

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

Name of Institution: UK Foreign, Commonwealth, and Development Office (FCDO)

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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?

The UK made sustained progress against our Grand Bargain commitments in 2020. The UK remained committed to providing high quality flexible funding to our partners, exceeding our Grand Bargain targets. Over 90% of our funding was multi-year and over 40% was unearmarked or softly earmarked, supporting our partners to plan more effectively, build up and sustain their operational capacity and respond more quickly to spikes in need.

The UK also conducted a pilot of the use of the 8+3 reporting tool, the first time this has been used by the UK, through our NGO Rapid Response Facility (RRF) in response to the COVID-19 crisis. Through this pilot we will explore the potential for rolling the 8+3 out more broadly to our bilateral humanitarian programmes in support of harmonised reporting. The UK's RRF provided £18m to NGOs for the COVID response and introduced new requirements to report the funding passed to local and national actors and commit to pass the same rate of indirect costs to downstream partners.

We have continued to expand our use of cash in humanitarian contexts in response to COVID-19. In FY 19/20, over £338 million of UK funding was spent on cash and voucher assistance (CVA), and over £250 million on cash alone. The UK continues to play an active role in co-leading the Grand Bargain cash workstream, as well as working with other donors in the Donor Cash Forum, where the UK took the lead in producing guidelines for the delivery of humanitarian cash transfers in response to COVID-19.

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).

To improve transparency and accountability for gender equality the UK requests that humanitarian delivery partners report sex, age, disability disaggregated data against individual-level results indicators whenever possible. This was reinforced in the recently updated UK Humanitarian Funding Guidelines for NGOs which also require partners to score their intended interventions using the IASC Gender with Age marker and to stipulate the proportion of delivery costs they plan to transfer to women-led and women's rights organisations. Gender equality is also a component of the UK's Central Assurance Assessments for all delivery partners including UN agencies and the Red Cross Movement.

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

The UK strives to mainstream gender equality and social inclusion (GESI) into all of our cash and other programming. We seek to align cash and AAP approaches to ensure all populations, including women and girls, have access to feedback mechanisms. Our AAP approach takes gender and inclusion as a key starting point, and we encourage all partners to set up gender-sensitive feedback mechanisms.

Gender equality was incorporated into the joint inter-sectoral assessment framework (JIAF) developed under workstream 5 with active contributions from the UK. And the quality scoring criteria for Humanitarian Needs Overviews (HNO)s and Humanitarian Response Plans (HRP)s includes analysis of the gendered needs and impacts of crises.

The UK continues to provide flexible funding to address Gender-based Violence (GBV) and support gender-responsive humanitarian action. In our response to COVID-19 the UK made a £50 million contribution to UNFPA, UNICEF and UNHCR, which included funding to scale-up reporting as well as adaptation and provision of essential services for GBV and child protection.

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

The UK priority has been to invest in longer-term solutions to address needs and build resilience and stability in crisis-affected countries. This includes investing through development channels where possible, humanitarian ones where needs would not otherwise be met, and building local capacity. For example:

- Support to local capacity and responders:

Through the UN Peacebuilding Fund (PBF), which partners with CSOs, and the UN Department for Peacebuilding and Political Affairs (DPPA) Multi-Year Appeal, which has a Local Peace Initiatives Window, the UK supports the UN in increasing local-level peacebuilding and community-based processes to complement high-level mediation efforts, combining UN capabilities with those of other actors such as civil society and regional organisations.

- Joint and impartial needs assessments:

The UK funds the UN Peacebuilding Support Office's Humanitarian Development Peacebuilding Partnership Facility (HDPP) which supports joint UN-World Bank analysis to link humanitarian, development and peacebuilding operations. The UK is also the largest donor to the UN's Climate Security Mechanism, which seeks to improve the UN's analysis and action on the linkages between climate and conflict issues. UK support to the joint UN-World Bank HDPP facility enabled data, analysis, assessments and operational cooperation in 15 country settings, and bolstered linkages between the World Bank's updated Risk and Resilience Assessment (RRA) methodology with a view to facilitating complementarity with UN Common Country Analyses (CCA). Through the HDPP the UK is also supporting policy dialogues between the World Bank and the UN on issues such as Security Sector Reform.

- **Increase collaborative multi-year planning:**

The creation of the UK Foreign Commonwealth and Development Office (FCDO) in September 2020 strengthens the links between our diplomacy, development and humanitarian work, including in the UK's response to COVID-19.

The UK is leveraging our core financing to UN partners through a payment by results approach requiring agencies to support increasing numbers of joint analyses of risks, needs and vulnerabilities with development counterparts, and that these inform efforts towards joint or joined-up planning. The high volume of bilateral multi-year UK funding also enables programming in support of communities' resilience in contexts such as Sudan, South Sudan and Somalia.

The UK continues to push for a systemic shift towards greater preparedness, anticipatory approaches, and resilience to reduce the impacts of crises. The UK is a major supporter of the UN's Central Emergency Response Fund (CERF) which in 2020 allocated up to \$140 million for a series of anticipatory-action interventions.

