

To all signatories of the Grand Bargain

Oslo, 21.12.21

Dear Grand Bargain signatories, Dear colleagues,

We're quickly approaching the end of yet another challenging year, marked by another explosion in humanitarian needs. I have over the last three months travelled to Afghanistan, Iran, Cameroon, Jordan, Syria and Lebanon, where I have seen much good humanitarian action with and for people in need, but also how our aid and protection continue to be too little and too late for large communities who find themselves in a freefall due to conflict, covid and climate change. I am more convinced than ever that the Grand Bargain 2.0 framework that we endorsed last June, with *quality funding, localisation, and the participation revolution* as priorities, are key to better serve people in need.

Six months into my role as EP of the Grand Bargain, I would like to update you on what we have achieved so far – and what we need to do in the new year.

In June, we agreed to set up problem-solving “caucuses” to monitor, drive and encourage progress on specific commitments at the political level. Over the summer, I informed you that, together with the Facilitation Group, we were going to focus our initial efforts on three topics: multi-purpose cash coordination; quality funding; and the role of intermediaries. The three caucuses are now at different stages of evolution.

In agreement with the Facilitation Group and the Co-conveners of workstream 3 *on cash programming*, I launched the **caucus to ensure accountable and predictable cash coordination** at the end of November. We had an initial meeting at Principals' level, which was followed by an intensive technical workshop attended by senior representatives of the caucus members at the start of December. Colleagues are now working to finalise a recommendation on a model to coordinate multi-purpose cash. This will be brought back to the Principals for endorsement before I will pass it on to the IASC for adoption and implementation early next year.

The **caucus on the role of intermediaries** is being led by the IFRC along with SCHR, who have been working on defining the problem statement and objective of the caucus. Following consultations with some of the key stakeholders, they have proposed that the caucus focuses on the political change needed – on the ways in which donors and intermediaries can provide space for local and national actors to lead, design and deliver principled humanitarian response in collaboration with the affected populations. I look forward to following the work of this caucus and will challenge the caucus leaders and participants to take bold and concrete steps on transfer of resources, overheads, capacity building etc. so that we can live up to our commitment of making principled humanitarian action as local as possible.

Finally, we have agreed that we would prioritize a **caucus on quality funding**. However, quality funding encompasses many different aspects, from multiyear funding to predictability and flexibility, as well as issues linked to pass-through funding, visibility and transparency of reporting. Since it will be impossible to form a caucus that looks at all

these questions at the same time, we need to break it down into smaller pieces. We are doing so based on the recommendations from the Senior Officials Meeting on Quality Funding held ahead of the last Annual Meeting. These recommendations also provided an indication of the political challenges that need to be addressed to reach a “critical mass of quality funding”.

To reach this objective, we need to address three main issues: the increase of multiyear/multi-annual core or loosely earmarked funding; the need for flexibility and predictability of all types of funding; and, finally, the need to channel more quality funding to national and local organizations, directly or through intermediaries. My team and I are working closely with the Facilitation Group, the Co-conveners of workstream 7 & 8 and other key stakeholders to form a subset of caucus discussions that will address these major bottlenecks.

Over the past few months, two Facilitation Group members, OCHA and the NEAR Network, have been working on further developing the concept on the **National Reference Groups (NRGs)**, to ensure that we translate the larger Grand Bargain commitments and achievements to the country level, from “Geneva to Goma”, and vice versa. NRGs should be driven by local realities and highly adaptive to the context. We will soon share the proposal for these groups and hope to be launching at least a few of them before the next Annual Meeting.

Following consultations and dialogue with the workstream co-conveners, we have endorsed an updated GB 2.0 framework, with some workstreams officially closing and passing on their responsibilities to other fora, and others continuing their work. The GB 2.0 structure, outlined in the visual shared by the Secretariat, will help us to address the remaining issues at an elevated political level. I would encourage us to focus on the concrete outcomes that we want to achieve, more than on structures and processes.

Last but not least, I am pleased to welcome Germany as the most recent donor representative on the Facilitation Group. As of January, colleagues from Germany will take over the seat of the UK that has been such a strong and effective actor for realizing our Grand Bargain goals. A warm welcome to our German friends, and a heartfelt thanks to our UK colleagues and to all other FG members for their investment in this process.

As we move into a new year, I look forward to continuing our joint efforts to make the aid system more effective and more efficient for the people we serve.

With a heartfelt thanks for the work we have achieved together so far, and with my very best wishes for the year to come,



Jan Egeland