



Grand Bargain 2022: Time for Action and Accountability
Catholic Relief Services Statement on the Grand Bargain Annual Meeting 2022

CRS ardently supports the Grand Bargain's continued vision of a more effective, efficient and equitable humanitarian system, and remains committed to working to advance its key priorities of localization and quality funding. Recognizing that there has been some progress, looking ahead, it is clear that for the Grand Bargain to effect lasting change, this year must include concrete actions paired with increased accountability for progress towards its goals.

CRS calls on the Grand Bargain Secretariat and community to hold Signatories accountable to:

- **The 25% funding target:** While funding levels are not the only factor for successful localization, it is clear local actors continue to struggle to access the critical funds they need to take more leadership roles in humanitarian response. In fact, as highlighted in the 2021 independent review report, this past year saw a substantial drop in the volume of funding going directly to local actors. Additionally, despite its recent elevation of locally-led development and humanitarian response as a key priority set by Administrator Power, USAID estimates that only 0.7% of its humanitarian funding is currently going directly to local partners. Other donors have also shown mixed progress, and, looking across the reports, it appears many INGO signatories are not moving fast enough to reach the 25% target either.

Going into year seven of the Grand Bargain, it is crucial there is significant advancement in this area. Donors must address obstacles standing in the way of channeling more funds to local actors by investing in multi-year partnership and capacity strengthening initiatives, adapting funding mechanisms to make funding more accessible to local actors through increased flexibility, consideration of size and timelines of awards, provision of minimum overhead costs to local actors to support their institutional development and instituting feasible due diligence approaches. The UN and INGOs must also address similar obstacles to increase their levels of direct and indirect funding to local partners if we are to see a meaningful shift towards reaching this target.

- **Use of a uniform, clear and fair process for reporting on progress:** Currently, varying methodologies are being used by Signatories to calculate target results, causing difficulty in assessing progress and obscuring the overall picture of the funding realities on the ground. To ensure greater transparency and public accountability, clear guidance and rules must be adopted on how to measure and report on localization commitments, including clarity on sources of funding being measured, as well as use of similar terms, including the IASC definition of local actors.
- **Evidence of meaningful partnerships and investment in holistic capacity:** Approaches that go beyond implementation and towards more equitable and transformative partnerships that advance local leadership are crucial for successful localization, and should be formalized, shared and supported by donors. Similarly, investments in effective capacity strengthening can greatly increase opportunities for local leadership, but to be successful, these efforts must be rooted in



mutually respectful partnership, based on a joint needs assessment, and recognize existing capacity.

- **Support for opportunities for active participation and leadership of local actors throughout humanitarian response:** Local responders must be engaged not just as implementors but also as leaders, and Signatories should demonstrate support for local actor participation in decision making and coordination processes wherever possible. Over the last year, the Grand Bargain Cash Caucus has succeeded in putting forth a model for leadership and coordination for cash sector programming. Moving forward, it will be critical for the caucus to maintain active participation and leadership for all partners including intentional engagement for local actors in this structure. This will require a quick and clear shift to this model from existing working groups, guidance and resources, and continuing advocacy for an increase in voice, leadership and representation by local actors.
- **Equitable and accountable risk sharing:** Ensuring that financial, security, fiduciary and other risks are not always transferred to local actors is critical for effective and sustainable locally led humanitarian response. All actors—including local actors—require indirect cost coverage to ensure effective, efficient and sustainable implementation, as well as inclusion of funds to support mitigation actions related to risk analysis outcomes such as costs for security, accountability and Feedback, Complaints and Response Mechanisms (FCRM).

The time has come for Signatories – the UN, national governments and INGOs – to hold up their end of the Bargain and take clear actions in support of a more equitable and efficient humanitarian system.