



HPG Commissioned Report

Grand Bargain annual independent report 2019

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Acronyms

AAP	Accountability to Affected Populations
ACAPS	Assessment Capacities Project
ALTP	Accelerating Localisation through Partnerships
ATAHS	Advanced Training for Analysis in Humanitarian Settings
BIG	UN Business Innovation Group
BNA	basic needs assessment
CAAC	Children and Armed Conflict
CAFOD	Catholic International Development Charity
CaLP	Cash Learning Partnership
CAMEALEON	Cash Monitoring, Evaluation, Accountability, and Learning Organizational Network
CAR	Central African Republic
CBPF	country-based pooled fund
CCD	Collaborative Cash Delivery
CDAC Network	Communicating with Disaster-Affected Communities Network
CEB	Chief Executives Board for Coordination
CERF	Central Emergency Response Fund
CFS-FFA	Committee on World Food Security Framework for Action for Food Security and Nutrition in Protracted Crisis
CHS	Core Humanitarian Standard
CRRF	Comprehensive Refugee Response Framework
CRS	Catholic Relief Services
CVTN	Commodity Voucher Trader Network
DEVCO	Directorate General for International Cooperation and Development
DFID	Department for International Development (UK)
DI	Development Initiatives

DRC	Democratic Republic of Congo
DREF	Disaster Relief Emergency Fund
ECHO	Directorate General for European Civil Protection and Humanitarian Aid Operations
ECOSOC	UN Economic and Social Council
EDRIS	Electronic Data Research and Innovation Service
EP	Eminent Person
ERC	Emergency Relief Coordinator
EU	European Union
FAO	Food and Agriculture Organization
FG	Facilitation Group
FPA	Framework Partnership Agreement
FTS	Financial Tracking Service
GAM	IASC Gender Age Marker
GCCG	Global Cluster Coordination Group
GCSI	Global Crisis Severity Index
GDAP	Gender and Disability Action Plan
GEC	Global Education Cluster
GGPi	Global Public Policy Institute
GHD	Good Humanitarian Donorship
GHO	Global Humanitarian Overview
GMS	Grant Management System
GRiF	Global Risk Financing Facility
GTS	Ground Truth Solutions
HCT	Humanitarian Country Team
HDX	Humanitarian Data Exchange
HLCM	High Level Committee on Management
HNO	Humanitarian Needs Overview
HPC	Humanitarian Programme Cycle

HQAI	Humanitarian Quality Assurance Initiative
HRP	Humanitarian Response Plan
HXL	Humanitarian Exchange Language
IASC	Inter-Agency Standing Committee
IATI	International Aid Transparency Initiative
ICRC	International Committee of the Red Cross
ICVA	International Council of Voluntary Agencies
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IFRC	International Federation of Red Cross and Red Crescent Societies
INCAF	International Network on Conflict and Fragility
INGO	International NGO
IOM	International Organization for Migration
IPC	Integrated Phase Classification
IRC	International Rescue Committee
IsDB	Islamic Development Bank
ISHA	Investing in Syrian Humanitarian Action
JIAF	Joint Inter-sectoral Analysis Framework
JIAG	Joint Inter-sectoral Analysis Group
JIPS	Joint IDP Profiling Service
LMMS	Last Mile Mobile Solutions
LNGO	local NGO
MCNA	multi-cluster needs assessment
MOPAN	Multilateral Organizational Performance Assessment Network
MSNA	multi-sectoral needs assessment
NEAR	Network for Empowered Aid Response
NGO	non-governmental organisation
NNGO	national NGO

NRC	Norwegian Refugee Council
NSIA	National Society Investment Alliance
OCHA	UN Office for the Coordination of Humanitarian Affairs
OECD-DAC	Organisation for Economic Cooperation and Development Development Assistance Committee
OFDA	Office of US Foreign Disaster Assistance
PEF	Pandemic Emergency Facility
PRM	Bureau of Population, Refugees, and Migration (US)
PSEA	Preventing Sexual Exploitation and Abuse
RCRCM	Red Cross Red Crescent Movement
ROAP	Response Options Analysis and Planning
SCHR	Steering Committee for Humanitarian Response
SCLR	Survivor and Community Led Response
SDG	Sustainable Development Goal
SEA	sexual exploitation and abuse
SMS	short message service
UN	United Nations
UNCT	UN Country Team
UNDP	UN Development Programme
UNFPA	UN Population Fund
UNGA	UN General Assembly
UNHCR	UN High Commissioner for Refugees
UNICEF	UN Children’s Emergency Fund
UNRWA	UN Relief and Works Agency for Palestine Refugees in the Near East
UNSDG	UN Sustainable Development Group
UNSG	UN Secretary-General
UN-SWAP	UN System-wide Action Plan on Gender Equality and the Empowerment of Women
UN Women	UN Entity for Gender Equality and the Empowerment of Women
USAID	US Agency for International Development

VOICE	Voluntary Organisations in Cooperation in Emergencies
WASH	water, sanitation and hygiene
WEAT	Women's Enterprise, Advocacy and Training Programme
WFP	World Food Programme
WHO	World Health Organization
WHS-PACT	World Humanitarian Summit's Platform for Action, Commitments and Transformations
XML	eXtensible Markup Language

Executive summary

In May 2016, representatives from 18 donor countries and 16 aid organisations (including the UN, the Red Cross/Red Crescent Movement (RCRCM) and non-governmental organisations (NGOs)) agreed a ‘Grand Bargain’ outlining 51 separate commitments to improve the efficiency and effectiveness of international humanitarian aid. These entities agreed to a voluntary self-reporting mechanism, supported by an annual independent report, in order to measure their collective progress against the agreed commitments.

The second annual independent report, conducted by the Humanitarian Policy Group (HPG) at ODI and published in June 2018, concluded that, based on available evidence, there had been important progress in 2017 in a number of workstreams, and some progress in integrating gender as a cross-cutting issue.¹ However, the report also identified a number of major challenges to further progress, and outlined six areas of action intended to address them, including: the need to rationalise and prioritise the commitments, targeting efforts towards those that might bring the greatest rewards; the need to reduce the significant bureaucratic burden on signatories; and the need to increase mutual trust and confidence to enable the better functioning of the *quid pro quo* – an arrangement between the constituent groups of signatories in which each committed to deliver on a set of actions that, taken together, would bring about system-wide change.

The present report is the third annual independent review of the collective progress made by the signatories to the Grand Bargain against their commitments. Commissioned by the US Agency for International Development (USAID) on behalf of the Facilitation Group (FG), it covers the period January to December 2018. The primary data source for this review were the self-reports submitted by 52 of the 59 signatories in 2018, and bilateral, semi-structured interviews with 50 of these signatories. Additional data was collated through narrative reports submitted by the co-conveners of six workstreams, bilateral research interviews with at least one co-convenor for each of the eight remaining

workstreams, semi-structured research interviews with 38 individuals from non-signatory organisations and a comprehensive review of relevant grey and published literature.

At the direction of the Eminent Person and the FG, signatories were asked to report in more detail than in previous years, with specific indicators provided for reporting against 11 ‘core commitments’ agreed in September 2018; on efforts to integrate gender equality and women’s empowerment across the Grand Bargain; and with a specific emphasis on reporting results achieved, not just actions taken or planned.

Key areas of progress

Responding to the conclusions of the second annual report and discussions at the annual meeting of Grand Bargain signatories in June 2018, the Eminent Person, with support from a strengthened FG, outlined steps to streamline the structures of the Grand Bargain and provide a clearer focus for collective efforts. This resulted in the merging of two workstreams, the articulation of a set of 11 core commitments, drawn from the original 51, that signatories agreed were likely to bring the greatest dividends in terms of transforming the humanitarian aid system, a more robust role for the FG and a results-focused approach to reporting.

On a substantive level, much has been achieved by the signatories in 2018. The self-reports evidence increased activity by signatories across the 51 commitments, with on average 68% of signatories reporting activities against the commitments relevant to them, compared to 52% in 2017. Workstream 3 (*Cash programming*) was again the standout in terms of performance and overall progress. The workstream was highly active as a coordinating body under the leadership of the World Food Programme (WFP) and the United Kingdom, with clear and actionable priorities agreed, a strong collaborative approach, with different signatories taking the lead on specific actions, and targeted efforts to address areas that received less attention in 2017, including gender equality and women’s empowerment. While cash programming was building momentum prior to the

1 The first annual independent report was conducted by GPPI. It was issued in June 2017.

establishment of the Grand Bargain, the initiative has provided a valuable platform for coordinating and consolidating efforts between donors, the UN, NGOs and the RCRCM, contributing to a normative and operational shift towards more routine use of cash programming in humanitarian settings.

Workstream 2 (*Localisation*) also performed well. The co-conveners (Switzerland and the International Federation of Red Cross and Red Crescent Societies (IFRC)) expended particular efforts in moving the workstream from dialogue on definitions to actioning the commitments. The workstream identified and delivered against a series of priority actions, including field missions and exchanges of lessons and good practice. Under this workstream, the Grand Bargain has established localisation as a key normative principle of humanitarian action. While there has as yet been no system-wide shift in operational practice, the evidence indicates that the Grand Bargain has helped to drive progress, providing incentives for and facilitating sharing lessons and experiences on implementing a localisation approach.

Workstream 9 (*Harmonised reporting*) continued to make good progress in 2018. There was a clear focus on rolling out the 8+3 harmonised reporting template at country level, making adjustments in response to the interim assessment of the pilot and successfully advocating for increased take-up of the template among signatories. The co-conveners (the International Council of Voluntary Agencies (ICVA) and Germany), together with participating signatories, have had substantial success in testing the challenging premise that a single, simplified reporting template could be accepted and used by a range of donors and aid organisations.

While not a top performer in terms of overall progress, workstream 5 (*Needs assessments*) was identified by many signatories as having improved substantially as a coordinating mechanism compared to 2017. Responding to criticisms outlined in the second annual independent report, the co-conveners (the UN Office for the Coordination of Humanitarian Affairs (OCHA) and European Civil Protection and Humanitarian Aid Operations (ECHO)), with the political support of the Eminent Person, stepped up efforts to address the low levels of trust between signatories on this subject, advocated with some success for their increased engagement and made substantive progress in key technical areas, including on joint analysis and beginning to identify good practice and lessons learned on collaboration with development partners.

As identified in the second annual independent report, there are common enablers of progress in these workstreams: each set of co-conveners has created, with support from signatories, an active forum with good collaboration between constituent groups, focused around clear actionable priorities. The investments required of co-convening institutions in terms of staff time and capacities in order to make these fora successful have been considerable.

Available data also evidenced good progress by individual signatories or small groups of signatories against specific commitments. More signatories than in 2017 reported data on funding passed to local and national partners, with seven reporting that they had met or exceeded the 25% target, compared to five in 2017 (core commitment 2.4). Core commitment 3.1+3.6 (*Increase the routine use of cash*) also saw increased activity, with a large number of signatories reporting increases in the volume of cash being programmed at country level and some reporting institutional policy shifts towards cash as the preferred modality (unless contextual conditions precluded it). Individually, signatories also made good progress against commitment 4.1 (*Reduce the costs and measure the gained efficiencies of delivering assistance with technology*), with specific examples of measurable efficiencies.

One of the most notable areas of progress was against core commitment 7.1a (*Increase multi-year collaborative and flexible planning and multi-year funding*), with 78% of donors reporting that they had maintained or increased their multi-year funding in 2018, including five donors who increased the share of their overall humanitarian funding that was multi-year to over 50% (the United Kingdom, Belgium, the Netherlands, Canada and Germany), and two, Sweden and Norway, providing four-year agreements for unearmarked core funds to WFP, the UN High Commission for Refugees (UNHCR), the UN Relief and Works Agency for Palestine Refugees (UNRWA) and the Central Emergency Response Fund (CERF). Further progress by the two largest donors, ECHO and the United States, could tip progress on this core commitment into a system-wide shift that would transform the funding environment for humanitarian aid.

There is evidence of signatories making connections across thematic areas and workstreams, including in relation to cash programming and social protection (workstreams 3 and 10). There were numerous positive examples of collaboration between donors and aid organisations on key themes, including

localisation and the participation revolution (workstream 6). Several signatories reported on their efforts to navigate or mitigate the challenges they face in fulfilling some of their commitments. A number of donors explained that they are actively looking for ways to support their partners' investments in innovations and technology to increase operational efficiency, and many are seeking ways to increase the share of humanitarian funds that local and national responders can access, including through pooled funds and single intermediaries. A number of aid organisations have invested substantial resources in publishing their funding data to the *International Aid Transparency Initiative* (IATI) standard, despite ongoing concerns about the appropriateness of this system.

There was also notable progress at country level. In relation to joint analysis and planning with development actors (commitments 5.7, 7.3 and 10.4), six UN Country Teams (UNCTs) and Humanitarian Country Teams (HCTs) worked together to develop collective outcomes based on analyses of risks and vulnerabilities. More than half of all HCTs now have multi-year plans in place (core commitment 7.1a). Workstreams 2, (*Localisation*), 3 (*Cash programming*), 5 (*Needs assessments*) and 9 (*Harmonised reporting*) all undertook targeted engagement with colleagues and other stakeholders at country level through field missions and/or rolling out specific approaches or pilots. Signatories' self-reports indicated an array of country-level initiatives and results in relation to many of the commitments and workstream areas, particularly localisation, cash programming, the participation revolution, multi-year planning and the humanitarian–development nexus. In Bangladesh, Lebanon, Somalia and elsewhere, national and local actors are showing more interest in and awareness of the Grand Bargain, and actively seeking ways to use the framework to improve international humanitarian response in their countries and negotiate a better relationship for themselves with international humanitarian actors.

In terms of gender, self-reports indicated an impressive breadth and depth of actions being undertaken by signatories from all constituent groups to integrate considerations of gender equality and women's empowerment across the Grand Bargain framework. Signatories generally sought to apply, de facto, their pre-existing pledges on gender (including Organisation for Economic Cooperation and Development (OECD), Inter-Agency Standing Committee (IASC) and ECHO gender and age markers) to the Grand Bargain commitments, with a focus on localisation

(workstream 2), cash programming (workstream 3), needs assessments (workstream 5) and, to a lesser extent, the participation revolution (workstream 6) and enhanced engagement between humanitarian and development actors (workstream 10).

Remaining challenges and the impact on collective progress

Notwithstanding areas of substantial progress, many of the challenges to further and speedier progress identified in the second annual independent report persist. The diversity of effort among signatories and between workstreams is still stark, with great disparities in the levels of investment being made, and the results being achieved. Some of the practical challenges identified in the last annual report remain, including the sheer breadth and scope of the commitments and the lack of clarity in the original wording of many of them. In 2018, aid organisations highlighted in particular that the changes to policy and practice required to fulfil some commitments were significant, representing major institutional investment at all levels, including the allocation of staff and financial resources.

