented solutions for internally displaced people.

Additionally, InterAction maintains regular exchanges with non-traditional actors. For example, InterAction completed a series of thematic roundtables with the U.S. Department of Defence to shape the development of DoD's policy on minimizing civilian harm, including how DoD policy can safeguard civilian lives, property, and infrastructure in U.S. military operations. This work culminated in a series of recommendations papers, the [Civil Society Guidance for a Model Policy](#).

InterAction continues to deepen its involvement at the field level through coordination and consultation with development actors and local organizations. In December 2020, InterAction, as co-chair of the Urban Settlements Working Group, facilitated the release of the [Settlements Approach Guidance Note](#). In addition to practical guidance, the note emphasizes the importance of better collaboration between sectoral actors, national and international stakeholders, and humanitarian and development agencies for a holistic response. InterAction has also stepped up its work in the realm of climate change, an issue that is closely entwined with the humanitarian-development nexus. In 2020, InterAction established three new climate working groups aligned with [NGO Climate Compact](#) commitments, involving 52 NGO partner participants, and established a [Climate and Environment Resource Library](#) that contains trainings, toolkits, campaigns, and strategy and program examples focused on climate considerations in humanitarian and development work.

## **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?**

InterAction views its work and achievements within the Grand Bargain through three primary areas: contributions to the collective process and platform overall; educating and encouraging InterAction members to adopt relevant Grand Bargain commitment areas into organizational change management processes; and integrating Grand Bargain commitments in InterAction's own policy and practice work.

In engaging with the overall process, InterAction represented NGO perspectives on the Grand Bargain Facilitation Group from 2018 to 2020. Through this work, InterAction encouraged the adoption of a stronger evidence base (and indicators) to track collective and individual progress against commitment areas and encouraged a focus on ensuring gains were transferred down the humanitarian implementation chain to frontline actors. InterAction also played a significant role in organizing the 2019 and 2020 Annual Meetings, leading a session on field perspectives in 2018 and conceptualizing and leading a session in 2019 focused on unlocking challenges to progress, particularly as they relate to increasing quality funding. Second, InterAction undertook regular efforts to review Grand Bargain commitments with NGOs at various levels including with policy and advocacy leads, humanitarian directors, and CEOs. For example, in 2019, InterAction guided a discussion on quality funding and partnerships with NGO CEOs at IRC's annual NGO Leaders Forum.

Lastly, InterAction's work, much of which is reflected throughout this and previous years' annual reports, has significant focus on risk management policy and practice, strengthening training on PSEA, sustained support to NGO field consortia, and improved UN and US donor partnerships, areas all related to various Grand Bargain commitments. Principles of efficiency and effectiveness are often embedded into our team's design-thinking and in any proposal development aimed to address NGO member needs. Regarding our own partnerships, we are guided by one fundamental rule: "treat your partners how you would like to be treated" and we will continue to adopt efforts to reduce burdens and provide quality funding in the instances where InterAction undertakes grant making.

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

A major achievement of the Grand Bargain has been linked to quality funding, including the development of the concept itself. This shift in focus toward the provision of efficient, predictable, flexible multi-year funding will ease the administrative and programmatic burden on NGOs, the overall management costs for donors, and the ability to deliver programs that are better suited to meet the needs of affected populations. While progress on the provision of quality funding has been limited and uneven, the concentration of funding conversations on this critical area, particularly in the last two years, has been a major step forward and one InterAction hopes to see continue in the next iteration of the Grand Bargain.

Other notable achievements are efforts to provide specific, actionable solutions to challenges that have led to significant inefficiencies in the humanitarian system, including the lack of standard cost classifications and the panoply of differing donor narrative reporting requirements. The NRC-led [Money Where it Counts](#) initiative, which aims to establish a harmonized and simplified costing approach for NGO operations, particularly with regards to classifications, charging methods, and financial reporting, has major potential to address the former. While this protocol has not yet been fully embraced by major donors, the effort put

into its creation by a host of NGOs demonstrates that it is possible to create a system to harmonize costs and establish a common vernacular, enabling accurate cost comparison and reflecting the true cost of programming.

A similar achievement has been the onboarding of the 8+3 Reporting Template by several key donors, including OCHA, UNHCR, France, and the United States Department of State. Although this reporting template has not been adopted universally, the 8+3 format simplifies and harmonizes donor reporting requirements, minimizing the reporting and administrative burden to NGOs. This approach further supports a collective response to a common challenge, which ultimately seeks to save time and resources through simplification and harmonization.

**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 achievements of the Grand Bargain, there remain gaps in terms of standardization and simplification. As outlined above, the 8+3 Reporting Template and advocacy for the Money Where it Counts Initiative, as well as other Grand Bargain actions, have emphasized the need to eliminate financial and administrative burdens on NGO partners and donors alike, but universal acceptance of these initiatives has not materialized. Greater uptake is critical to achieve the harmonization and simplification necessary to promote efficiencies, but many donor agencies continue to take an “exceptional” approach, preferring their own processes given perceived concerns about adopting common instruments.

While there have been efforts to trace out the connections between workstreams, a full understanding of the interlocking barriers to advancing different commitments is still elusive. For example, there are many trust-related barriers that remain in the humanitarian system, particularly as they relate to transparency, needs assessments, and management costs that limit progress in efforts to provide more quality funding, more direct funding to local actors, and reduced reporting requirements. Without fully understanding the interplay of these commitments and recognizing that progress must be made on some commitments to unlock achievements in others, the Grand Bargain has been limited in its ability to address root causes. The initial design of the Grand Bargain was oriented around these tensions and the “quid pro quo” approach, but it has not been borne out in practice over the last five years.

