

Oslo, 4 January 2023

Dear Grand Bargain Signatories,

In this new year, the last leg in our quest to realize the Grand Bargain 2.0 starts. I want therefore to share what we have achieved so far, what still needs to be done, our priorities for the last semester and what a future Grand Bargain could look like.

When we launched Grand Bargain 2.0, we agreed to resolve issues that have been ailing our sector for a long time. Our main tool has been and is short term, decision-oriented, political caucuses. These are proving to deliver. A lot of work is now going into implementing the outcomes of the caucuses we have so far completed.

The global Cash Advisory Group, created as an outcome of the caucus on cash coordination, was tasked by the Inter Agency Standing Committee to develop a transition plan for the new cash coordination model, conscious of different contexts and operational realities. The plan is finalised and all countries will transition to our new model by March 2024.

In late November, all Signatories met to focus on the outcomes of the caucuses for quality funding and the role of intermediaries for funding to local actors. The members of the caucus on quality funding and a few other Signatories shared detailed and inspiring plans on how they are now implementing the commitments made within the timeline agreed upon. This includes multi-year funding for humanitarian actors by key donors such as DG-ECHO, Germany, Sweden and the United States. Equally, members of the caucus on the role on intermediaries and other Signatories, including Germany, Switzerland, Catholic Relief Services, Australia, OCHA and UNHCR, shared their progress in cascading overheads, introducing more equitable partnership frameworks and field implementation of other caucus recommendations.

However, all Signatories, beyond caucus members, are not yet doing all they can to realize our common goals. We need **ALL** of you as Signatories to realize your Grand Bargain commitments and follow the lead of the caucus members and implement the caucus recommendations. I urge you all to report back on your implementation at our next Annual Meeting in June. You can find the caucus reports [here](#).

Over these past few months, NEAR and my team have lead the caucus for scaling up humanitarian funding to reach the agreed goal of 25 % accessible by local and national actors, directly or through one intermediary. This is probably the Grand Bargain commitment we are furthest away from realizing. Only a couple of percent of total funding currently goes to or through local aid actors. It is imperative that we find the way to change this in the coming months. We now have encouraging signals from donors and others and I look forward to reporting back to you soon on real progress. In addition to making the 25% target a reality we need to continue the ongoing efforts to strengthen equitable partnerships, building on the good work done by the previous caucus and the workstream.

To spur further progress for the “participation revolution”, including communicating with, listening to, and empowering communities in need, I have agreed with Emergency Relief Coordinator Martin Griffiths that we co-host an initiative to present, encourage and facilitate concrete tools and methods to ensure that all future assistance is done in line with and in the spirit of this “revolution”.

Finally, you have seen that we launched a consultation to identify the form and scope of a future iteration of the Grand Bargain. A large majority of Signatories affirmed the unique value of this platform and recommended that, since we have not yet reached some of our key goals, the Grand Bargain should continue to exist. It is also my own view that the recent progress towards Grand Bargain priorities proves that this, the only forum where donor nations and local and international humanitarian actors participate on an equal footing, is still needed and productive.

It is my experience that we do make progress when we focus on few priorities over a short time-span and when we have decision-makers engaged in the caucus work. I see great potential for further progress on both quality funding and localisation where many donors and humanitarian actors now make concrete steps and commitments and others are on their way. These two priorities should remain as Grand Bargain priorities, together with the associated goal of a “participation revolution” with and for people in need, the latter a goal where the Inter Agency Standing Committee will play a leading and implementing role.

But, I am also convinced that the time has come to revisit and act on the other goals set by the High Level Panel and agreed at the Istanbul 2016 Humanitarian Summit: closing the gap between assessed needs and available resources for humanitarian work (the funding gap has **increased** since 2016), and the prevention of suffering and shrinking humanitarian needs through conflict resolution and disaster risk reduction (we have **more** protracted conflicts and **more** disaster-prone countries than in 2016).

Grand Bargain Signatories, donors and humanitarian operational actors together, should continue to establish short-term, high-level and problem solving caucuses, but also agree on how the widening funding gap can be addressed, how more effective conflict prevention and diplomacy can be facilitated and how to increase investments in resilience-building.

A simplified Grand Bargain governance, with a smaller and more agile Facilitation Group that regularly engages at the sherpa level and a strengthened Secretariat in support to the leadership of the Grand Bargain would help us achieving the above.

As we work towards identifying a new “Eminent Person”, I would be pleased to hear further suggestions and ideas on who should champion the Grand Bargain going forward, as well as ideas for a possible new title. I look forward to engaging with you bilaterally should you have ideas you would like to discuss.

In 2023, we will be faced with our most challenging year ever as a humanitarian system. This time last year, 274 million people needed humanitarian assistance. For 2023, that number has leapt yet again, bringing the number of people in need to a staggering 339

million. Our capacity to respond to the multiple and prolonged crises is stretched to its limits, which calls for a transformation in how we operate and how we are funded.

The Grand Bargain remains one of the best tools at our disposal to achieve this transformation. I ask for your renewed support and energy to deliver on our common objectives in the coming year.

Warm thanks for all your efforts in last year within the Grand Bargain and Happy New Year.

A handwritten signature in black ink that reads "Jan Egeland". The signature is written in a cursive, flowing style.

Jan Egeland