Despite efforts to streamline the framework and adopt a clearer focus in the fourth quarter of 2018, the Grand Bargain remained both over-structured and under-governed, creating an unnecessary burden on signatories to engage, but without clear leadership on where their collective efforts are heading. The identification of core commitments was intended to provide a focus for and consolidation of collective efforts, but it is too early to assess what impact this new focus will have, and signatories were still proceeding at their own pace, working to their own priorities and, in some areas, in their own directions. While there is more data on results in this year's reporting process, this is still limited, and it is difficult to accurately assess or clearly quantify what tangible progress is being made across the commitments. Communication between workstreams, between the FG and co-conveners and between them and the wider group of signatories remains poor. Signatories that are not co-conveners or members of the FG struggle to find out what is happening outside of the workstreams they regularly engage with, and have no access to or influence over the 'bigger picture'.

Crucially, workstreams continued to work in silos, with little or no substantive dialogue between different co-conveners on specific or general cross-cutting

themes, and even the most active workstreams were still focused primarily on technical issues. Sherpa-level engagement has been limited, and political-level dialogue between the signatories – or even within a core group of signatories – has been largely absent. The major challenges to greater and speedier progress remain political, and the technical solutions that many signatories and workstreams have focused on to date are unlikely to have much impact in this respect. The Eminent Person led high-level dialogue in late 2018 aimed at addressing political obstacles to progress on joint needs assessments/analysis and on improved risk-sharing. Despite some impact, it is clear that much greater, more consistent and more constructive dialogue is required on these and other issues, including the impact of domestic politics on donors' risk tolerance, on increasing the transparency of aid expenditures down the chain, on identifying and addressing the barriers to more flexible funding and on reducing or mitigating the impact of reporting or compliance requirements – all issues that are undermining the spirit of collaboration that the Grand Bargain was built upon, and upon which the successful transformation of the international humanitarian aid system depends.

Key questions regarding the future of the Grand Bargain that were highlighted in the second annual independent report, specifically how it should evolve, adapt, be further streamlined or even when it will 'conclude', have remained unanswered. There is still no clear deadline for achieving the goals that were originally set, no targets to clarify what achieving those goals would look like and few targets or deadlines for individual commitments. Some signatories felt that there was still insufficient clarity or detail on the 'vision' that the Grand Bargain was trying to achieve. Without clarification in this respect, it is hard to see how the requisite motivation can be fully harnessed to drive forward progress.

More broadly, there are growing concerns among signatories across all constituent groups regarding the high transaction costs associated with implementing the Grand Bargain. Signatories again highlighted the heavy bureaucratic burden, the wealth of workstream discussions and initiatives to follow and the sheer breadth of the commitments and actions required to fulfil them as all requiring major institutional investment. Absent a more tangible demonstration of returns on these investments, particularly evidence of movement on some of the major political issues that are stalling greater progress, it is likely that enthusiasm will start to wane.

Conclusions and recommendations

Three years into the process, the Grand Bargain continues to attract substantial institutional investments from most signatories, many of whom have dedicated staff/staff time, integrated the concept and the commitments into corporate strategies and policies and used the framework to shape institutional practice. Signatories continue to see the potential of the Grand Bargain as a lever for change, to resolve or successfully navigate longstanding challenges and to increase system-wide efficiency and effectiveness. The sense of pessimism evident during the consultations in 2017 seems to have abated, at least to some extent.

There is general consensus that the potential of the Grand Bargain has yet to be realised, and that the investments made thus far need to be sustained for at least a further two–three years before returns will be fully apparent. Even so, there is evidence that these investments are starting to bring dividends, including contributing to the normative and operational shift to use of cash programming, driving a normative shift towards localisation, bringing about significant increases in the volume of multi-year funding available and successfully testing the idea of a harmonised reporting format. But despite the articulation of collective priorities, a more streamlined structure and a results-focused reporting approach, further efforts to address the underlying problems in the structure, vision and focus of the Grand Bargain are required to ensure that it can deliver on its original promise.

There is evidence that such efforts are possible – that the Grand Bargain *can* evolve and adapt. The agreements reached on collective priorities, including within and across workstreams; the growing interest in and use of the Grand Bargain at country level; and the use of the Grand Bargain to push ahead on pre-existing commitments on gender equality and women's empowerment all indicate that it is to an extent already evolving, albeit organically and without a clear vision. Slavish adherence to the original package of 51 commitments, with its vast array of themes, often vague wording and lack of actionable commitments, is, in the opinion of the authors, unlikely to bring about the results the original group of signatories were aiming for. Instead, adopting a purposefully iterative approach, reflecting on learning thus far in order to further consolidate efforts and reduce bureaucracy, may help ensure that the potential of the Grand Bargain is realised.

The research undertaken for this third annual independent report shows that the Grand Bargain

still has added value. It is proving effective in driving forward major changes in policy and practice on localisation and on multi-year funding and is supporting wider efforts to change policy and practice on cash programming. It provides a unique platform for strategic dialogue between donors, UN entities, NGOs and the RCRCM – a platform which does not exist elsewhere within the aid system. It is difficult to estimate the likely impact of a failure to achieve, at least in part, the original ambitions of the Grand Bargain, but abandoning the significant political, financial and institutional investments made by such a broad array of signatories thus far would likely undermine the sense of collective purpose that the initiative has generated, and which is necessary to achieve the system-wide improvements to humanitarian action that are so urgently needed. Imperfect as it may be, the Grand Bargain is probably the best vehicle currently available to bring about the kind of transformative change to the humanitarian sector that donors and aid organisations are striving for. Realising these ambitions will require greater and more sustained political investment from all signatories, under the direction of the new Eminent Person, to tackle the longstanding and complex challenges that continue to stall progress.

While acknowledging the efforts expended by the outgoing Eminent Person, the FG, co-conveners and the wider group of signatories to implement the recommendations of the second annual independent report, a number of the recommendations made in 2018 remain valid today. The following are highlighted as particular priorities for action – both substantive and procedural – which could help harness the momentum built over the last three years and realise the ambitions of the Grand Bargain.

1. Adopt a strategic approach to mitigate remaining challenges and maximise opportunities to make greater progress

Action: Under the leadership of the Eminent Person, the signatories should come together at the annual meeting to identify where progress is stalling, what factors are responsible for this and what actions or investments are necessary to overcome, navigate or mitigate those factors, and how to consolidate and simplify efforts to achieve these aims. This discussion at the annual meeting should provide the outline of a collective strategy to build on progress already made, including capitalising on the growing momentum at country level. This process should also outline delegated responsibilities for actions agreed as part of the strategy.

2. Undertake concerted high-level political dialogue aimed at better navigating or mitigating challenges to success

Action: The FG and co-conveners, with support from the Secretariat, should identify the political issues that are retarding progress within and across workstreams to inform discussions on the development of a strategy at the annual meeting. The present report can serve as a basis for this analysis, with particular focus on issues such as: what a more qualitative approach to supporting local and national responders should look like (i.e. going beyond increased access to funding); how best to reduce the impact of low risk tolerance among donor countries, and how to mitigate the related impact on aid organisations of increased compliance requirements; where the barriers are to scaling up flexible funding and how to use the different levels of ‘flexibility’ that already exist more strategically to address gaps and better support priorities; and how to ensure that aid organisations’ efforts to enhance needs assessments and analysis will result in more principled allocations of funding by donors.

Action: The FG and co-conveners should undertake a series of ‘deep dive’ analyses to inform a more in-depth understanding of and dialogue on the key political obstacles to further progress, including on those issues listed above.

3. Define more clearly what the ‘success’ of the Grand Bargain will look like

Action: The original ambitions of the Grand Bargain were ‘transformative’ in nature. While these ambitions should be retained, they should also be examined with a critical eye to see what can reasonably be achieved in the next few years, paying due regard to how the framework has already evolved over time, and how the politics of the global aid environment have changed since 2016. This analysis should inform the strategy recommended above (see Recommendation 1).

Action: A review of the indicators for some of the core commitments should be undertaken and adjustments made to ensure that they are practical (i.e. signatories can report against them), pragmatic (i.e. signatories can access this data without investing in new, heavy data collection exercises) and useful (i.e. the data collated can be used to develop a reasonable overview of collective progress). This process should aim to *simplify*, not further complicate, current discussions on measuring ‘progress’. The authors recommend in particular a review of the indicators for core

commitments 2.4, 4.5, 6.1, 7.1a, 9.1 and 10.4 in order to provide greater clarity on how/what data should be reported or adjustments made to ensure each indicator is practical, pragmatic and useful in terms of being able to actually measure substantive progress.

Action: A more comprehensive review should be planned for 2021, marking five years since the Grand Bargain was initiated. This review should be based on a series of practical and pragmatic quantitative and qualitative points of analysis (e.g. funding trends, pre-existing targets embedded in certain commitments, Ground Truth Solutions or other perception surveys) that can provide a *reasonable* assessment of progress made against the original goals the Grand Bargain was created to achieve. The review should draw from the evidence presented in the annual independent reports prepared since 2017 and should provide the basis for decision-making on the future of the Grand Bargain initiative. Given the scope and depth of changes envisaged by the original signatory group, any such decisions made earlier are unlikely to benefit from or be informed by an appropriate understanding of whether the Grand Bargain has achieved its original goals.

4. Get the bargain back on track

Action: Signatories should design and institute appropriate incentives for actions to fulfil the commitments. In current discourse this has focused primarily on donors incentivising action by aid organisations, but this should be a mutual approach, recognising that all signatories may need incentives to make the substantial changes in policy and practice required. Key incentives for aid organisations include funding conditions or making funding available for specific actions. Incentives for donors may include increased visibility in domestic and international public discourse, use of ‘good donor’ ranking systems, increased access to substantive or technical discussions among aid organisations and characterising actions as ‘global public goods’.

Action: Building on the initiative put forward by the Netherlands and the ICRC,² signatories should work together to understand the risks that different constituent groups face in taking actions or not

2 At the High Level Meeting of select Sherpas called by the Eminent Person in September 2018, the Netherlands and ICRC agreed to follow up on a discussion on risk-sharing, specifically to identify the substantial political issues involved and to propose to the Eminent Person some ways forward.

taking actions towards their commitments, and how respective efforts to mitigate risks may impact – positively and negatively – on other constituent groups.

5. Consolidate efforts in order to lighten the bureaucratic burden and better support implementation of the commitments

Action: The FG, in full consultation with the co-conveners, should consider ways to break down the silos between workstreams, with a view to further consolidating and sequencing efforts and reducing duplication. For example, greater synchronicity of efforts between workstream 7+8 (*Enhanced quality funding*) and workstream 5 (*Needs assessments*) could enable greater alignment of multi-year funding for multi-year plans (commitment 7.2), with shared outcomes between humanitarian and development actors (commitment 10.4) that are in turn based on shared needs and vulnerability analyses (commitment 5.7). Strategic collaboration between workstreams 4, 7+8 and 9 could also ensure a more holistic approach to enhancing the quality of funding (commitments 7.1a and 8.2/8.5), while reducing or mitigating the impact of compliance requirements through harmonising and simplifying donor reporting requirements (commitments 4.5 and 9.1).

6. Empower existing governance structures to deliver

Action: The capacities of the FG should be reinforced, with a greater understanding among member institutions of the nature of the work and resources required to fulfil this role (e.g. staff time); with a biennial rather than annual term, to ensure greater continuity of leadership at this level; and with greater oversight of the workstreams, enabling them to trouble-shoot problems arising and provide a preliminary strategy for addressing them (or raising to Sherpa level as required).

Action: The co-convenor’s role should also be reinforced, with a clear focus on coordination and leadership of inclusive efforts (i.e. across all signatory groups) to achieve the commitments within the respective thematic areas, and a commitment from the signatory institution acting as co-convenor to provide the necessary sustained and dedicated staff resources to perform this function for a reasonable period. An administrative process should also be agreed for enabling co-conveners to step down from the role and pass on the responsibility to other signatories as necessary/desired.

Action: The capacity of the Secretariat should be significantly increased (i.e. with an increase in staffing levels) to better support the work of the FG, co-conveners and signatories. As a priority, additional staffing in the Secretariat is necessary to increase communication across the workstreams; helping the FG to trouble-shoot problems within and across workstreams; and ensuring greater sharing of information among signatories, between them and governance and leadership structures and between the collective of Grand Bargain signatories and other key stakeholders, including at country level.

7. Strengthen political leadership to help navigate remaining challenges and achieve success

Action: Building on the work of the first Eminent Person, the new incumbent should reinforce and further elaborate the original vision of the Grand Bargain, focusing the signatories on working together to realise its full potential and ensuring that it remains relevant and delivers on the original ‘bargain’. With reference to Recommendations 1 and 3, the new Eminent Person should lead the signatories in adopting a more iterative approach to achieving the original goals – an approach that capitalises on the organic evolution of the framework thus far, that is informed by an analysis of changes in the wider geopolitical environment and that acknowledges the realities of a multilateral initiative of this kind and the need to respond to a diversity of opinions, capacities and interests. Thereafter, the new Eminent Person will also need to build on the targeted engagement of the first Eminent Person to galvanise action at the highest political levels on key substantive issues, including making greater progress on enhancing the flexibility

and predictability of humanitarian funding and addressing the challenges posed by donor compliance requirements.

Action: A core group of Sherpas, specifically those who have time and patience to dedicate to the role, and who represent different workstreams and constituent groups, should be established to drive progress against the strategy outlined above (see Recommendation 1). Working on the basis of a clear division of labour between, and in close coordination with, the new Eminent Person, this group should aim to reinforce her efforts, enabling progress at different levels and across the range of issues highlighted in this report. With authority granted by the rest of the signatories, this core group should work together specifically to provide policy guidance on addressing cross-cutting issues, to support the new Eminent Person to address the political challenges that are undermining progress across multiple workstreams and to enable signatories to seize opportunities to maximise collective progress. As a particular priority, this core group should focus on ensuring a coordinated approach to integration of the humanitarian–development nexus across the Grand Bargain framework, guiding co-conveners and signatories on related policy issues and on finding pragmatic ways to navigate those obstacles which cannot be removed, and/or mitigate their impact on signatories’ efforts to achieve the commitments. Particular members of this core group may also be designated as ‘champions’, providing critical and consistent leadership on specific cross-cutting issues or workstreams that would benefit from increased political investment to unblock obstacles and drive greater progress.

Introduction

Background

In May 2016, representatives of 18 donor countries and 16 aid organisations (including the UN, the RCRCM and NGOs) agreed a ‘Grand Bargain’ outlining 51 commitments to improve the efficiency and effectiveness of international humanitarian aid. These entities agreed to a voluntary self-reporting mechanism, supported by an annual independent report, in order to measure their progress against the commitments.

