

Grand Bargain in 2020:
Annual Self Report – Narrative Summary

Name of Institution:

Ministry of Foreign Affairs of the Netherlands

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

Fahad Saher, Policy Officer Humanitarian Aid,
fahad.saher@minbuza.nl

Date of Submission: 17 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?

1. Localisation

- In 2020, the Netherlands (NL) provided multi-year support to several alliances, networks, funds and organisations that collaborate with local responders to deliver humanitarian assistance (e.g. Dutch Relief Alliance, DREF, START Network, Netherlands Red Cross and CBPFs).
- NL funds 36.5 percent of its humanitarian budget as direct as possible through the abovementioned instruments; an increase of 8 percent points compared to last year.
- We placed particular emphasis on the empowerment of local organisations to set their own priorities for humanitarian aid, supporting capacity strengthening as a regular activity in those partnerships when requested, and including affected people in the planning of the response – particularly in COVID-19 responses.

2. Quality Financing

- NL continues to provide multi-year financing to its humanitarian partners based on the OECD DAC criteria, which is a commitment for 2-3 years, with annual payments. This enables organisations greater predictability about the support of the NL.
- NL continued to provide flexible funding, which includes 58.4% unearmarked and 40.6% softly earmarked support to our partners, enabling partners to respond to humanitarian needs when they arise in a flexible manner.
- NL invested and started to support work around better showing and demonstrating how partner organisations are using multi-year and flexible financing. NL aimed to contribute to move the work around quality financing further.

3. Transparency

- NL together with the World Bank continued as co-conveners of Workstream 1 on data-driven transparency. Main achievements are captured in the Workstream update. For NL it was important to link with organisations and platform providers to increase data-driven transparency of the response to the COVID-19 pandemic, to engage more strongly with local organisations around data-driven transparency, and start outlining the complementarity and connectedness of different platforms.

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.

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

Since NL provides high amounts of funding flexibly and multi-year, we rely on strong and open partnerships with our partner organisations to ensure accountability to affected people as well as accountability to the public. This includes confidence in our partners to address any form of misconduct.

NL therefore started a three-year project to enable people affected by sexual exploitation, abuse, or harassment to obtain accessible and effective assistance to complain and see their complaints addressed.

The project will bring about change in the accountability systems in three countries and will influence the wider aid system. Accountability starts at the level of agencies but cannot stop there. A culture of accountability requires system-wide commitment. People who feel that their complaints are not effectively addressed by an agency, must be able to find independent redress in or beyond the wider humanitarian system.

Based on learning from three countries, valuable insights and practical tools will be generated that can benefit the humanitarian sector in other countries, and at the international scale.

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.

We actively promoted the operationalisation of the nexus within and outside of the NL MFA. We also contributed technically to the development of the anticipatory humanitarian action concept so our partners may apply that to our funding.

NL continued the implementation of nexus-programmes on education, labour and protection in the Horn of Africa and in the Middle East. We have emphasised collaboration between teams and organisations across the humanitarian-development-peace building sectors. The PROSPECTS partnership of EUR 500 million with IFC, WB, UNICEF, UNHCR and ILO in the Horn of Africa and Middle East is a prime example of NL's efforts in nexus-programming. This programme supported joint analysis and joint multi-year planning between partners of the program.

The humanitarian unit worked with the development unit to enable a Resilience Program in fragile contexts in Somalia, South Sudan and Sudan. This three-year program kicked-off in 2019 and takes an area-based approach to food security, bridging relief. and longer-term assistance.

In addition: the COVID-19 data-transparency tool (provided by WS1) was developed to show humanitarian and development funding for the response. The nexus was part of the conversation from the start.

Furthermore, in December 2020, NL launched a study to better assess learning from non-humanitarian initiatives that contributed to addressing the humanitarian financing gap. The findings of the study will also inform the discussion on the nexus.

Lastly, NL, as co-chair of the Humanitarian Donor Group (HD) for Somalia together with ECHO, has been actively involved in discussions led by the RC/HC on

operationalization of the Nexus. A few “nexus-themes” were selected, among which flood management and durable solutions for IDPs. NL together with Switzerland has started to support a program to support durable solutions for IDPs in Somalia.

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.

Localisation:

Since 2016, NL has significantly improved the quality and quantity of its support to localisation, including together with the Dutch Relief Alliance (DRA). In 2017, 17 percent of NL’s support to the DRA was implemented through local partners. This was prior to the 2018 – 2021 partnership with the DRA, which particularly emphasised the quality of support to local and national responders. This is reflected in the percentage of funding disbursed, as well as the collaboration of the DRA with its local partners. In 2018, the DRA allocated 22 percent of its budget to local partners. The target for 2021 is set at 35 percent.

Similarly, Pooled Funds continue to be an important instrument for NL to support to local organisations where possible. In 2016, NL allocated EUR 71 mln to CBPFs, which translates to 17.6 percent of our total humanitarian budget. In the same year, CBPFs spent 24.2 percent of their budget as local as possible. In 2020, NL allocated EUR 65 mln to CBPFs, which amounts to 13.8 percent of NL’s budget. In the same year, the CBPFs disbursed 40 percent of their budget to local and national organisations. Taken as a whole, this entails that in 2020 36.5 percent of NL’s aid budget was allocated as local as possible.