- **Cash-based programming:**

During 2020, FCDO worked across many humanitarian contexts to support partners in laying foundations for stronger linkages between cash assistance and social protection and making systemic change for more inclusive and shock responsive social protection. For example, in Nigeria, FCDO played a key role in supporting research to identify opportunities to strengthen shock responsive social protection, engaging collaboratively with the Social Protection Development Partners' Group in supporting the Vice President's High-Level Forum, and the humanitarian Cash Working Group. We are also supporting the most vulnerable through our social protection and humanitarian cash transfer programmes in 35 bilateral countries, including 25 FCAS.

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?

The UK has been a key driver of the Grand Bargain since its inception and efforts to support a more efficient and effective humanitarian system remain at the centre of our humanitarian policy agenda.

We have contributed to significant progress on several Grand Bargain commitments. As co-convenor of the cash workstream we have pushed for cash to become a key modality in responses, and FCDO/DFID has been a leading donor on cash, more than doubling our use of cash in key humanitarian settings from approximately 10% in FY 15/16 to 27% in FY 19/20. The UK has engaged actively on the joint needs assessment workstream to help develop and advocate for the JIAF methodology and scaled up widespread support for collective approaches to accountability to affected populations, for example in Bangladesh, Nepal, and Iraq.

The UK continued to demonstrate our commitment to support instruments that are increasing the humanitarian funding going as directly as possible to local and

national responders. We are one of the largest contributors to the CERF and Country Based Pooled Funds, both of which channel increasing proportions of their funds to national and local organisations. The UK has also been a long-time supporter of the Start Fund, with pilot hub working in Bangladesh leading the way in terms of how localisation can be more widely expanded to frontline civil society organisations in other crises. The UK is also a major supporter of the IFRC and their localisation agenda with national societies, through both unearmarked funding and also support to the Disaster Relief Response Fund which enables national societies to respond rapidly to new and emerging crisis.

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

The Bargain as a whole has been instrumental in setting a common agenda for the humanitarian community, providing a broadly agreed set of priority areas for focus and an established forum for discussing them. While there has been uneven progress across the workstreams, the GB structure has helped to focus resources on shared priorities and provide a common frame of reference for collaborative working e.g. on cash, joint needs assessment, and accountability.

In particular, the considerable expansion of humanitarian cash since 2016 is a key achievement - the amount of global humanitarian assistance delivered through cash and vouchers in 2019 has doubled since 2016, from \$2.8bn to \$5.6bn. In addition, the agreement of an initial framework for joint inter-sectoral needs assessment under the JIAF, and increased importance of localisation - paving the way for some innovative adaptations to grant management with local partners during the COVID response - are also major steps forward in collective policy and practice.

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?

Progress has been strongest on the technical, rather than political, aspects of the Grand Bargain. Cash and joint needs assessment offer key examples - there has been good progress on expanding the use of humanitarian cash and on technical design of intersectoral assessments such as the JIAF, but less on strategic cash coordination and the widespread roll-out of joint needs assessment approaches.

Commitments that relate to changes in internal organisation-specific processes, such as more streamlined reporting and reduced management costs, have also seen only sporadic progress. Some donors have been able to expand use of the 8+3 but this remains challenging for others who require more detailed information from partners, while transparent reporting of costs remains limited at some agencies. Greater join up is needed between typically distinct policy and audit or transparency functions in organisations, as well as honest conversations about what is and is not possible in these areas.

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 underpins and cuts across many commitments. Financial and operational risks are key to moving forward some aspects of the GB commitments for donors, such as quality funding commitments on unearmarked funding and transparency. At the same time, some GB commitments present opportunities to mitigate risks such as the participation revolution workstream, through which commitments on collective and strengthened approaches to AAP present opportunities to effectively mitigate risks around SEAH.

Risk also presents challenges on working with some downstream partners, where assurance processes might not be as strong as required. In these cases it can be difficult to decrease management costs and reduce the burden of reporting and assessment, as increased reporting may be required either centrally or at the country level. This may limit the types of actors that we are able to directly fund.

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

We have sought to balance fiduciary risk against the necessity of reducing the burden of audits and assessments by encouraging a flexible and adaptive approach to risk management. We encourage partners to actively engage in discussions on risk mitigation and adapt processes to suit the programming environment. FCDO stipulates that all partners manage a risk register that sets out key risks in the context and mitigation measures.

For specific modalities and programming options, such as cash, FCDO has taken a pro-active approach to managing both operational and reputational risk. This has involved undertaking robust research into the effectiveness of different programming options, ensuring we are able to make a strong case to all stakeholders (including UK taxpayers) that we are making the best choices with the resources we have, as well as putting in place strong monitoring and evaluation. We have piloted and expanded Third Party Monitoring approaches in a number of contexts including Jordan, Somalia, and Yemen where remote programming is the norm to ensure we are able to robustly monitor and respond to risks.

The UK takes a zero-tolerance approach to SEAH. In light of the increased risk of sexual exploitation and abuse occurring during the international response to the COVID-19 pandemic, the former DFID Secretary of State wrote to suppliers to emphasise the importance of maintaining standards of safeguarding against SEAH as we tackle the crisis. In September 2020 the FCDO launched the UK Safeguarding against SEAH strategy, the first to cover all ODA spend.