The second annual independent report, conducted by the Humanitarian Policy Group (HPG) at ODI and published in June 2018, concluded that, based on available evidence, there had been important progress in 2017 in a number of workstreams and towards specific commitments, and some progress in integrating gender as a cross-cutting issue.³ Workstreams 3 (*Cash programming*), 6 (*Participation revolution*) and 7 (*Multi-year planning and funding*) were found to have made the most progress. However, the authors also found that progress was very uneven, in part related to the sheer scope of issues covered by the Grand Bargain and the number of signatories. The report highlighted a number of fundamental challenges, including the need to rationalise and prioritise the commitments, targeting efforts towards those that might bring the greatest dividends; that the initiative was both under-governed and over-structured, creating a significant bureaucratic burden on signatories; and that the *quid pro quo* arrangement between the constituent groups was not functioning effectively. The report presented six areas of recommendations to address these challenges.

The present report is the third annual independent review of collective progress made by the signatories against their commitments under the Grand Bargain. It was commissioned by the United States Agency for International Development (USAID) on behalf of the FG. It provides an impartial and independent overview

of the collective progress made by signatories towards the goals of the Grand Bargain during the period January to December 2018.

Scope, approach and methodology

Scope

As directed by the FG, ODI has sought to maintain a degree of continuity and comparability between the second and third reports. This was achieved primarily by applying the same substantive scope (i.e. all 51 commitments) and reporting periods (i.e. the calendar year) and by utilising the same methodology for collating and analysing data on actions taken and results achieved by the signatories.

The present report covers the period 1 January–31 December 2018. It considers all actions reported as undertaken in 2018 by donors and aid organisations that were signatories to the Grand Bargain in the same year.⁴ It considers actions in relation to all 10 thematic areas of the Grand Bargain, both in respect of headquarters- and global-level actions/results, and those that were taken or achieved at country or crisis level. As per the second annual independent report, ODI was asked to provide analysis of the extent to which gender equality and women’s empowerment had been integrated by signatories in their efforts to fulfil the commitments. Finally, ODI was asked to specifically focus on the results or outcomes achieved by the signatories in 2018 across the breadth of the commitments, with particular focus on the core commitments the signatories agreed in September 2018.

Methodology

For this third annual independent report, ODI adopted the same methodology as for the second annual report. The research is based on a series of overarching research questions:

3 The first annual independent report was conducted by GPPI. It was issued in June 2017.

4 Médecins du Monde submitted a self-report for 2018, but as it officially became a signatory only in early 2019 it was not included in the analysis for this third independent annual report. This is consistent with the approach adopted for the second annual independent report.

- To what degree have Grand Bargain signatories made collective progress overall and specifically in relation to the newly adopted core commitments?
- Which workstreams have made the most substantial progress? What factors contributed to progress and what factors hindered it?
- To what extent is the *quid pro quo* functioning? To what extent is progress enabled/impeded in one signatory group by progress/no progress in another signatory block?
- How and to what extent has the humanitarian–development nexus been integrated at workstream level? What are the outcomes to date?
- How and to what extent has a gender perspective been embedded in efforts to institutionalise the commitments? What are the outcomes to date in terms of ensuring a more gender-responsive approach to humanitarian aid by signatories?
- To what degree have the commitments improved or are likely (based on progress to date) to improve the efficiency and effectiveness of humanitarian assistance (referencing available baseline information from the first annual report)?
- What are best practices for implementing the core commitments? What synergies are there between core commitments, and to what extent have these been exploited by signatories (individually and collectively)?
- What are the main challenges or barriers to greater or speedier progress, and how can they be overcome?
- To what extent is change by individual signatories or workstreams resulting in change right across the international humanitarian system?

Data used to answer these questions was collated through a series of research activities:

- A review of available literature (including perception surveys by Ground Truth Solutions/OECD)⁵ (see Annex 4).
- A review of the 52 self-reports submitted by the agreed deadline (31 March 2018).
- Semi-structured interviews with representatives of the 50 signatories that submitted reports by the deadline (see Annex 2 for a list of reports received and interviews conducted).

5 The surveys were conducted between July and December 2018 in Afghanistan, Bangladesh, Iraq, Haiti, Lebanon, Uganda and Somalia. The sample size was 4,971 affected people and 1,323 staff of humanitarian aid organisations. See Ground Truth Solutions, 'Field perspectives on the Grand Bargain' (<https://groundtruthsolutions.org/our-work/tracking-the-grand-bargain-from-a-field-perspective/>).

- A review of narrative reports submitted by co-conveners for six of the eight remaining workstreams.⁶
- Semi-structured interviews with 19 co-conveners of the remaining eight workstreams (see Annex 3 for a list of reports received and interviews conducted).
- Semi-structured interviews with 38 other stakeholders, including national and local NGOs (N/LNGOs), independent experts and intergovernmental bodies.
- Analysis of data collected by Development Initiatives (DI), on behalf of workstream 1, in relation to core commitment 1.2 (*Signatories make use of appropriate data analysis, explaining the distinctiveness of activities, organisations, environments and circumstances*).

Analysis of the quantitative and qualitative data collated through these activities was conducted using the same methodology as for the second annual independent report. A coding system, slightly adapted from the original system developed by GPPi for the first annual report, was used to mark when each individual signatory reported taking an action. These actions were then aggregated to reach a percentage of signatories reporting action/results. (Please note that, throughout this report, percentages may not total 100 due to rounding.) To ensure a more qualitative analysis of these actions, ODI rated each action and related results reported on a scale of 0 to 4, with 0 representing no significant progress or results and 4 representing excellent progress or commitment fulfilled (see Box 1). A similar rating was applied to assess the performance of the eight remaining workstreams (see Boxes 2 and 3) against the same five key indicators that were used in the first and second annual reports. These indicators were: donor activity, aid organisation activity, activity on joint commitments, links to other workstreams and links to other processes outside the Grand Bargain. Based on the overall analysis, ODI has also identified those workstreams that, on balance, performed best in 2018 – with a view to determining what factors are driving or can drive further progress across and within workstreams.

The methodology was endorsed by the FG, and interim deadlines for various stages of the process were agreed. A full draft of the report was shared with the FG and then with signatories to the Grand

6 Reports were received from workstreams 1 (Transparency), 2 (Localisation), 4 (Reduced management costs), 5 (Needs assessments), 7 and 8 (Enhanced quality funding) and 9 (Harmonised reporting).

Bargain. Comments received were considered and addressed in the final version of the report.

Caveats and mitigating measures

The timeline allowed for this year's process was, as in 2018, extremely limited. The research team had five weeks to collate, synthesise and analyse the data provided through 52 self-reports, conduct over 100 interviews and produce a full draft report.

As per the first and second annual independent reports, the primary source of data and evidence on actions taken and results achieved in 2018 was the self-reports submitted by signatories. As self-reports these were inherently subjective; while ODI sought to address this through bilateral interviews with all signatories that submitted a report by the deadline, the short time available did not allow for a detailed process of cross-referencing of all information presented. Four signatories did not respond to requests for interviews within the timeline permitted for this activity.

Collecting useable and comparable data on activities undertaken and, crucially, on results achieved by signatories against their commitments continued to present a major challenge. To mitigate this for the third annual report, ODI supported the FG and

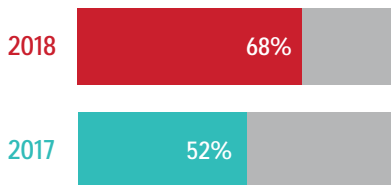
co-conveners in late 2018 to design a more detailed template for the self-reports, which aimed to elicit more granular data on both actions taken and any results or outcomes achieved (as discussed below).

In an effort to respond to challenges encountered in the first two annual report processes, the FG and co-conveners attempted to develop indicators to measure progress against the core commitments agreed in September 2018. As discussed below, many signatories did not report against these indicators, and as such this report cannot provide an in-depth analysis of progress against them.

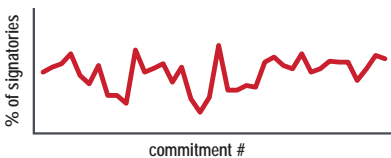
This report is structured as follows. Following this introduction, Section 1 presents general observations, including on the reporting process in 2019, and outlines overall areas of progress and outstanding challenges. Section 2 presents a summary analysis of gender equality and women's empowerment in the Grand Bargain. Section 3 provides a more detailed analysis of progress and challenges within each workstream or thematic area, including in relation to each of the core commitments. Finally, Chapter 5 outlines overarching conclusions regarding the collective progress made in 2018, and presents recommendations for maximising opportunities for further progress and dealing with outstanding challenges.


The Grand Bargain in 2018

On average 68% of signatories reported actions or results against each commitment, compared to 52% in 2017



...but progress remained uneven



 The number of workstreams was streamlined from 10 to 8, and 11 'core commitments' drawn from the original 51

The best-performing workstreams were:

Workstream 2:
More support and funding for local and national responders



Workstream 3:
Increase the use and coordination of cash



Workstream 9:
Harmonise and simplify reporting requirements



78% donors reported maintaining or increasing the proportion of multi-year funding...



...and more than half of all Humanitarian Response Plans are multi-year



Obstacles to greater progress are political rather than technical



Areas for action:

- Adopt a strategic approach to mitigate remaining challenges and maximise opportunities to make greater progress
- Undertake concerted high-level political dialogue aimed at navigating challenges to success
- Define more clearly what the 'success' of the Grand Bargain will look like
- Get the bargain back on track
- Consolidate efforts to lighten the bureaucratic burden and better support implementation of the commitments
- Empower existing governance structures to deliver
- Strengthen political leadership to help navigate remaining challenges

Progress made per workstream

This table illustrates the scores assigned to each workstream against five assessment criteria. Overall assessments of each workstream can be found in Section 3.

- ☆☆☆☆ No significant progress
- ★☆☆☆ Little progress
- ★★☆☆ Some progress
- ★★★☆☆ Good progress
- ★★★★ Excellent progress

Workstream	Donor activity	Aid organisation activity	Activity on joint commitments	Links to other workstreams	Links to other existing processes
Greater transparency	★★★☆☆	☆☆☆☆	★★★☆☆	★★★☆☆	★★★☆☆
More support and funding for local and national responders	★★★☆☆	☆☆☆☆	★★★★	★★★☆☆	★★★☆☆
Increase the use and coordination of cash	★★★★	☆☆☆☆	★★★★	★★★☆☆	★★★★
Reduce duplication and management costs with periodic functional review	★★☆☆	☆☆☆☆	★★☆☆	★★☆☆	★★★☆☆
Improve joint and impartial needs assessments	★★☆☆	☆☆☆☆	★★★☆☆	★★★☆☆	★★☆☆
A participation revolution	★★★☆☆	☆☆☆☆	★★★☆☆	★★☆☆	★★☆☆
Enhanced quality funding through reduced earmarking and multi-year planning and funding*	★★★☆☆	☆☆☆☆	★★☆☆	★★☆☆	★★☆☆
Harmonise and simplify reporting requirements	★★★☆☆	☆☆☆☆	★★★☆☆	★★★☆☆	★★☆☆
Enhance engagement between humanitarian and development actors**	★★★☆☆	☆☆☆☆	N/A**	N/A**	N/A**

*Workstreams 7 (increase collaborative humanitarian multi-year planning and funding) and 8 (reduce the earmarking of donor contributions) were merged in September 2018.

**This workstream was closed as a coordination body in March 2018.

Section 1

Overall analysis of progress and challenges

This section offers reflections on the revised reporting process, before highlighting key areas of progress and outstanding challenges that continue to hamper work towards achieving the Grand Bargain's goals of greater efficiency and effectiveness.

1.1 The revised reporting process

Noting the challenges faced in the first two annual reporting processes, the Eminent Person (EP) together with the FG agreed an adapted approach for reporting on progress in 2018. Specifically, they agreed to focus on results or outcomes, not just activities undertaken by the signatories, and to report against each commitment, not simply reporting on each thematic area or workstream. To facilitate this more granular reporting process, a revised self-report template was developed, with support from ODI, for signatories' use. The template comprised an Excel spreadsheet for detailing activities and results for each commitment, and a narrative summary to articulate the strategic outcomes each signatory felt they were achieving. A revised guidance note was disseminated, and two webinars were held by the FG and ODI to provide signatories with additional guidance and support in adjusting to the revised reporting process.

More signatories submitted self-reports by the agreed deadline (31 March 2019) than for the previous year: 90% of signatories (53 of 59) submitted self-reports on time, compared to 78% in March 2018. The revised template has elicited more useable and useful data for analysis – both on activities undertaken and, to an extent, on results or outcomes achieved. Although still incomplete, this more detailed information may also serve as a reasonable baseline to assess progress in future years. While some signatories

expressed concerns regarding the shift in approach and the increased effort it required of them, in general they appreciated that this was necessary in order to provide more useable and comprehensive data for the annual independent reporting process. Several also asserted that they had found the process useful in terms of obtaining a more accurate overview of their own efforts to achieve their Grand Bargain commitments.

There were still a number of challenges in relation to self-reporting. First, many signatories simply do not have (or at time of reporting did not yet have) access to the quantitative data required to report against some of the commitments or their indicators. In some cases, administrative or accounting systems are not yet able to track or generate such data, or financial accounts had not been closed for 2018, and thus these figures were not available. Some signatories provided preliminary figures, which will need to be confirmed once their annual reporting processes are completed later in 2019.

In response to the recommendations of the second annual independent report, the co-conveners and the FG agreed on a set of core commitments in September 2018, comprising one or two priority commitments drawn from each workstream. In general, these were commitments which, with increased collective focus, could be expected to bring about significant system-wide efficiencies and greater effectiveness. Signatories were asked to report in additional detail on these core commitments. In late 2018/early 2019, co-conveners and the FG also developed indicators for each of these core commitments, with the intention of measuring progress against them. This process was challenging and the results, in terms of data reported against them in the self-reports, have been very uneven.

No signatory reported against all of the indicators pertaining to core commitments that were relevant to them.

On average, 28% of signatories reported against the 11 indicators for which quantitative data was required, with the lowest reporting rates against the indicator for optional reporting on the percentage of funding awarded to women-led or women's rights organisations (1.9%), the indicator for donors on the percentage variance of individual donor assessments that they conducted/requested (5.3%) and the indicator for optional reporting on the percentage of multi-year partnership or funding agreements that include institutional capacity strengthening support for local and national women-led or women's rights organisations (5.8%). The highest reporting rates were for the indicators on commitment 2.4 (*Percentage of humanitarian funding awarded as directly as possible to local and national responders*) – 46.2% – and on commitment 3.1 (*Total volume in USD of funds transferred through cash programming*) – 50%.