In conclusion: while our contribution to the CBPFs slightly decreased in 2020 compared to 2016, the quality of localised aid has significantly improved. Additionally, we are exploring possibilities to enable greater decision making about response priorities and planning at local level.

Quality funding:

NL has strongly engaged in the increase of multi-year and flexible planning of its humanitarian budget over the course of the past years:

In 2016 NL already allocated 88.4 percent of its humanitarian budget unearmarked and softly (geographically) earmarked. Including thematically softly earmarked contributions, NL’s share of quality financing stands at 99 percent in 2020.

For 2018 – 2021, the Dutch Relief Alliance and NL collaborated through multi-year funding according to OECD DAC criteria with annual payments.

In 2019, we signed multi-year arrangements amounting to 75 percent of our total humanitarian budget. Additionally, we have engaged in discussions with our partners about their own multi-year planning process in order to enhance predictability and flexibility of humanitarian organisations.

Harmonised reporting:

Over the course of the years, NL has fully implemented the 8+3 template for its partnerships with INGOs, i.e. the Dutch Relief Alliance; both at proposal and reporting stage. This resulted in a reduction of the number of required audits and annual

reports in multi-year agreements with NGOs. Additionally, NL continues to accept the standard annual reports from UN agencies.

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 Grand Bargain has provided the ground for a stronger and better humanitarian response, including but not limited to the response to COVID-19. The Grand Bargain helped to establish and accelerate trends, contributed to greater alignment, and moved several needles. For instance, greater focus on localisation, flexible financing, more cash-transfer programming, more joint analysis, the awareness to capture trends better with data, and the way in which we have made steps to harmonise reporting requirements are trends and successful examples of a better responses. Moreover, before and during COVID-19 we have seen an increase of more localised assistance. The question is more *how* we should enable more localised responses rather than *if* we should continue to do so.

The GB has enabled a greater mutual policy and priority setting of the various humanitarian constituencies. This was not yet the case at this scale prior to 2016. In other words, we got to know each other better – and with that gained a better understanding of the opportunities and constraints humanitarian constituencies face.

Lastly, from a donor's perspective: the GB has provided a platform for direct engagement to work out our challenges collectively. Through this, we have been able to better share experience and learn from each other's good practices as well as our obstacles. For example, the GB is now an important forum for us to advance our own localisation work.

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.

From the perspective of the Netherlands, the Grand Bargain signatories did not equally deliver on all commitments and we experienced that it was not always feasible to deliver on all commitments within the projected timeframe.

One example includes our work on IATI. While meaningful change has been made, the steps towards realising data-based transparency and linking all platforms and institutional change require more time than was expected. Localisation also requires more time than maybe expected.

The GB has not led to the significant overall increase of funding flexibility. It is important to continue to prioritise this point.

The GB has also not led to an overall reduction of donor assessments.

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?

- NL continues to provide flexible and multi-year funding at high levels and results of this financing need to be demonstrated more clearly.
- NL has explored how to engage in better management of risks. This includes the adoption of a 'zero tolerance for *non-action*' approach towards certain risk and increasingly discuss certain risks with partners.
- We wanted to address potential risks in the sector by supporting tools to respond to them, including to risks of misconduct.

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

Overall, we think that conversations on how to share risks better will enable a stronger humanitarian response and enable more ambitious implementation of the Grand Bargain commitments. Together with ICRC, we are working on an initiative on risk sharing in order to identify how humanitarian actors can move towards better sharing of risk as well as balancing risk appetites/tolerance with humanitarian imperatives. In 2020, the NL and ICRC:

- Issued a research on risk-sharing;
- Facilitated a discussion on risk during the Grand Bargain Annual Meeting;
- Conducted country level dialogues on risk;
- Linked with other Grand Bargain Workstreams;
- Finalised preparations for the Expert Level Meeting on Risk Sharing in January 2021.

Through this work, we gained a deeper understanding on:

- 1) Definitions and terminology of risks.
- 2) How risks are being transferred.
- 3) Conditions for better risk-sharing.
- 4) The potential of a risk acceptance framework.

More specifically, NL tries to mitigate risks by:

- **Strengthening risk analysis:** strengthen our own internal risk understanding, analysis and management;
- **Dialogue:** in dialogue with partners, we address certain risks, including their occurrence.
- **Financing:**
 - NL provides softly earmarked funding to DRA. Budgets are composed on the initiative of DRA, leaving ample space for appropriate risk mitigation and capacity strengthening. We expect NGO partners to share a risk mitigation plan.
 - Dialogue with INGOs about sharing of overhead costs and providing sufficient staff and security costs for mitigating risks has started.
 - NL provides budget for capacity strengthening of LNNGOs in its humanitarian programmes.
- **Pilots:** A pilot for even greater localised decision-making in the context of the Dutch Relief Alliance's Joint Response.