

Grand Bargain in 2020:
Annual Self Report – Narrative Summary

Name of Institution: Mercy Corps

Point of Contact:

Anissa Toscano

Vice President, Humanitarian Response atoscano@mercycorps.org

Date of Submission: 16 February 2021

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?

Mercy Corps continued to make progress within the *cash* workstream, with cash programming representing 48% of the humanitarian aid provided by the agency. Cash transfer programming values in 2020 totalled \$37,602,129 in cash and \$19,314,070 in vouchers. Cash and voucher assistance was one of Mercy Corps's strategic pillars in its response to COVID-19. Many of our country programmes pivoted to, scaled up, or started multi-purpose cash assistance to respond to the humanitarian needs caused or exacerbated by COVID-19.

Mercy Corps also demonstrated its commitment to joint *needs assessments* across several contexts. Specifically, we participated in joint needs assessments in DRC, Guatemala, Haiti, Iraq, Jordan, Lebanon, Nigeria, North East Syria, South Sudan, and Yemen. This included *monitoring of market indicators to inform response planning* in Haiti, Iraq, and Northeast Syria. Mercy Corps's *analytical systems helped inform programmatic decisions* by the humanitarian community in DRC (with a humanitarian monitoring and early warning system) and Syria (including a pilot use case leveraging big data analytics to enable predictive modelling). In Palestine, Mercy Corps sought to *improve needs analysis by working closely with the Cash Working Group* to develop common standards and information-sharing agreements for beneficiary identification and analysis. In Lebanon, Mercy Corps joined several other agencies to *conduct a rapid assessment* on the impact of COVID-19 on workers and enterprises in the country. In response to the August 4th blast in Beirut, Mercy Corps designed and led the [inter-agency rapid needs assessment of small and medium-sized enterprises \(MSMEs\)](#), reaching more than 1,300 small businesses. Currently, Mercy Corps coordinates the Beirut MSME database (see dashboard [here](#)) to ensure efficiency and avoid duplication in the support provided to businesses affected by the blast. Mercy Corps also led the effort to develop a scoring methodology that was adopted by other agencies participating in the rapid needs assessment.

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).

In 2020, Mercy Corps continued to promote gender equality in its humanitarian programs by encouraging gender analysis from design phase through implementation. Our Cash Transfer Programming Minimum Standards Policy explicitly requires gender analysis and gender sensitive needs assessments for all cash programming. In 2020, Mercy Corps began developing three e-modules that will increase the knowledge and skills of emergency food security teams to conduct gender and inclusion analyses,

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

integrate findings into program design, and ensure strong gender-responsive monitoring and evaluation.

Mercy Corps is also committed to emphasizing the importance of gender, equity and social inclusion (GESI) principles; one hundred team members from across headquarters and country offices are part of our GESI Champions Community Of Practice. Mercy Corps also has continued to experience strong interest for the country-level Gender, Diversity and Inclusion diagnostic process, with 28 country teams at various stages of the process. Finally, we have launched an agency-wide Gender Equity, Diversity and Social Inclusion (GEDSI) strategy which will orient country teams to internal program quality standards and begin a process of targeted support to key countries to model alignment with the strategy.

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.

Mercy Corps demonstrates a commitment to the nexus through its resilience in protracted crisis approach. In 2020, Mercy Corps continued its contribution to the evidence base regarding the importance of markets and social systems for coping and early recovery in complex crises. We released [Towards resilience: Advancing Collective Impact in Protracted Crises](#), which outlines how resilience can bolster aid effectiveness in conflict settings facing prolonged humanitarian need, and [Why Do Social Connections Matter for Household Resilience in South Sudan?](#). We published two essays emphasizing evidence-based recommendations from our [FY20 Towards Resilience](#) paper. *Aligning Humanitarian and Development Action* in the United States Institute of Peace [Peaceworks report](#), and [Beyond Food Aid: Priorities to Address Humanitarian Food Crises](#), published under the Center for Strategic Studies “Reset the Table” Series, call for strengthening sources of resilience across humanitarian, peace and development assistance to end violence and hunger. In response to the specific needs of the COVID-19 pandemic we published a series of resilience, markets, and food security tip sheets and developed a COVID-19 agency response strategy grounded in our resilience model. At country level, Mercy Corps teams in DRC and Somalia are currently spearheading efforts to develop “triple nexus” resilience strategies, further contributing to our agency’s learning around how to operationalize nexus approaches. In Northeast Nigeria, Mercy Corps continues to invest in markets-led programming to strengthen sources of resilience in protracted crises. A recent impact evaluation demonstrated the positive impact of these models on households' livelihoods in a conflict setting, with 64.8% and 61% of respondents starting new livelihoods and/or expanding existing livelihoods, respectively.