Even with regard to these higher reporting rates, the data presented was not comparable or sufficient to allow for an accurate assessment of the level of *collective* progress being made. For example, in relation to the indicator for commitment 2.4, signatories reported the amount of overall humanitarian funding they received that was transferred to local and national responders, or the percentage of humanitarian funding granted to any partner (international and local/national) that was passed to local/national responders.⁷ Signatories were not always clear how or whether they were required to report against some of these indicators: the indicator for core commitment 10.4, for example, elicited reporting from a few signatories in relation to their own institutional humanitarian–development analysis and planning, whereas others indicated that they were reliant on OCHA or the UN Development Programme (UNDP) to report on this at the system level. Donors in particular found it challenging to report data against several indicators, particularly in relation to flexible funding, as they did not have detailed data on the activities of their partners. The indicators for core commitment 7.1a focused only on

part of the commitment, namely multi-year funding, and did not include increased multi-year planning, and there was no indicator on what proportion of multi-year funds received was passed down to implementing partners. OCHA indicated that it was not feasible to report against the second indicator for core commitment 6.1 (*Percentage of HRPs that integrate strategies/plans for the implementation of the IASC CAAC, PSEA commitments, Centrality of protection in humanitarian action, Gender Policy and its accountability framework*) as Humanitarian Response Plans (HRPs) are necessarily rated separately on each of these elements.

Compared to the previous reporting period, more examples of cost or efficiency savings were reported for 2018. While still limited, this data does indicate where savings can and are being made, and where investments in new technologies or operational modalities may be worth scaling up in order to maximise potential efficiency gains (examples are cited in the analysis below).

Overall, despite improvements in the volume, quality and consistency of quantitative data reported this year, it still only provides a very partial picture of where progress is being made. The analysis presented below is therefore based on a combined assessment and analysis of both the quantitative data available and the qualitative information provided in the self-reports, in interviews with signatories, co-conveners and other stakeholders, as well as the co-conveners' reports and the literature review.

1.2 The added value of the Grand Bargain and its potential to deliver system-wide change

From the evidence gathered during this reporting process, it is clear that there is still a very high level of engagement from signatories to the Grand Bargain, with substantial investment being made at institutional level and across the group. However, there was also a stronger consensus than last year among signatories that the full potential of the Grand Bargain was yet to be realised, and that a further two–three years of effort were required before signatories would see a substantive return on the investments they had made thus far. Donors, UN agencies, international and national NGOs and the RCRCM all felt that it would take several more years before the changes required by the commitments would be fully embedded at institutional level and across the humanitarian aid system.

⁷ In reference to local and national responders, the authors refer to the definition agreed by Workstream 2. Local/national non-state actors are: 'Organizations engaged in relief that are headquartered and operating in their own aid recipient country and which are not affiliated to an international NGO'. Local and national state actors are: 'State authorities of the affected aid recipient country engaged in relief, whether at local or national level'. https://fts.unocha.org/sites/default/files/hfft_localisation_marker_definitions_paper_24_january_2018_-_final.pdf

There was also consistent appreciation for the added value of the Grand Bargain as a unique forum for collaboration, dialogue and problem-solving among its constituents, and as a lever for change in key thematic areas. Despite concerns about the ‘bargain’ element of the initiative – the *quid pro quo* – the majority of signatories interviewed still felt strongly that the forum is not replicated elsewhere within the aid sector, and that the opportunities for multi-actor dialogue and strategising it offered were valuable in and of themselves, and should be much more robustly exploited to address the challenges the Grand Bargain continues to face.

1.3 Diversity of efforts, priorities and related results

As also noted in the second annual independent report, there is wide variation in the level of effort and investment by individual signatories in the Grand Bargain. Signatories have also continued to pursue their own institutional priorities within the broad scope of the 51 commitments. While three (Bulgaria, Global Communities and Slovenia) did not submit self-reports for the second year running, others reported substantial institutional investments to fulfil their commitments, including establishing new staffing roles and dedicated resources. For example, Save the Children, which joined the Grand Bargain in 2018, has integrated the commitments into its new Humanitarian Policy (the guiding framework for their global operations, programmes and advocacy) and hired a programme manager to focus on tracking and supporting its institutional commitments. The Norwegian Refugee Council (NRC) reported on its substantial investment, not just in implementing the commitments institutionally

but also in supporting the Grand Bargain structures, providing dedicated staff resources through the Norcap expert deployment roster, office space and logistical support to the Secretariat and providing dedicated capacity in support of workstreams 7 and 8 (including after they were merged in September 2018). Donors too are taking a strategic approach, with a number integrating elements of the Grand Bargain in their partnership agreements with aid organisations: the UK, for example, has incorporated a Payment By Results (PBR) framework in its humanitarian core funding to UN agencies (OCHA, CERF, the World Health Organization (WHO), the UN Children’s Fund (UNICEF), WFP, UNHCR and the International Organization for Migration (IOM)) in an effort to encourage collective action on Grand Bargain commitments.

In terms of priorities, signatories have focused their efforts on those commitments or workstreams that resonate with pre-existing institutional priorities, or where they feel they could add most value to the collective effort. ZOA explained how the commitments on enhancing engagement between humanitarian and development actors (commitments 10.1–10.5) resonated with its 45-year institutional focus on programming across the humanitarian and development divide. Care International and ActionAid both reported that their focus on integrating gender equality across the Grand Bargain framework was intended to support efforts to further this agenda, not just institutionally but also across the humanitarian system. While this prioritisation of effort is logical given the broad scope of the Grand Bargain, it results in significant variations in progress (including results achieved) by individual signatories, as well as the broader group, against the different commitments. This differentiation of effort and results is reflected in the analysis below.






Box 1: Scorecard to rate actions and results reported by individual signatories

				
No significant progress	Little progress	Some progress	Good progress	Excellent progress
No activities and/or results have been reported, or reported activities and results do not reflect any significant effort or progress.	Limited or very small-scale activities and/or results have been reported, or the reported activities and results do not yet reflect any change in institutional policy or practice.	Some activities and/or results have been reported, and some minimal improvements in institutional policy and/or practices are being made.	Activities and/or results have been reported which reflect significant effort and are bringing about tangible improvements in institutional policy and/or practice.	Activities and/or results reported evidence significant or transformative institutional changes in policy and/or practice, and commitment has effectively been fulfilled.

Box 2: Scorecard to assess individual actions by donors, individual actions by aid organisations and collective actions

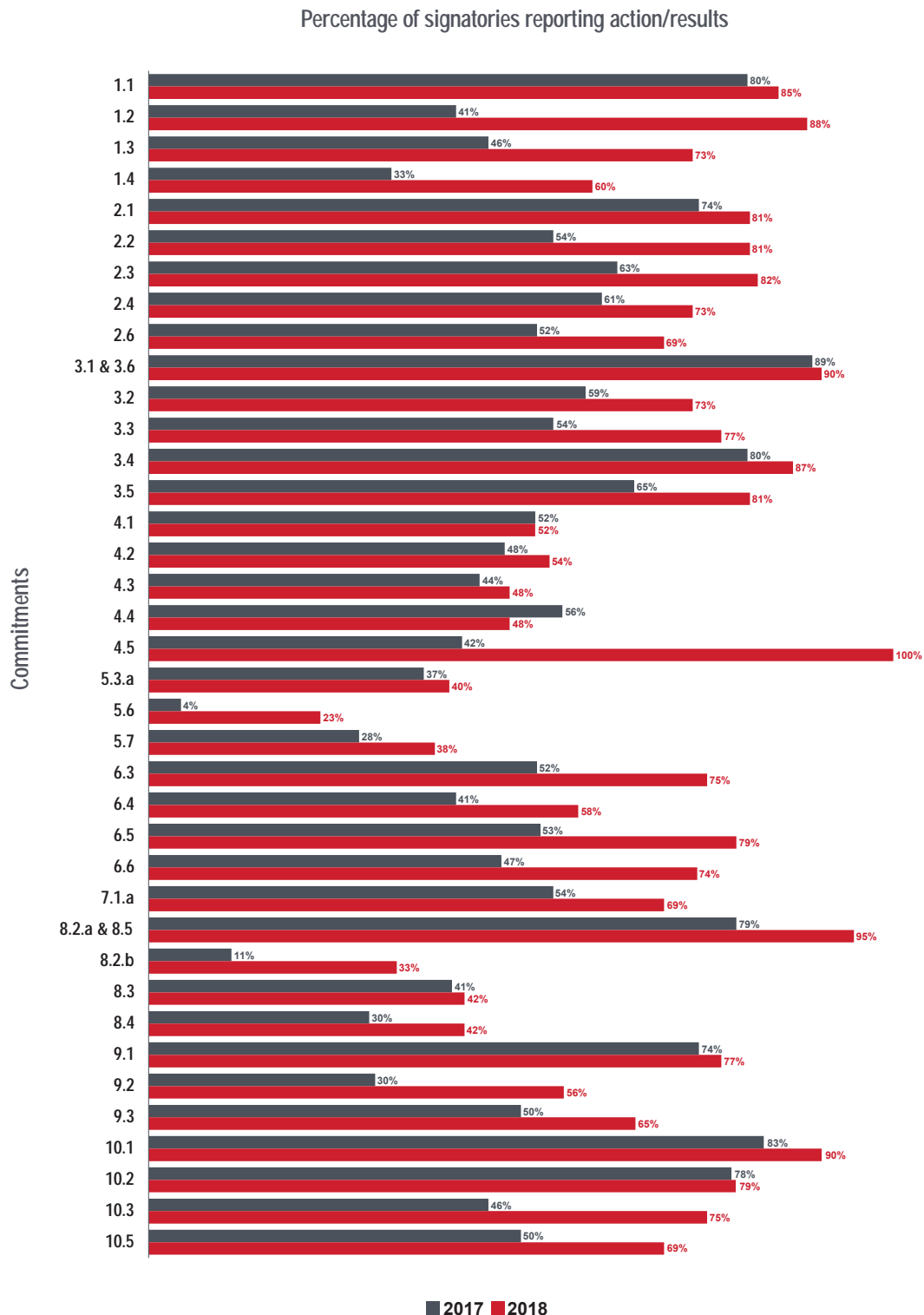
				
No significant progress	Little progress	Some progress	Good progress	Excellent progress
No activities and/or results have been reported, or reported activities and results do not reflect any significant change or progress.	A very limited number of activities and/or results have been reported, or the reported activities and results reflect only limited change or progress.	A number of activities and/or results have been reported, but major obstacles remain – for example, activities only address some (not all) crucial aspects covered by the workstream, or important stakeholders (including signatories) have reservations or concerns about the way forward.	Many (not all) relevant signatories report significant activities and/or results, addressing many (not all) aspects covered by the workstream.	The majority of relevant signatories report activities and results that collectively reflect substantive or system-wide change in most (if not all) areas covered by the workstream.

Box 3: Scorecard to assess links to other Grand Bargain workstreams and to external fora or processes

				
Important missing links	Weak links	Effective partial links	Adequate links	Full coherence
No links have been established despite important potential synergies or the need for coordination, consolidation or sequencing of effort.	Some links have been established, but they are weak and links have not been made with all the relevant commitments in order to exploit potential synergies and/or enable appropriate coordination, consolidation or sequencing of efforts.	Effective links have been established, but they relate only to some of the commitments with which there are potential synergies, or where there is a need for coordination, consolidation or sequencing of efforts.	Effective links have been established with all those workstreams or external fora/ processes where there are potential synergies and a need for coordination, consolidation or sequencing of efforts.	Strong functional links have been established with all workstreams or external fora/ processes where there are potential synergies and where there is a need for coordination, consolidation or sequencing of efforts.

1.4 Key areas of progress and challenges – signatories, workstreams and specific commitments

Figure 1: Percentage of signatories that reported action and/or results against each commitment that was relevant to them*



* As per the methodology for the first and second annual reports, this list excludes those for which a quantitative analysis (i.e. number of signatories reporting taking 'actions') is not applicable (i.e. joint or interagency commitments).

As shown in Figure 1, the 2018 self-reports indicate increased activity by signatories across the original 51 commitments, with on average 68% reporting activities against the commitments relevant to them, compared to 52% in 2017: only commitments 4.1 (*Reduce costs and measure efficiencies of delivery with technology*) and 4.4 (*Reduce duplication of management costs*) saw a slight decrease in the number of signatories reporting actions. Figure 1 also highlights the uneven nature of activity between different commitments, the cause and impact of which is discussed below.

As in 2017, progress across workstreams remained uneven. Workstream 3 (*Cash programming*) was again the standout in terms of performance and overall progress. It remained highly active as a coordinating body under the leadership of WFP and the UK, with clear and actionable priorities, a strong collaborative approach, with different signatories taking the lead on specific actions, and targeted efforts to address areas identified as having received less attention in 2017, including gender equality and women's empowerment. According to a majority of signatories and other stakeholders interviewed, while cash programming was already building momentum prior to the establishment of the Grand Bargain, this initiative has provided a valuable platform for coordinating and consolidating efforts between donors, the UN, NGOs and the RCRCM, contributing to a normative and operational shift towards more routine use of cash programming in humanitarian settings.

In 2018, workstream 2 (*Localisation*) also performed well, having made substantial progress against all commitments compared to 2017. The co-conveners (Switzerland and the IFRC) expended particular efforts in moving the workstream from dialogue on definitions to actioning the commitments. Through regular and inclusive coordination meetings, the workstream as a group identified and delivered against a series of priority actions, including field missions and exchanges of lessons and good practice. Interviews for this report together with a review of other research indicate that, while the concept of localisation had been on the humanitarian agenda prior to the establishment of the Grand Bargain, this initiative has been key in driving forward both the policy and practice of localisation. Although there is still no evidence of a system-wide shift in operational practice in this respect, the Grand Bargain does seem to have succeeded in establishing localisation as a key principle of humanitarian action.

Workstream 9 (*Harmonised reporting*) continued to make good progress in 2018. With a clear focus on rolling out the 8+3 reporting template at country level, making adjustments in response to the interim assessment of the pilot and successfully advocating for increased take-up of the template among donor signatories, the co-conveners (ICVA and Germany), together with participating signatories, have had substantial success in testing the challenging premise that a single, simplified reporting template could be accepted and used by a range of donors and aid organisations.

While not a top performer in terms of overall progress against the commitments, many signatories (donors and aid organisations alike) identified workstream 5 (*Needs assessments*) as having improved substantially as a coordinating mechanism compared to 2017. Responding to criticisms outlined in the second annual independent report, the co-conveners (OCHA and ECHO), with political support from the Eminent Person, stepped up efforts in the second half of 2018 to address the low levels of trust and confidence between signatories relating to needs assessments, advocated with some success for increased engagement from signatories and made substantive progress in key technical areas, including in field testing the Joint Inter-Sectoral Analysis Framework (JIAF). With support from the World Bank and UNDP, they also began to identify good practice and lessons learned on collaboration with development partners.

As identified in the second annual independent report, there are common enablers of progress in these workstreams. Each set of co-conveners has created, with support from signatories, an active forum with good collaboration between constituent groups, focused around clear actionable priorities and, where relevant, avoiding duplication with other mechanisms outside the Grand Bargain. Making these fora successful has required considerable investment by co-convening institutions in terms of staff time and capacities.

