

TRÓCAIRE'S STATEMENT FOR THE GRAND BARGAIN ANNUAL MEETING

June 2023

As the Grand Bargain 2.0 draws to conclusion in June 2023, Trócaire affirms its support for the continuity of this strategic platform. We acknowledge the work undertaken to date and in particular success in the promotion of cash-based interventions in the humanitarian sector. We recognise the unique but as yet unfulfilled potential of the Grand Bargain for sector-wide transformation. To move toward realisation of this potential, we feel that there are several areas that need to be addressed in its next phase.

1) Continuity of the Grand Bargain:

- The Grand Bargain is a unique, multi-stakeholder political mechanism that adds value to the sector. Not only do we feel that all Signatories should reaffirm their commitment to the Grand Bargain, but we also feel they should interrogate areas where progress has not been achieved and make deliberate efforts to advance on those areas. Further, if the Grand Bargain is to achieve transformative change in the sector, it should proactively recruit more Signatories. This can be achieved by demonstrating progress and becoming the credible gold standard to which others aspire and wish to belong.
- The Grand Bargain should retain a streamlined focus on core priorities, including a critical mass of quality funding (timely, flexible, predictable, multi-year with minimum administrative burden) channelled as directly as possible to local actors and increased participation, leadership, and decision-making of affected populations throughout the programme cycle. It is important to retain a focus on these priorities rather than spreading signatories too thinly across multiple priorities or technical areas. We regret, but now understand, that the pathway to progressing these core priorities will outlast the third phase of the Grand Bargain. As such, now is not the time to be manoeuvring toward the exit but rather recognise that we have been afforded extra time – time at the expense of crisis affected communities and to whom we must demonstrate accountability for how we use this time. A streamlined Grand Bargain demands that signatories acknowledge this and invest energy into it with a long-term vision.

- ### **2) Address the lack of progress on 25% as directly as possible funding to local actors:**
- Disproportionate volumes of funding continue to flow via large multilateral organisations. FTS data shows that in 2022 the volume of funding to local and national actors increased from \$689m to \$725m but decreased in percentage terms to 1.8% of global funds, from 2.3% in 2021 and 3.4% in 2020. The continued lack of evidence of progress against the target of 25% as directly as possible funding to local actors is deeply concerning and undermines the credibility of signatories to the Grand Bargain in promoting greater efficiency and effectiveness of the humanitarian system at a time when circumstances demand this more than ever.

All signatories should transparently demonstrate the efforts they are taking to achieve progress against this target, which is a critical marker of progress in transformation of the aid system. Many of the means of achieving this are already well known. We need to challenge internal mindsets and culture as well as policies and procedures that restrict the flow of funding to local actors, enhance support to locally-administered pooled funds (including those orientated toward nexus-based programming), share risk equitably, and rethink structures and operations to effectively administer more contracts to local actors. Agencies across constituencies that have achieved this target should be acknowledged, and their operational models should be shared as examples of best practice.

Focussing further on pooled funds, we have learned much from experience across many countries over many years. The conditionality attached to pooled funds, including their short-term nature, can run counter to the needs and added value of local actors and fail to support

their long-term resilience and sustainability. Pooled funding mechanisms need to be flexible and promote the inclusion – rather than the marginalisation – of smaller local organisations. In contexts where pooled funding does not exist, leadership, collective buy-in, and momentum is required to create them.

- 3) **Refined reporting mechanisms to promote improved reporting and analysis:** The Grand Bargain's current reporting system is not supportive of ready aggregation and analysis. Reporting should be refined with information requested tailored more effectively by type of signatory, with only the most necessary information required for reporting each year. To promote transparency and accountability, completion of reporting by individual signatories could, for example, be presented through a traffic lighting infographic. It would also be helpful if the annual independent reporters can feed into this mechanism, developing an annex with specific feedback to signatories each year on how they can improve their reporting.

A working group should be established among Grand Bargain signatories with external support if required to review and refine the reporting template and process as early as possible within the third phase. We recommend that the timeline for annual report submission be shifted to 31st March to enable all agencies to report against required areas.

- 4) **Address risk:** Risk averse donor policies continue to remain a fundamental barrier to localisation. Lack of risk sharing by donors results in high and burdensome administrative requirements, increasing transactional costs, inflexibility, and lack of accessibility to funding by smaller local actors who are best positioned to respond to crises. In the Grand Bargain's next phase, all signatories should be required to report on what specific steps they have taken to address risk sharing and how successful this has been, or otherwise, in promoting access by local actors to humanitarian funding. Noting political barriers to risk sharing, a dedicated caucus on this theme that convenes Grand Bargain signatories and local actors would be a recommended to address this challenge.
- 5) **Inclusive Promotion of the Grand Bargain at Country Level:** Opportunities for local actors to engage with and influence the Grand Bargain have been limited in its previous two phases. One of the main challenges is a lack of coordination and communication among Grand Bargain signatories themselves at country level. There is a need for all Grand Bargain signatories in specific countries to engage with local actors and agree on the structure that is most appropriate for their context (either setting up a National Reference Group or asking existing localisation coordination mechanisms to support), to engage with this structure over time, and to deliver against Grand Bargain priorities at the country level.

There should be a clear expectation at country level to challenge lack of diversity and inclusion and unequal distribution of power in country-level coordination, including in Humanitarian Country Teams, clusters, sub-clusters, and working groups. Deliberate efforts should be taken within existing coordination and decision-making spaces to support meaningful participation and leadership by diverse local civil society and authorities; this includes traditionally marginalised local actors (such as women-centred organisations) assuming leadership or co-leadership roles of strategic spaces.

- 6) **Capacity Strengthening:** Efforts should include more robust capacity strengthening (including investments in overheads and indirect costs) and longer-term, flexible funding that will enable local actors to carry out programmatic work while also promoting their organisational resilience. Stronger, more resilient local organisations will yield stronger and more sustainable humanitarian and development outcomes in the long-term.

Trócaire looks forward to its continued engagement within the Grand Bargain. We feel that future success can be better enabled if several practical shifts are undertaken. We hope other signatories will consider these recommendations and affirm their long-term commitment to the Grand Bargain's objectives.