Acknowledging the critical role of analysis in effectively engaging in the humanitarian - development nexus, Mercy Corps has continued to invest in both our global crisis analysis capacity as well as country level analysis platforms in selected countries. Through our crisis analysis teams, we expanded the use of continuous context analysis to enhance our understanding of crisis dynamics, and boost our agility to program across the nexus in complex crises. In 2020, our crisis analysis team pivoted in response to the pandemic to provide COVID-19 secondary impact reports which examined the impact of COVID-19 on conflict dynamics, the humanitarian situation, and economic well-being. In addition,

Mercy Corps released [two products](#) that highlight how COVID-19 may contribute to conflict dynamics in fragile contexts and offer recommendations on what types of responses may best mitigate these risks.

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?

Since 2016, Mercy Corps has achieved the most progress on the cash workstream. While we already had a robust cash and voucher assistance portfolio and a globally recognized Cash Transfer Toolkit at the beginning of the Grand Bargain, cash transfers represented a relatively small proportion of our humanitarian assistance. By 2020, cash programming represented 48% of the humanitarian aid provided by Mercy Corps, a marked increase in the scale and number of programmes across our countries of operation. During this time we invested in improved financial tracking to help us better calculate and report on the volume of cash-based humanitarian programming, disaggregated by methodology. We also rolled-out a Cash Minimum Standards Policy to track adoption of the most crucial elements of CVA globally. Our cash minimum standards include a requirement for gender analysis and gender sensitive needs assessments, as referenced above.

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

At a strategic level, the convening of key aid actors at senior levels around a set of shared commitments has been positive, and the Grand Bargain forum has kept critical issues such as support to local responders and quality funding as priority topics in strategic discussions. Notable progress has been achieved in a few areas: increasing the use and coordination of cash programming; advancing coordinated approaches for community engagement; testing a common template for harmonised and simplified reporting; and, to some degree, heightening the profile for multi-year planning and financing.

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?

The role of the eminent person has been critical to generating momentum; however, despite significant efforts, the Grand Bargain has not yet successfully generated sufficient political will to implement wide reaching changes. There have been particular challenges to achieve progress in areas such as quality funding and accelerating localisation, including direct funding to local responders.

Grand Bargain discussions remain largely concentrated amongst a small number of representatives from international agencies and donors. Local and national actors have not consistently been engaged in the Grand Bargain conversations nor have we seen improvement in their involvement in coordination and decision making structures at country level. Lastly, to date, the Grand Bargain has not yet successfully grounded

discussions in concrete operational contexts, hindering its ability to deliver impact at the front lines of humanitarian responses.

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?

Risk considerations have, to some degree, negatively contributed to our ability to achieve progress on the commitments linked to localisation. While risk has not prevented us from partnering with new and additional local partners, fiduciary considerations, legal and donor compliance requirements, in some cases complicated by counter-terrorism legislation, have all presented undue burdens on our existing partnerships and, to some degree, impacted on the depth and breadth of our partnerships with local actors. In particular, requirements to seek prior approval of partners by funders can cause weeks and often months of delays in implementation.

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

At a strategic level, over the past year, Mercy Corps has been developing our vision for local partnerships. This includes a pathway to maximise the extent and quality of our partnerships and shift power as close as possible to participant communities. Operationally, we have undertaken a variety of mitigation measures to maximise our ability to partner and, therefore, work towards implementing the core commitments linked to localisation. We have adopted a comprehensive compliance framework for subawards, which has risk mitigation at its centre and includes guidance in relation to covering indirect costs/overheads for partners. It also sets out the parameters in which exceptions can be sought. We have begun developing a remote access toolkit for our country programmes which provides guidance on partnership in reduced access locations. We have also increased our resources for safeguarding, with a focus on working with and supporting partners to understand and comply with their safeguarding commitments. Additionally, we have accompanied our requirements for partners to have a Community Accountability and Reporting Mechanism with guidance for our country teams and their partners in regards to prevention and management of fraud, corruption and safeguarding cases. All these measures are designed to minimise the risk burden for our partners and enable them to take as much control as possible of their own activities.