Several workstreams performed less well. Self-reports and signatory interviews indicated that progress in the new merged workstream 7+8 (*Enhanced quality funding through reduced earmarking and multi-year planning and funding*) has been the most limited in terms of coordinated action. While progress against some commitments has been significant, specifically donors increasing the provision of multi-year funding, the merger process took time and

effort, and in the last quarter of 2018 there was little active coordination by the workstream, little outreach to or engagement with signatories and no substantive joint action to report. Progress in other workstreams was also uneven, with workstreams 1 (*Greater transparency*), 4 (*Reducing management costs*), 6 (*Participation revolution*) and 10 (*Enhanced engagement between humanitarian and development actors*) all facing a range of challenges, many of which had been identified in the second annual independent report. Workstream 1 (*Greater transparency*) achieved an increase in the number of signatories publishing to the IATI standard (commitment 1.1), though there is still a lack of consensus on whether IATI is the most appropriate system for increasing the transparency of data on humanitarian funding and expenditure. Related to this, progress against workstream 1's core commitment (commitment 1.2 – *Signatories make use of appropriate data analysis, explaining the distinctiveness of activities, organisations, environments and circumstances*) was weak, and at the end of 2018 the co-conveners and DI identified the need to address this as a priority in 2019.

Workstream 4 (*Reducing management costs*) made good progress within the UN group on the provision of transparent and comparable cost structures (commitment 4.3), but the exclusive focus on this group of signatories led to frustration among NGOs, a small group of whom were trying to pursue similar efforts themselves, and there was no strategic effort to tackle the lack of progress on core commitment 4.5 (*Reducing individual donor assessments*). Signatories continued to make progress at a policy level on the participation revolution (workstream 6), with engagement with affected people now generally accepted as a fundamental principle of humanitarian action. But coordinated action by the workstream was very limited and there was little collective progress overall on *operationalising* this principle, with scant evidence that affected populations are afforded greater influence over the design, implementation or review of humanitarian aid. Workstream 10 (*Enhanced engagement between humanitarian and development actors*) saw limited strategic progress following the closure of the workstream as a coordination body. Although there was a high level of individual signatory reporting under this workstream, the activities and results reported were disjointed and disparate, and it was not clear how they linked with other fora, or whether they were

contributing to a system-wide shift in approach. Even those workstreams that fared well faced challenges. Workstream 5 (*Joint needs assessments*), though much improved on its performance in 2017, was undermined by a continued lack of prioritisation of this core area of work at senior management levels within aid organisations, including to facilitate greater collaboration at working level and to ensure adequate investment in institutional and system-wide capacities for assessment and analysis. In workstream 2 (*Localisation*), there is still no critical mass of aid organisations making a strategic shift towards localisation in practice (unrelated to the constraints of some aid organisations' mandates) and inadequate incentives from donors for doing so. In workstream 9 (*Harmonised reporting*), the system-wide shift towards harmonisation of reporting is still a distant goal despite the relative success of the pilot. In workstream 3 (*Cash programming*) there was still no clear agreement on a mechanism for predictable operational coordination, though this has subsequently been dropped from the 2019 workplan as other fora are dealing with this issue.

Efforts to address some of the key challenges highlighted in the second annual independent report benefited from the leadership and direct intervention of the Eminent Person in 2018. She initiated the process of streamlining structures, identifying collective priorities and increasing the role and authority of the FG. The Eminent Person also called a High-Level Meeting of a core group of signatories in September during which the political issues that were stalling progress on joint needs assessments and enhancing the quality of funding were raised. This engagement, together with subsequent bilateral follow-up by the Eminent Person with specific donor signatories, was credited with securing renewed commitment and investment from specific signatories, enabling greater progress by workstream 5 (*Joint needs assessments*) in the latter part of 2018, and kick-starting a more substantive discussion among the larger donors on poor practices on risk sharing and risk tolerance as a challenge to progress on more predictable and flexible funding (workstream 7+8). However, many of the challenges highlighted in both this and the second annual independent report are long-standing and complex – addressing them will thus require sustained high-level political engagement by the outgoing and incoming Eminent Persons.

1.5 Progress and challenges at signatory level

The self-reports submitted evidenced good progress in 2018 by individual signatories or small groups of signatories against a number of specific commitments. Core commitment 2.4, for example, saw an increased number of signatories reporting their data on passing funding to local and national partners, with seven signatories reporting that they had met or exceeded the 25% target, compared to five in 2017. Reporting on core commitment 3.1+3.6 also increased, including signatories reporting policy shifts towards the use of cash as a preferred modality (unless contextual conditions precluded it), and a number of signatories reporting increases in the volume of cash being programmed at country level. Related to this, there was also an increase in reporting by signatories on using existing national social protection systems for humanitarian cash programming (commitment 10.3). Individually, signatories have made good progress against commitment 4.1 (*Reduce the costs and measure the gained efficiencies of delivering assistance with technology (including green innovation)*), with specific examples of savings, for example in relation to the greater use of biometric registration systems.

Sub-groups of signatories have also made good progress against specific commitments, both as a result of and unrelated to coordinated action at workstream level. The co-conveners of workstream 4 (*Reduced management costs*) consider that all UN signatories have effectively fulfilled commitment 4.3 since they have agreed and are obliged to report to a new standard on operating costs developed through the UN Data Cube initiative (part of the UN reform process). Progress at country level has been significant in relation to joint analysis and planning with development actors (commitments 5.7, 7.3 and 10.4), with six UNCTs and HCTs working together to develop a common vision of ‘collective outcomes’ based on analyses of risks and vulnerabilities. Over half of all HCTs now have multi-year plans in place (core commitment 7.1a). Donors have made substantial progress against core commitment 7.1a, with 78% reporting that they had maintained or increased their multi-year funding in 2018, including five who increased the share of multi-year funding to over 50% of their overall humanitarian funding (the UK, Belgium, the Netherlands, Canada and Germany). Sweden and Norway provided four-year agreements for unearmarked core funds to WFP, UNHCR, UNRWA and the CERF. Further progress by the two largest donors, ECHO and the US, could tip progress on this core commitment into a system-wide shift that would transform the funding environment for humanitarian aid.

There is evidence of some signatories making connections across thematic areas and workstreams. Oxfam, ZOA, IFRC and the International Committee of the Red Cross (ICRC) reported on their investments in the institutional capacities of national and local responders (core comment 2.1) as intrinsically linked to achieving commitments on enhancing collaboration between humanitarian and development actors, including commitment 10.1 (*Use existing resources and capabilities to shrink humanitarian needs over the long-term, with a view to contributing to the outcomes of the Sustainable Development Goals. Significantly increase prevention, mitigation and preparedness for early action to anticipate and secure resources for recovery*) and 10.3 (*Increase social protection programmes and strengthen national and local systems and coping mechanisms in order to build resilience in fragile contexts*). Christian Aid has integrated its localisation, participation, cash programming and nexus efforts through its Survivor and Community Led Response (SCLR) approach (see Box 4).⁸

There are also positive examples of collaboration across signatory groups on key themes. A collaboration between ECHO, CAFOD and NEAR has enabled a two-year programme of investment in the institutional capacities of 30 local partners in five countries, with training on key organisational skills for 46 other local organisations and the design of localised pooled funds for local actors in Somalia and Nepal. Denmark has worked closely with the aid organisation signatories that are members of the Core Humanitarian Standard (CHS) Alliance,⁹ including funding the Alliance and the Humanitarian Quality Assurance Initiative (HQAI) and its related subsidy fund, to support greater accountability to affected populations by ensuring that more aid organisations, including NNGOs, are CHS-compliant and HQAI-certified.

In bilateral interviews with ODI researchers, many signatories reported on the challenges they face in making progress against their commitments. In most cases these were similar to those identified in the second annual report, including the sheer breadth and scope of the commitments and the lack of clarity in the

8 Christian Aid also works closely on this approach with DanChurchAid and the Church of Sweden, within the Local2Global Protection initiative.

9 The CHS Alliance has over 240 members from 160 countries. Grand Bargain signatories that are members include ActionAid, CAFOD, Care International, Catholic Relief Services (CRS), Christian Aid, the International Rescue Committee (IRC), Oxfam International, Save the Children International and ZOA. The Alliance has nine core standards against which members are assessed on the quality and effectiveness of their assistance.

original wording of many of them. Aid organisations highlighted in particular that the changes to policy and practice required to fulfil some commitments were significant and entailed major institutional investment at all levels, including allocation of staff and financial resources. Publishing to the IATI standard (commitment 1.1), increasing multi-year investments in local partners (core commitment 2.1) and ensuring beneficiary feedback was systematically integrated in programme design and implementation (commitment 6.4) all required major corporate investments that could take several years to show concrete results.

Aid organisations also felt constrained by the actions of others in relation to fulfilling commitments 7.1a and 8.2+8.5 on passing down multi-year and flexible funding. On the former, several UN agencies said they did not receive enough of such funding from donors to be able to pass it down the chain, and INGOs in turn said that they did not get enough from UN agencies in order to pass it down to their national or local partners. Several aid organisations explained that they logically have to use a mix of multi-year, flexible and other funds they receive to fund their downstream partners, and that it is not practically possible to directly pass down the multi-year or flexible funding they receive straight to their implementing partners. There was also a recognition – at least among a few aid organisations – that inter-agency competition and self-interest was still impeding progress against some of the commitments, with at least one INGO acknowledging that it is struggling with the implication that it would effectively need to contract in size and scope and adjust its long-held institutional priorities in order to fully achieve the localisation commitments. Staff from some UN agencies explained that they were struggling to maintain the attention of their senior management on the Grand Bargain initiatives, including ensuring that the necessary corporate resources were allocated to fulfilling their commitments. For their part, donors again highlighted that a generally negative domestic environment around international aid was constraining progress in key areas, such as reducing the reporting burden and providing more flexible funding, including directly to local or national actors.

Signatories also reported on their efforts to navigate these – at times significant – challenges. Several donors explained that they were actively looking for ways to support their partners’ investments in innovation and technology, in part as a way to help mitigate the impact of increased compliance requirements on the overall efficiencies of aid organisations. Many are also looking for pragmatic ways to increase the share of

humanitarian funds that local and national responders can access in lieu of ‘direct’ support, including through pooled funds and single intermediaries. New Zealand, for example, contributed funds to **country-based pooled funds (CBPFs)** for the first time in 2018, and cited its Grand Bargain commitments on localisation to argue the case for this domestically. A number of aid organisations have invested substantial resources in achieving certain commitments. The ICRC, for example, allocated substantial resources to publishing all of its 2017 data to the IATI standard, despite its ongoing concerns about the system.

Box 4: Supporting survivor-led responses

Christian Aid and Local to Global Protection’s SCLR approach helps crisis-affected communities lead and manage responses to emergencies in ways that improve their immediate well-being, strengthen longer-term resilience and accelerate social change. Support includes emergency micro-grants (such as for livelihood recovery, access to key services, short-term relief and local peacebuilding activities), rapid provision of relevant emergency response skills (such as conflict resolution, psychosocial support and technology management), enabling communities to connect and network with others, including the private sector, and supporting community-based information, mobilisation and learning systems. The emphasis is on low-cost, high-speed, targeted support to enable communities to respond to crises. A qualitative evaluation of the approach in the Philippines, Myanmar and Kenya in 2018 found that it was enabling communities to obtain what they needed more quickly and at lower cost than external actors could achieve.

1.6 The Grand Bargain at country or regional levels

The second annual report noted that signatories and workstreams had made some effort to engage with country-level colleagues and actors, but these were limited and uncoordinated. While there is still no clear strategy, there is evidence of increased engagement between headquarters and country level, and growing interest from country-based actors, including national actors, in the concept underpinning the Grand Bargain, as well as its thematic content.

Workstreams 2 (*Localisation*), 3 (*Cash programming*), 5 (*Needs assessments*) and 9 (*Harmonised reporting*) all undertook targeted engagement with colleagues and other stakeholders at country level through field missions and/or specific approaches or pilots. The self-reports also indicated a vast array of institutional and collective country-level initiatives and results in relation to many of the commitments and workstream areas, particularly localisation, cash programming, participation, multi-year planning and the humanitarian–development nexus. For example, the HCT in Chad has, with assistance from Ground Truth Solutions and the CHS Alliance, adopted and begun reporting against perception indicators they have developed to better reflect the views of affected populations in response strategies. The HCT in Haiti specifically used Ground Truth Solutions’ data to inform both the Humanitarian Needs Overview (HNO) and HRP for 2020.

Interest among national and local actors in specific crises has also increased, including through investments made by Belgium and VOICE¹⁰ to investigate whether or how front-line responders were having, or were interested in having, a say in the implementation of the Grand Bargain. With Belgian funding, VOICE held a series of workshops on the Grand Bargain with national and international NGOs in Somalia (together with ICVA), Lebanon and the Democratic Republic of Congo (DRC) (the last in early 2019). National NGOs in Somalia in particular have begun using the framework to press for a stronger and fairer relationship with international aid actors, particularly around localisation, cash and multi-year funding. In Lebanon, locally based NGOs felt that the broader concept of the Grand Bargain was more useful in helping them argue for a reframing of the relationships between donors, the UN, INGOs and national and local responders. In Bangladesh, local civil society actors are using the language and principles of the Grand Bargain to advocate for changes in their relationship with international aid actors. National NGOs interviewed by ODI researchers for this report highlighted the value of the Grand Bargain in terms of addressing some of the key concerns and challenges they face in their relations with international

10 VOICE – Voluntary Organisations in Cooperation in Emergencies – is a network of Europe-based NGOs promoting effective humanitarian aid worldwide, and acts as the main NGO interlocutor with the European Union (EU) on this topic. VOICE is not a signatory to the Grand Bargain, but 12 of its member organisations are or are affiliates of signatory organisations: Action Aid, Care, CAFOD, Christian Aid, IRC, Mercy Corps, Médecins du Monde, NRC, Oxfam, Save the Children, World Vision and ZOA (<https://ngovoice.org/our-members>).

humanitarian actors, and pointed to growing interest in their own countries and networks in how national and local actors can hold international aid actors to account through this framework. There is, however, still a degree of scepticism among national and local NGOs about whether promised changes in policy and operational practice will be delivered.

To an extent, the growing interest in and use of the language and concept underpinning the Grand Bargain by country-level actors, particularly national and local actors, is emerging organically, rather than as part of a strategic approach implemented from the top down. This in a sense both validates the original premise and thematic focus of the Grand Bargain, and shows that the framework is iterative, and is or can be responsive to changes at country level.

1.7 Overarching challenges

Despite evidence of good progress in 2018, a number of long-standing challenges are holding back progress towards the Grand Bargain’s principal goals. Most were also highlighted in the second annual independent report.