Relatedly, the political nature of the Grand Bargain has faded, with efforts becoming more technocratic over time. Ultimately, as noted above, many of the significant decisions to change practices must be made at a political level, with honest conversations between decision makers on how to make that happen. InterAction hopes to see this high-level, political orientation return as the Grand Bargain evolves into a new form as meaningful change without it will remain limited.

### **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?**

Ongoing learning and peer exchange to strengthen NGO risk management policy and practice continues to be a core element of InterAction’s humanitarian work. InterAction’s 2016 and 2019 research shows that NGOs have strengthened fiduciary risk controls and continue to invest in other institutional capabilities around risk management. These investments have

costs, both in terms of financial resources and staff time. Practically, this means fewer resources are available to implement Grand Bargain commitments, many of which require a level of investment and time to integrate into organization policy and practice.

NGOs manage risk whenever contexts or conditions change, adapting to ensure the likelihood of program success, while minimizing the potential impact of failure, injury, or loss. This risk management approach examines potential threats across a range of risk areas, from operational to legal and compliance, and balances them against life-saving humanitarian priorities (i.e. program criticality). Risk management and mitigation must be seen first and foremost as a vehicle to ensure program continuity, particularly given that an increasing number of those around the world in need of humanitarian assistance are found in high-risk settings.

In practice, risk management requirements and donor expectations reflect a systemic problem – the tendency of funders to manage the risk to themselves rather than the risk to all, and the risks to maintaining life-saving assistance writ large. Many risk management requirements focus narrowly on the risk posed by partners to the funder, rather than framing risk mitigation and management efforts as necessary to ensuring assistance reaches those in need. Some donor requirements presume that a partner's mitigating actions will result in zero [residual risks](#) (i.e. what potential risks inevitably remain after an organization has identified and taken all reasonable actions to reduce it as much as possible). Experience shows this to be untrue, with risks manifesting even when rigorous mitigating actions are in place.

Increasingly, risk management requirements run contrary to efficiency objectives. For example, while there is some positive movement, many signatories use different risk terminology and award requirements. The lack of harmonization on both terminology and reporting requirements run in contradiction to efforts to simply and reduce reporting burdens, undermining the efficiency gains intended from simplification efforts. Additionally, increasing risk aversion appears to correspond with a growing level of punitive and lengthy investigations, draining both resources and time while also resulting in a disruption to the delivery of life-saving assistance and compounding humanitarian needs.

A continued lack of focus on the degree of remaining residual risk ignores the realities of working in complex environments, undermines good partnerships, and will continue to create challenges where donors and NGOs manage risk exclusively to themselves rather than the risk to all. Our collective focus should orient around risk sharing and promoting greater understanding, acceptance, and tolerance that losses and failures will occur despite a comprehensive suite of controls. This focus, and policies flowing from it, will better enable efficient and principled humanitarian action, grounded in impartial and independent delivery, in places where risks are significant and the need to save lives is greatest.

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

InterAction maintains a continued focus to advance NGO peer exchange and learning on risk management policy and practice, while also addressing key gaps in how we improve collective forecasting, preparedness, and early action to mitigate and manage risk. In late 2020, with the support of USAID's Bureau of Humanitarian Assistance (BHA), InterAction initiated a third phase of its risk work. Participants in the next phase of the work include CARE, Catholic Relief Services, Concern, Danish Refugee Council, Global Communities, International Medical Corps, International Rescue Committee, Mercy Corps, Norwegian Refugee Council, Relief International, Save the Children, and World Vision. The program will continue to promote dialogue, but more importantly, it aims to advance risk management models that support

operational readiness and program continuity in the areas where risks are greatest and humanitarian needs are concentrated.

Additionally, InterAction continues to use the existing evidence base to encourage NGOs' good practice and improve understanding across other relevant stakeholders, ensuring the work does not simply "live on a shelf." This included designing and facilitating risk scenario discussions at InterAction's 2019 annual member forum and 2020 CEO Retreat, presenting the research to European donors, and hosting dedicated internal briefings for several NGO teams. This approach realized several positive outcomes with multiple Risk II study participants reporting progress on recommendations, including one NGO's review of internal sub-award policies, another's internal discussions to determine immediately actionable recommendations requiring no additional resourcing; and a third using the Risk II study in private donor outreach, resulting in a \$2 million contribution for programs in high-risk settings.

Furthermore, through its co-chairmanship of the IASC Result Group 3 sub-group on Counterterrorism Measures (along with OCHA and Save the Children), InterAction is working to better organize humanitarian actors to articulate the impact of counterterrorism measures on humanitarian action, build an evidence base, and advocate for solutions. This includes establishing a database for the humanitarian community to catalogue counterterrorism measures and their impacts as they emerge and creating a searchable evidence library to house existing examples of the impacts of counterterrorism measures in various responses. Furthermore, InterAction has also continued to advance NGO advocacy efforts to build humanitarian safeguards in UN security council resolutions and in US government policy, including its [recent organizing efforts](#) calling for the revocation of a new terrorist designation of the Houthis in Yemen, which if implemented would have resulted in catastrophic humanitarian impacts.