The lack of coordinated and consistent action by signatories across the 51 commitments has continued to result in uneven collective progress. The identification of core commitments in late 2018 was intended to address this by creating common priorities across the broad scope of the Grand Bargain framework. Hopes are high, but it is too early to tell whether this approach is having a substantive impact. Self-reporting by signatories for 2018 continued to reflect the differing interests and institutional priorities each has. Some signatories explained in interviews that their pre-existing institutional priorities were echoed in some of the core commitments, and that this had helped further concentrate their efforts internally. But there was little evidence of signatories shifting from their previous institutional priorities or stepping up their investment in these new common priorities. Many signatories were also unclear how they should respond to the designation of these core commitments, i.e. whether they should replace corporate or institutional priorities they had already identified within the broader framework of the Grand Bargain, or indeed whether these core commitments should now be the sole focus of effort, with the other ‘non-core’ commitments set aside.

Links to other fora or mechanisms outside the Grand Bargain that deal with similar issues are still inconsistent, with no clear strategic approach. There is

still duplication in some areas, particularly in respect of signatories having to report the same information on their activities multiple times and in multiple formats to the IASC, Good Humanitarian Donorship (GHD), the World Humanitarian Summit's Platform for Action, Commitments and Transformations (WHS-PACT) and in relation to requirements outlined as part of the UN reform process, as well as the Grand Bargain's annual reporting. In other areas there seems to be a failure to capitalise on momentum being generated elsewhere. In relation to UN reform, for example, the co-conveners of workstream 4 utilised discussions on the UN Data Cube and within the UN Business Innovation Group (BIG) as vehicles to enable UN signatories to fulfil commitment 4.3 (*Transparent and comparable cost structures*) and work towards fulfilling commitment 4.4 (*Reduce costs through maximizing efficiencies in procurement and logistics for common required goods and services*). But the co-conveners of workstream 7+8 do not appear to have made links with or exploited the more inclusive and formal discussions held as part of the UN Secretary-General's Funding Compact to make progress against core commitment 8.2+8.5 (*Donors progressively reduce earmarking*). In contrast, the closure of workstream 10 as a coordinating body was intended to avoid duplication with other fora and mechanisms dealing with the nexus but, as noted earlier, some signatories felt they had as a result lost an important space for dialogue between donors, the UN, the RCRCM, INGOs and NNGOs on this theme.

Progress has been made by all workstreams in 2018, but this has generally been on a technical level. The more significant political steps required to enable system-wide change have generally not taken place. In workstream 7+8, for example, there has been no strategic discussion around the fact that a system-wide increase in flexible funding is unlikely to happen given domestic political constraints in most donor countries. Nor has there been a dialogue on how to work within this constraint to make best strategic use of the funding that is available. Related to this, there has been no strategic discussion in workstream 4 of how to mitigate the burden of (increasing) compliance requirements on aid organisations. In workstream 9, the reporting pilot is showing good results, but without a critical mass of donors taking the political decision to adopt the template across all their funding agreements this initiative will not bring about a system-wide change in practice. In workstream 2, the systemic shift in policy towards localisation will not translate into a systemic shift in operational practice without major political investment from the wider group of aid organisations, and

without greater funding and other incentives from donors. For workstreams 5 and 6, without a clear political statement from the senior management of aid organisations that joint needs assessment/analysis and participatory approaches are corporate priorities, it is hard to see how a system-wide shift can be achieved in these areas.

The heavy bureaucracy that has evolved around the Grand Bargain has also continued to temper enthusiasm for it, and present practical challenges to signatories' engagement. The second annual independent report concluded that the Grand Bargain was simultaneously over-structured and under-governed. Efforts were made after the 2018 annual meeting to address this, but the impact has so far been limited. The collective prioritisation process has been relatively well received by signatories as a useful way to focus collective efforts, but the development of technical indicators to measure progress against these core commitments has proved time-consuming and increased the reporting burden, and in any case most signatories have not been able or inclined to report against them. While the merger of workstreams 7 and 8 was a sensible remedy to the siloed approach to flexible and multi-year funding, the new workstream was slow to activate as a coordination body, with no joint activity reported by the end of 2018.

Following a revision of its terms of reference in June 2018 directed by the Eminent Person, the FG's role is now as a 'consensus-based governance body', responsible for (among other activities) leading the implementation of recommendations from the Eminent Person and/or the annual independent report. However, little else has changed in respect of governance structures. Re-engagement of the Sherpas, as recommended in the second annual independent report, has not happened, with a core group meeting just once since the report was issued, and it is unclear how this mechanism will be used to push ahead on the many political issues that are stalling collective progress. The report recommended increasing the capacity and authority of the Secretariat in order to better support the Eminent Person, the FG and the co-conveners, and to ensure increased communication between them and the wider group of signatories. But by the end of 2018 staffing had decreased to one individual. The 2018 report recommended that co-conveners be given an explicit role in leading and coordinating efforts within a workstream, and that resources be made available to support them, but no real policy change has taken place and there are calls from some signatories for a clear mechanism that would allow co-conveners to step down and new

ones to be appointed to help move some workstreams along. The 2018 report also called for increased visibility of the Eminent Person. Although there have been bilateral efforts by the Eminent Person to push for substantive political progress by some key signatories on issues such as multi-year and flexible funding, signatories interviewed for this report still felt that steering the broad group of signatories to success requires more *consistently* visible and engaged leadership and direction.

Despite much discussion in 2018, there is little evidence of substantive engagement between or across workstreams, either to consolidate efforts on areas of overlap or to sequence actions to address their respective commitments. As explained in the second annual independent report, this is unsurprising given the original organisation of the Grand Bargain into 10 separate workstreams, the complex wording of the original commitments and the resulting effort required just to coordinate within each workstream. Even so, this siloed approach means that opportunities to identify and tackle challenges that cut across various workstreams are being missed, and progress continues to stall. For example, the lack of a system-wide shift in the provision of predictable and flexible funding (workstream 7+8) presents an obstacle to increasing long-term institutional investment by international aid organisations in local and national responders (workstream 2), which in turn has a bearing on enhancing engagement between humanitarian and development actors (workstream 10) and the overall ‘nexus’ approach. Limited investment by some aid organisations in increased transparency of data/reporting (workstream 1) and limited efforts to increase the visibility of flexible funding received (workstream 7+8) are acting as a disincentive to donors to provide more flexible and predictable funding (workstream 7+8). The increase (or at least no decrease) in the compliance requirements of donors (workstream 4) is undermining aid organisations’ efforts to streamline operations, reduce costs (workstream 4) and increase the quality of their partnerships with local and national responders (workstream 2). More generally, donors’ low risk tolerance is resulting in a lack of progress in several areas, but there has been no effective dialogue on this across workstreams.

Both the second and this present annual independent report identified a number of political issues that are stymieing greater and speedier progress against the commitments, and in turn the overarching goals of the Grand Bargain. The ongoing failure to discuss and find ways to address these issues together is undermining the *quid pro quo*, disincentivising a collaborative and collective approach and risking signatories acting unilaterally. For example, in 2018 several INGOs told ODI researchers that they were not convinced that IATI was an effective way to increase transparency and/or were concerned about the major investment transitioning to the system required, and published to IATI only data that pertained to funds they received from donors that required such reporting. They did not intend at this stage to publish more widely to the IATI standard, thereby undermining wider efforts to increase the comparability of data. Some UN agencies and most donors reported that they were only aligning or integrating certain elements of the 8+3 harmonised reporting template with their existing institutional reporting frameworks, which means that the benefits to be accrued through widespread use of a single simplified reporting framework will not be realised. There has been no dialogue or agreement on the standards or methodology to be used for reporting by aid organisations on the flexible funding they receive, and as a result each is adopting its own, uncoordinated approach. This in turn is not generating a collective understanding of the value of flexible funding, and is creating more rather than less competition for such funds between aid organisations.

Ultimately, the *quid pro quo* element of the Grand Bargain is still not really functioning, and this is seriously undermining the potential of the Grand Bargain to achieve the system-wide changes envisaged. Some donors were explicit in the 2018 reporting process that, without a concerted effort from aid organisations to fulfil their commitments, including on localisation and passing on multi-year funding, they will not be able to make any further investments in respect of their own commitments. Aid organisations similarly, though less candidly, reflected that they cannot do ‘more without more’ from donors. This impasse risks undermining what has been achieved so far.

Section 2

Gender and the Grand Bargain

There was no explicit reference to gender equality and women's empowerment in the original wording of the commitments agreed in 2016. However, as noted in the second annual independent report, under the leadership of UN Women a number of signatories came together in September 2016 to create an informal Friends of Gender group. The group aimed to encourage signatories to integrate these considerations across their efforts to achieve the commitments, providing basic guidance and advice to support them in this. The second annual reporting process included a request from the Friends of Gender for information on how signatories had integrated gender across the workstreams. In total, 31 out of 46 signatories (67%) referenced some efforts to integrate gender considerations in their actions against the commitments. However, the nature of these efforts varied significantly. In the 2018 reporting process, the FG, together with the Friends of Gender and with support from ODI, sought to more systematically integrate gender equality and women's empowerment in the self-report template in order to obtain more complete information on signatories' efforts in this regard.

2.1 Progress on integrating gender in the Grand Bargain

The reporting rate on gender increased substantially in 2018. All signatories that submitted self-reports for the period January–December 2018 provided some information on their efforts to integrate gender equality and women's empowerment across the commitments. All responded to the question in the narrative part of the reporting template, and all but two provided at least some further details on their approach, either across workstreams or in relation to the core commitments they reported on.

Reports varied in scope and level of detail, but overall a much clearer and more positive picture has emerged of collective efforts to support gender equality and women's empowerment. Signatories already had institutional pledges on gender equality (including through the OECD, IASC and ECHO gender and age markers) that they understood should apply, de facto, to their efforts to achieve the Grand Bargain commitments; indeed, some signatories see the Grand Bargain as a vehicle to push forward on implementing these pre-existing pledges, both institutionally and across the humanitarian system. Efforts have focused on a number of thematic areas, including localisation (workstream 2), cash programming (workstream 3) and needs assessments (workstream 5), and to a lesser extent the participation revolution (workstream 6) and enhanced engagement between humanitarian and development actors (workstream 10). There was some differentiation between constituent groups: the UN, the RCRCM and donor signatories provided more comprehensive information in both the narrative and the spreadsheet parts of the self-report template, while most NGOs provided more summary information.

The majority of signatories pointed to their pre-existing or ongoing policy-level commitments to ensuring that gender equality (and to a lesser extent women's empowerment) is integrated across their humanitarian action. Several UN agencies, for example, referenced their performance against the UN System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP) indicators.¹¹ UNRWA reported that, thanks to its 2016–2021 Gender Equality Strategy, it had exceeded 80% of

¹¹ UN-SWAP has been led by UN Women since 2012, when it was created to facilitate implementation of the 2006 UN system-wide policy on gender equality and women's empowerment. UN-SWAP 2.0 (version two) was launched in 2018, updating and expanding the first version of the action plan, including to align it with the Sustainable Development Goals (SDGs).

the UN-SWAP performance requirements in 2017, compared to 60% the previous year.¹² The Food and Agriculture Organization (FAO) met or exceeded 93% and WFP 81% of the performance indicators relevant to them in 2017. WFP further expanded its corporate-wide approach, adapting the IASC Gender with Age Marker (GAM) internally to apply a 0 to 4 rating to assess the extent to which the GAM is integrated in the design, implementation and monitoring of programmes. UNICEF introduced a composite measure to assess gender equality based on a series of indicators to track country-level gender analysis and results on gender equality – 59 UNICEF country offices met the measure in 2018. The vast majority of donors also reported that they require recipients of their funding to show how they have integrated gender equality considerations into their strategies and programmes.

Several signatories reported on the leadership roles they have assumed to further gender equality and women's empowerment across the humanitarian system. The UK, ECHO and Sweden reported on their broader efforts at the UN Security Council and/or the Global Call to Action, and both ActionAid and Care International explained how they saw the Grand Bargain as a vehicle to push for gender equality as a core element of humanitarian action across the system, undertaking advocacy with other signatories through their report *Not what she bargained for? Gender and the Grand Bargain*, issued at the Grand Bargain annual meeting in 2018. UN Women has dedicated specific resources to its role as chair of the Friends of Gender and, in collaboration with the members of the group, is working with co-conveners to develop guidance on and facilitate development of indicators to track integration of gender across the workstreams. Oxfam assumed the co-leadership of the IASC Gender Reference Group and implemented a range of policy and programme adjustments as part of its new feminist approach to humanitarian action.

Self-reports for 2018 were particularly valuable in detailing the nature and breadth of activities undertaken by individual or groups of signatories to integrate gender equality in their humanitarian action. The ICRC, for example, conducted an assessment of gender mainstreaming across the organisation, commissioning an independent assessment of its approach to diversity, inclusion and accountability to affected populations and bringing researchers and practitioners together to share lessons on gender mainstreaming. The IFRC has included gender and diversity in its corporate Strategy 2030, creating a

range of tools, guidance and capacities to deliver on their institutional goals on this theme.

Evidence from the self-reports suggests that there has been a particular focus on gender equality and women's empowerment through cash programming, with new research on the risks to and benefits of cash programming for gender equality, and new programmes and approaches to using cash to support women's access to healthcare, including reproductive health services, and to support prevention of and response to gender-based violence – with some concrete results reported. UNICEF and the World Bank reported on their support to national protection systems in several countries, with a view to shifting discriminatory social norms over the long term.

Investment in supporting gender equality and women's empowerment through engagement with local or national systems and actors was a key theme across the reports. UNDP estimated that 15% of its engagement with local actors was aimed at empowering women and ensuring adequate representation of women in political processes and public administration. The majority of UN Population Fund (UNFPA) grants and capacity-building efforts on gender equality are directed at local partners, and, together with UN Women, its has been undertaking research on how or to what extent funding for humanitarian interventions that support women and girls is channelled through local and national partners. Sweden reported that all of its funding agreements with strategic partners require an element of capacity-building of local partners which must also have a gender dimension. NEAR reported that its institutional capacity assessments and related recommendations for 25 member NGOs in five countries resulted in an increase in female representation on their boards or governance structures and the development of gender and social inclusion policies. The International Labour Organization (ILO) reported that it tracks its efforts to build the capacity of local partners (governmental and civil society) on gender equality through its Gender Equality Plan of Action 2018–2021. Relief International reported on its five-year Women's Enterprise, Advocacy and Training Programme (WEAT) in Afghanistan, supported by Canada, which works with local civil society, local government and the private sector to create an enabling environment for women's empowerment. Christian Aid and Relief International reported on their efforts to increase the representation of women in their programme and headquarters roles, including at management level. The IFRC also reported on its efforts to collate data to facilitate monitoring of its own and its National Societies' efforts to promote equal opportunities and a safe and inclusive workplace for all staff.

¹² UN-SWAP assessments for 2018 had not been completed at the time of writing.

The majority of signatories reported disaggregating data, both as a requirement in funding agreements and as standard practice. Sweden, for example, requires its partners to report on the IASC's Gender and Age Marker. There was some reporting on integration of gender in participatory approaches. Supporting gender equality through enhanced collaboration between humanitarian and development actors and humanitarian-development programmes was another key theme. FAO and UNDP both reported on their efforts to enable more equitable access to livelihoods and markets for women. FAO was able to facilitate inclusion of a principle on women's empowerment and gender equality in the Committee on World Food Security's Framework for Action for Food Security and Nutrition in Protracted Crisis (CFS-FFA). This principle, which explicitly links gender equality with better, more resilient food security and nutrition outcomes, will hopefully increase recognition that women are critical agents of change in the fight against rural poverty, hunger and malnutrition.

More broadly, signatories also reported increased efforts to address sexual exploitation and abuse (SEA), largely in response to the scandals that beset the sector in 2018. InterAction, ICVA and the Steering Committee SCHR, for example, all reported on their efforts to raise awareness of and standards for preventing and responding to SEA among their members and across the humanitarian system.

2.2 Remaining challenges to 'gendering' the Grand Bargain

Despite evidence of the use of the Grand Bargain to further long-standing goals on gender equality and women's empowerment through humanitarian action, there were also a number of challenges and constraints. First, not all signatories were in agreement with the increased reporting requirements on gender in 2018. Several aid organisations reported during interviews with the research team that they felt the increased requirements were out of balance given both the lack of basic progress in some workstreams and the lack of reference to gender in the original commitments. This was a minority view, and it is

clear that all signatories have signed up to gender equality standards in one form or another. Second, the nature of reporting by some signatories suggests that the definition of gender equality – i.e. that it includes consideration of the differentiated impact of crises on women and girls and men and boys, as articulated in existing policy, guidance and tools (e.g. the World Humanitarian Summit Core Commitments, IASC policy and accountability frameworks on gender equality and the empowerment of women and girls in humanitarian action, the IASC *Gender handbook* and the OECD-DAC gender equality policy marker), is still not universally understood or used. Only a few self-reports explicitly referenced the vulnerabilities of men and boys, as well as women and girls. Indeed, the gender-related indicators developed for core commitments 2.1 and 2.4 refer only to women-led or women's rights organisations (rather than organisations that support gender equality). Notwithstanding the important contribution of such organisations, the indicators as currently formulated may mean that support and funding is based on their status or mandate, rather the quality of their contribution to gender equality or the needs in a given context. There is also a risk that the focus of data collection will be the quantity rather than quality of partnerships with local organisations, and that this will become more of a box-ticking exercise than a meaningful assessment of signatories' efforts to further gender equality and women's empowerment through their partnerships with local and national responders.

Overall, the results in 2018 are positive, with a clear focus and coordination of effort, particularly through the Friends of Gender, to use the Grand Bargain to deliver on long-standing promises to further gender equality and women's empowerment. The Grand Bargain is not the principal or sole driver of such efforts across the aid system, but on gender, as on many other issues, it is possibly the only mechanism bringing together donors, the UN, INGOs, NNGOs and the RCRCM to strategise and coordinate efforts on this key theme. While not all signatories agree on the approach taken, the more granular reporting for 2018 does demonstrate that gender equality and women's empowerment have become a key feature of the framework, with an impressive array of practical actions at global and country level.

Section 3

Workstream-level analysis: progress achieved and challenges outstanding

This section presents in more detail the analysis of progress achieved and challenges present within or related to each workstream. It also includes analysis of progress against each of the core commitments. A very summary analysis of progress against each of the other 40 commitments is presented in Annex 1.

3.1 Workstream 1: greater transparency

3.1.1 Workstream summary

Progress continued to be made by and within this workstream in 2018. The co-conveners continued to pursue a logical, sequential approach to the commitments in this workstream, and for much of 2018 the focus remained on increasing the number of signatories reporting to the IATI standard (commitment 1.1). In this respect, they have had some success: 47 (80%) signatories were publishing to the IATI standard by the end of 2018, compared with 44 at the end of 2017. ICRC, IFRC and UNHCR all began publishing to IATI in 2018. Forty-three of the 47 (91%) were publishing data on humanitarian activities specifically, and some indicated that they were publishing more frequently and in more detail. Overall, 30% of publishing signatories were including more granular data (specifically on Humanitarian Response Plans (HRPs) and cluster activities). UNDP, for example, has added a humanitarian marker to capture disaggregated financial information on its

humanitarian expenditure, and the World Bank has transitioned to version 2.03, enabling more granular reporting on data on its activities in fragile contexts. UNICEF expanded the scope of its reporting to include monthly publication of its humanitarian data, and USAID was preparing to move from quarterly to monthly reporting. As a result of their enhanced reporting to IATI, both ECHO and Italy reported having improved their rating in Publish What You Fund's 2018 Aid Transparency Index. ICRC, UNHCR and the IFRC all published to IATI for the first time in 2018, CAFOD now reports on all international work it funds and both CRS and ActionAid hired specialist staff to enable their publication of data to the IATI standard. Save the Children reported on its efforts to boost its capacity to publish data to the IATI standard across its global federated structure of 30 members. Several aid organisations, including Oxfam and ZOA, have integrated the IATI standard into their institutional data management systems.

Evidence collated for this report indicates a number of incentives driving this increased reporting, including peer competition introduced by the Transparency Dashboard (developed, maintained and revised by DI on behalf of the workstream) and, more specifically in the case of aid organisations, the introduction by several donors (e.g. Canada, Denmark, the Netherlands and the UK) of publishing to the IATI standard as a condition for funding.

There was also an effort in 2018 to harmonise OCHA's Financial Tracking Service (FTS) and IATI through an FTS-IATI 'ingestion bridge', which would enable FTS to import IATI data automatically – meaning that signatories would not have to report

Note: It was not feasible or appropriate to provide a quantitative analysis of some commitments and therefore not all have a corresponding pie-chart showing quantitative analysis.

the same data twice to two different systems. Several signatories agreed to be the first test cases, including USAID, IRC, the UK and OCHA (for CBPFs). Significant technical efforts were invested in this process in 2018, but no test case had been completed by the end of the reporting period (though this was expected to be completed by mid-2019).

Signatories also reported a range of activities to improve the digital platform, engage with the open data community (commitment 1.3) and support the capacity of partners to access and publish data (commitment 1.4). On the former, activities included investment in other reporting mechanisms (e.g. FTS, Humanitarian Data Exchange (HDX), EDRIS) and efforts to collaborate and share experience and lessons on publishing to IATI and other transparency mechanisms. There were also collaborative discussions on simplifying the Transparency Dashboard. OCHA, for example, reported on enhancements to FTS in 2018, including a new flow model, which can capture the funding chain from the donor to the end recipient. It also reported on the launch of Humanitarian InSight, a content management platform that presents information on needs, planning and results. At the global level it acts as the online home for the Global Humanitarian Overview (GHO) and related aggregate data on needs and results. The platform is also being rolled out at country level, including in Burundi, Chad, Niger, Nigeria, the occupied Palestinian territories (oPt) and Somalia, to be used for reporting against the 2019 HRPs and their monitoring frameworks. Enhancements to the platform are ongoing based on feedback from donors and aid organisations.

In respect of commitment 1.4, several donors (including Denmark, the Netherlands and the UK) provided clearer guidance on expectations of increased transparency for organisations receiving their funding, and/or invested in other reporting mechanisms (e.g. US support for FTS and UNHCR's Global Focus website). InterAction, Christian Aid, CAFOD, Save the Children and IRC all reported particular investments, including developing tools and guidance to help partners access and publish to IATI.

Despite this progress, the same challenges identified in 2017 continued to undermine the overall goal of greater transparency. Specifically, although IATI was agreed as the common standard to enable greater transparency in the original language of commitment 1.1., in 2018 debate continued about its appropriateness as a way of increasing the transparency of data on funding and expenditure within the humanitarian sector. While more signatories published to the IATI standard in 2018, many

signatories asserted that they did not see this resulting in increased transparency. It is not clear to signatories, for example, whether publishing to the IATI standard actually provides better/more useful data in a more accessible way than signatories were already reporting elsewhere. Significant numbers of signatories – both donors and aid organisations – continued to express reservations as to how useable, including how comparable, the data currently captured by IATI is. In response, DI asserted that this is not an issue with IATI as the standard, but with the data that is published, which is the responsibility of signatories. The results of a survey conducted by DI on behalf of the workstream echoed some of the concerns expressed by signatories to ODI.¹³

Some INGOs published data to IATI that pertains only to funding received from donors that require this as a condition of funding, but do not intend to publish all their data to IATI because of the high costs of doing so for (in their view) as yet unproven returns. Some donors also expressed reservations about the high level of investment required, and were concerned at the duplication of effort involved in publishing on FTS, IATI and EDRIS (for member states of the EU).

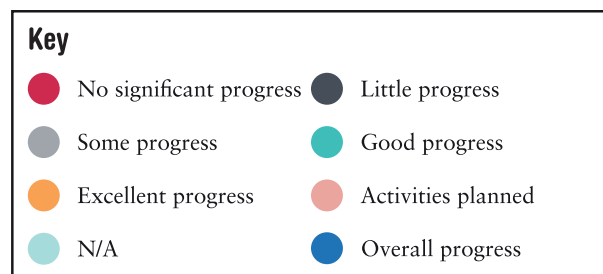
Despite the efforts of the co-conveners (the Netherlands and the World Bank), including support from DI, there is still no consensus on whether the investment required to publish to the IATI standard will bring the returns expected or hoped for in terms of better access to more detailed, comprehensive and useable data to inform decision-making and priority-setting and enable traceability through the transaction chain from donor through to frontline responder. There is as yet no universal agreement on the added value of IATI, and a lack of clarity among many signatories on how it differs from and is linked to existing reporting mechanisms, namely FTS. If IATI is to remain the principal tool to achieve greater transparency of data and reporting on humanitarian funding and expenditure, much greater incentives are needed, specifically increasing the usability of the data published and reducing duplication of reporting through the harmonisation of FTS and IATI.

In terms of gender equality and women's empowerment, an initial scoping exercise was undertaken on the potential for alignment between

13 DI conducted the survey in March 2019. Twenty-seven individuals from 19 (32%) out of 59 Grand Bargain signatories participated by completing the survey questionnaire and/or participating in key informant interviews with DI staff. NGOs were under-represented in the survey, despite efforts to engage them in the process.

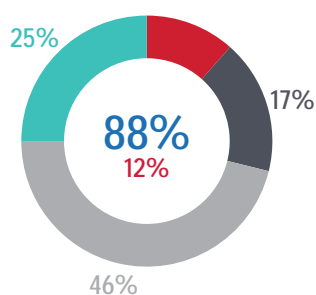
IATI, the OECD-DAC and IASC GAM, and the co-conveners have included an objective on advocating for publication of gender-related data in their 2019–2020 workplan. There was some limited outreach to other workstreams in late 2018, with preliminary contact made with the co-conveners of workstreams 2 (*Localisation*), 3 (*Cash programming*) and 7+8 (*Enhanced quality funding*) on development of data visualisation prototypes. Engagement of the co-conveners and workstream participants with other mechanisms included the ongoing harmonisation process with FTS; links, made by OECD, aimed at improving OECD-DAC reporting on humanitarian data; and technical discussions with the Cash Learning Partnership (CaLP), EDRIS and the IATI Secretariat on synchronising IATI with these different data reporting/management systems.

3.1.2 Progress against the core commitment



Commitment 1.2: Signatories make use of appropriate data analysis, explaining the distinctiveness of activities, organisations, environments and circumstances.

All signatories – Individual action – No deadline



The self-reports for 2018 show that signatories have varied understandings of what this commitment means and what it requires of them. The co-conveners made efforts to clarify this, including through the survey conducted by DI in early 2019.¹⁴

However, further clarification would be helpful to facilitate better reporting against this commitment.

The DI survey, intended to establish a baseline against which to measure future progress, documented examples of signatories' use of data published to the IATI standard. The Netherlands' 'Open Aid Netherlands' platform visualises every humanitarian and development project financed by the Ministry of Foreign Affairs and reported as open data to the IATI registry.¹⁵ The UK has published its IATI data through its development tracker,¹⁶ and the Dutch Relief Alliance (which includes Care Nederland, ZOA, Oxfam Novib, Save the Children and World Vision NL) has commissioned a humanitarian dashboard using their IATI data. OCHA uses IATI as a source for FTS, and also publishes HXL-ated IATI files on a monthly basis on the HDX platform.¹⁷ Participants in the DI survey indicated that they used the IATI system to ensure consistency across their internal and external reporting; to ensure compliance with donor requirements; to analyse other donor aid priorities; and to monitor progress on projects.

The majority of activities reported by signatories as undertaken against this core commitment did not relate to use of IATI as an open data source. Rather, most related to institutional investments in data management tools and systems. The OECD reported on its ongoing modernisation of the DAC humanitarian reporting codes – DAC countries will be required to report against these updated codes in 2019. Ireland reported on its roll-out of a new Grant Management System (GMS) to strengthen analysis of partner information, including by providing a funds flow analysis. In general, however, it was not always clear to the research team how reported activities had or would lead to increased transparency around humanitarian funding.

Challenges in using data published to the IATI standard highlighted through the self-reporting process were echoed in the DI survey.¹⁸ Only nine signatory organisations that responded to the survey were 'systematically' using data published to the standard, including five who have publicly accessible visualisations or dashboards based entirely on IATI data. However, as DI noted, 'systematically' is a self-defined term and does not necessarily mean that an entire organisation has a policy to use, or is systematically using, IATI in all of its humanitarian business processes and analysis. A further

¹⁴ The survey document disseminated by DI stated that 'the word "explaining [the distinctiveness of activities, organisations, environments and circumstances in their analyses]" has been interpreted as "taking into account [that distinctiveness]" and that the 'workstream considers "available data analysis" to be "the data published to IATI".'

¹⁵ <https://openaid.nl/>

¹⁶ <https://devtracker.dfid.gov.uk/>

¹⁷ <https://data.humdata.org/organization/iati>

¹⁸ A summary analysis of the survey results was shared with ODI in April 2019.

eight signatories reported ‘ad hoc’ use. In total, therefore, the survey indicated that 29% of all signatories are using data published to the IATI standard for analytical or decision-making processes and for reporting to FTS. The survey highlighted that the most significant barriers to the use of data published via IATI were that the data was not sufficiently comprehensive (50% of respondents) or of adequate quality (39% of respondents). Other key concerns highlighted included that the data required is more easily accessible elsewhere, and that staff did not have the time or skills to extract data from the IATI datastore. During the research for this report, many signatories indicated that they did not know how to use IATI as an open data source, or could not extract the data they needed other than their own data.

3.1.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.2 Workstream 2: more support and funding for local and national responders

3.2.1 Workstream summary

Signatories, both aid organisations and donors, cited ‘localisation’ as an institutional priority, with many reporting substantial investments to realise the commitments under this workstream. While in 2017 progress within the workstream had been stalled by lengthy negotiations on key definitions and approaches, in 2018 the workstream and its constituents made substantive progress across the board. Indeed, the evidence presented in the self-reports, interviews and other available research indicates that there is a growing *normative* shift towards more support and more funding for local and national responders.

As a coordination body, the workstream held bi-monthly meetings of the 36 regularly participating signatories, and 10 local and national responders were invited to become members of the workstream. Specific activities in 2018 included increased sharing of information within and outside the workstream through bi-monthly teleconferences, regular emails and bulletins, webinars and a website with materials on localisation in four languages; supporting OCHA to integrate localisation definitions into FTS to enable better tracking of funding provided to local and national responders; promoting sharing of experience and a coordinated approach to plugging knowledge gaps through periodic teleconferences with an expert group of researchers and disseminating research via the workstream’s website; and two country missions (to Iraq and Bangladesh/Cox’s Bazar) aimed at documenting good practice and identifying challenges to and promoting provision of more support to local and national responders in active crisis contexts.¹⁹ These missions were considered particularly useful in grounding the discussion on localisation, and the findings have informed the development of practical recommendations to address challenges relating to funding and capacity strengthening. Building on work predating the Grand Bargain, InterAction led an INGO study on ‘NGOs and risk: managing uncertainty in local-international partnerships’. The study²⁰ provides a common evidence base for further discussions between signatories on mitigating risks in partnerships with local and national responders.

19 There was a third mission, to Nigeria, in the first quarter of 2019.

20 The study was conducted in collaboration with Care International, CRS, the IRC, Mercy Corps, NRC, Save the Children and World Vision International. Non-signatory members of this study group included Concern, the Danish Refugee Council and International Medical Corps.

Box 5: NGOs and risk

An InterAction-led study, with funding from USAID/ the Office of US Foreign Disaster Assistance (OFDA) and conducted in collaboration with six other signatories and three non-signatories, found that INGOs' approach to risk management tends to place greater emphasis on the risks of their local partnerships as opposed to the risks to these crucial partnerships; the context and type of response can affect risks for partnerships (e.g. in Nigeria and South Sudan, research found that the UN and donors' approach to partnerships was focused on scaling-up humanitarian operations to increase efficiencies but this incentivised national NGOs to take on more risk in the competition to lower their costs and win contracts); INGOs' consideration of security risks were often perfunctory (e.g. joint security assessments between INGO and national NGO partners were rare); national NGOs bear greater fiduciary/operational risks because they have no margin on their budgets to meet unforeseen costs or delays and this was heightened by the fiduciary risk mitigation efforts by their INGO partners (which in turn related to donor priorities); both INGOs and national NGOs faced increased compliance requirements but national NGOs do not receive overheads or direct administrative support costs to adhere to these and little advance funding from INGOs – this incentivises poor cash management practices in order to stay afloat.

Signatory reporting on commitments under the workstream was high, with a range of data including on how these commitments are being implemented or are achieving outcomes at country level. Many of those aid organisations (including ActionAid, CRS, Christian Aid and CAFOD) reporting concrete examples and achievements have pursued a 'localisation' approach for many years. But there was also evidence of other aid organisations making a strategic institutional shift towards more support and funding for local/national responders. World Vision International, Oxfam and ICRC, for example, have each established dedicated units or staff posts to support a partnership approach; IRC has revised its global policy so that the starting point for determining a programming approach is an assumption that working in partnership with local actors will deliver the best outcomes, and is working to foster this approach across its global operations. Oxfam reported on investments in local partners to enhance collaborative humanitarian and development programming.

Some aid organisations have pursued innovative approaches to strengthening the capacity of local and national responders. Mercy Corps for example reported on the Investing in Syrian Humanitarian Action (ISHA) project, which has sought to adapt capacity-strengthening activities to the Syrian context, providing remote learning, mentoring and support on financial, operational and programmatic areas to Syrian organisations who also receive grants to implement humanitarian assistance activities. Using smartphone technology, the project also provides Arabic-language, opensource learning materials for humanitarian workers on the DisasterReady.org website.²¹ The project is managed by Mercy Corps and involves Disasterready.org, which manages the online learning portal (IRC was involved in the earlier phases of ISHA).

There is also evidence of increased efforts to action localisation commitments at country level, including commitment 2.3 (*Support and complement national coordination mechanisms where they exist and include local and national responders in international coordination mechanisms as appropriate and in keeping with humanitarian principles*). OCHA reports that, of 254 clusters surveyed in 23 operations, half have national or local authorities in leadership roles at national or subnational levels, and 42% of cluster members globally are national NGOs. Through the Global Protection Cluster's 'Localisation of Protection' project, which aims to strengthen local actors' participation in and influence on HCTs and protection coordination mechanisms, IRC has led the provision of capacity support for 122 representatives of local/national civil society organisations in five countries (DRC, Libya, Pakistan, Somalia and South Sudan). Most participants (86%) stated that they had applied the knowledge and skills developed through the programme to engage more effectively in international coordination mechanisms and strategic planning processes. The Global Education Cluster, co-led by Save the Children and UNICEF, has released a localisation checklist and instigated a wider localisation initiative to develop partnership tools for country-based clusters. Following a technical mission to Somalia in 2018, the education cluster in country has widened access for and the participation of local partners, including translating cluster documents into Somali and conducting all coordination meetings inside the country. CAFOD's support for local NGO coordination has helped establish three NGO regional coordination platforms to engage with international coordination mechanisms in DRC. Efforts to

21 See: <https://www.devex.com/news/sponsored/investing-in-syrian-humanitarian-action-88731>

facilitate participation in international coordination mechanisms were acknowledged and appreciated by national NGOs consulted for this study, though they also noted that experiences varied, in part due to differing expectations of these mechanisms and related responsibilities, as well as capacities within national and local NGOs to engage in coordination meetings.

There has also been good progress on commitment 2.6 (*Make greater use of funding tools that increase and improve assistance delivered by local and national responders, such as UN-led CBPFs, the IFRC Secretariat's Disaster Relief Emergency Fund (DREF) and NGO-led and other pooled funds*). In terms of CBPFs, OCHA continued its efforts to support access for national and local NGOs, including providing training and assistance to improve national and local NGOs knowledge of humanitarian principles, coordination processes, proposal and budget development, monitoring and evaluation and risk management/fraud mitigation; applying a measure in some CBPFs to incentivise national and local NGOs' access through prioritising UN/INGO proposals that

Box 6: Accelerating Localisation Through Partnerships

In 2018, collaborative research was undertaken as part of the Accelerating Localisation Through Partnerships (ALTP) project, a consortium of five signatories and one additional partner in four countries (Myanmar, Nepal, Nigeria and South Sudan). The project aims to provide an evidence base for operational partnerships with national and local NGOs, and then inform national localisation frameworks on the basis of the research findings. The research highlighted that national and local NGOs have a good level of awareness of humanitarian coordination mechanisms, but the degree to which they feel they can influence decisions taken by such forums is still lower than INGOs. Key barriers to national and local NGOs' access to international funding included lack of physical engagement between these actors and international donors; lack of organisational capacity; lack of technical knowledge to understand and respond to proposals; complicated donor conditions or bureaucratic systems; and a lack of organisational experience. Respondents also suggested that they simply did not expect to get a positive response from donors, so did not approach them directly.

build local response capacity; twinning arrangements, which fund INGOs to provide long-term mentoring to NNGO implementing partners; consortium projects between UN/INGOs and national NGOs as equal partners; and ensuring that national and local NGOs are also represented on the Advisory Boards of 15 of the 17 CBPFs operational in 2018. Direct allocation of CBPF funds to national and local NGOs increased from 21% in 2016 to 25% in 2018 (\$208 million), and in five of the 17 CBPFs operational in 2018 national and local NGOs were allocated the majority of funding. In 2018, Red Cross and Red Crescent National Societies were able to apply to the National Society Investment Alliance (NSIA), a new pooled funding mechanism managed by the IFRC and ICRC, providing multi-year funding to National Societies to invest in developing their capacities and increasing their impact.

There are some remaining concerns. First, the 25% benchmark for funding to local and national responders has not yet been met by most signatories, and some were unable to report against this indicator as this information is still not captured in their data management systems. Second, although a number of organisations, including CRS, CAFOD, Christian Aid, Mercy Corps, UN Women and UNFPA, reported on their engagement in multi-year programmes of capacity strengthening support for local/national partners, these efforts were being frustrated by a lack of adequate and predictable donor funding. Similarly, the IFRC and ICRC's NSIA fund is in high demand from National Societies, but struggled to secure sufficient multi-year funds from donors. National NGOs consulted for this report also pointed to a need for more sophisticated, innovative and longer-term strategies for strengthening their capacities. For their part, some donors stated that they were unable to provide more funding more directly to local and national responders, and felt that a broader approach to supporting local actors was needed than was currently framed by the specific commitments under workstream 2.

While the statistics on representation of national and local responders in HCTs and clusters/sectors are promising, this is not necessarily translating into a higher level of confidence among these actors that they can influence inter-agency decision-making processes. Research by the Accelerating Localisation Through Partnerships consortium (see Box 6) found that only 30% of national NGOs and 26% of local NGOs surveyed in four countries felt that they were able to influence the agendas, plans and strategies of international humanitarian coordination mechanisms, or that they had an equal voice with other participating organisations. The Ground Truth

Solutions (GTS)/OECD ‘Field Perspectives: 2018’ survey results also indicated that local and national organisations felt that support and engagement from international aid actors was low, with a slight increase in the number of respondents who felt this way compared to the same survey in 2017 (see Box 9).

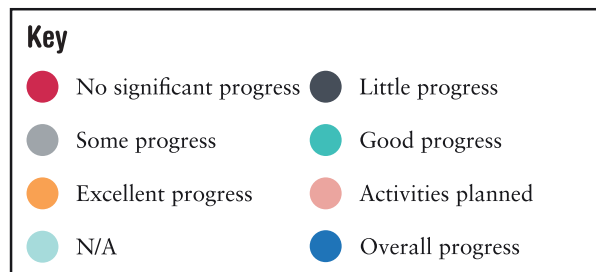
Considerations of gender equality and women’s empowerment have been a prominent theme in the workstream’s activities in 2018. Three of the 10 local/national organisations invited to join the workstream are women’s organisations. The workstream is working with the Friends of Gender group to help guide other workstreams on how to integrate gender, including through developing a technical guidance note on ‘gender-responsive localisation’, and engaging with women’s organisations was a key point on the agenda of the two demonstrator missions. The workstream developed optional indicators on gender equality for the two core commitments (see below), but many signatories did not or could not report the data requested. Only six out of 18 HCTs (33%) reviewed by UN Women consulted local women’s organisations in the 2018 annual humanitarian planning process.

Engagement by the co-conveners/signatories with other processes and fora was relatively positive, including with the Charter for Change group of NGOs (many of whom are also signatories), the Missed Opportunities consortium and promotion of localisation at relevant fora including the Economic and Social Council (ECOSOC) and in IASC discussions. Engagement with other workstreams was more limited, though some signatories made links between their own efforts to support local responses and their approach to the humanitarian–development nexus.

Overall, this workstream made significant progress in 2018 compared to 2017 across a broad range of commitments, with evidence of a growing normative shift among signatories. However, achieving a substantive shift in *operational practice* will require those aid organisations that have not yet done so to recognise the need for and identify all opportunities (within their respective mandates) to make the radical changes in policy and operations that localisation requires. It will require greater peer-to-peer learning and exchanges between organisations that are performing well and those that are lagging behind. It will require more incentives from donors to encourage this shift in approach, and more predictable and flexible funding for capacity-strengthening programmes, including to support approaches determined by local/national responders. It will also require a more strategic approach that considers how the opportunities for and benefits of

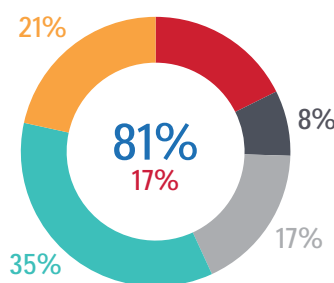
localisation can be realised across the whole Grand Bargain framework.

3.2.2 Progress against the core commitments



Commitment 2.1: Increase and support multi-year investments in the institutional capacities of local and national responders, including preparedness, response and coordination.

All signatories – Individual action – No deadline



Progress against this core commitment has been significant, with 81% of signatories reporting activities and/or results (up from 74% in 2017), and 21% rated as having made ‘excellent’ progress. A number

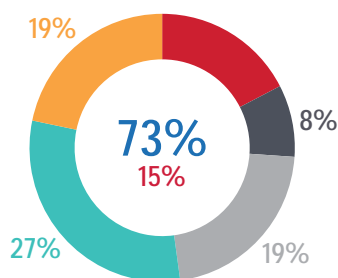
of signatories reported against the indicator for this commitment: Sweden and IFRC reported impressive progress, with a respective 100% and 78% of their multi-year partnership agreements (in the IFRC’s case with its National Societies) including a capacity-strengthening objective. ActionAid, Germany and Belgium also reported significant progress in this regard, with 37%, 33.5% and 32% of their respective multi-year partnership agreements including a capacity strengthening objective. Switzerland reported that it allows up to 50% of the humanitarian funds it provides directly to local and national actors to be spent on strengthening institutional capacity. Some signatories reported quantifiable results of such investments: in its EMPOWER project, CRS has worked with seven local responders in the Venezuela regional crisis to strengthen their organisational systems to meet public donor eligibility requirements. By the end of 2018, four of the partners had been able to submit funding applications directly to bilateral donors, and two had grants approved. In 2018, UN Women helped strengthen the capacity of more than 300 local women’s organisations in 28 countries, including in Kenya, where it provided financial and technical support for training for women’s community-

based organisations and their members in advocacy, communication and public engagement skills, in order to strengthen their capacity to engage with and more effectively influence local humanitarian and disaster response plans.

The greatest challenge to achieving this commitment related to the availability of appropriate funds for long-term support for local and national partners. CRS, Mercy Corps, Christian Aid and others all reported having to invest funds received as private donations, from their core funding, from private foundations or from institutions, to support this area of work, and that traditional donors, including signatories to the Grand Bargain, had not been responsive to these projects.

Commitment 2.4: Achieve by 2020 a global, aggregated target of at least 25% of humanitarian funding to local and national responders as directly as possible to improve outcomes for affected people and reduce transaction costs.

All signatories – Individual action – Target: 25% by 2020



Three-quarters of signatories reported some action and/or results against this commitment in 2018 (up from 61% in 2017), with 19% rated as having made ‘excellent’ progress. Twenty-four signatories reported

against the indicator developed for this commitment, and seven reported having exceeded the 25% target: ActionAid (77%), CAFOD (68%), Christian Aid (42%), UNICEF (36%) and IFRC (33%). OCHA and UNDP reported that 25% and 26% of CBPFs that they manage or administer were disbursed to local and national actors. Several signatories also reported progress towards the target: Germany increased its funding to local and national organisations by 3.6% to 20.5%, and Switzerland increased its direct funding to local and national organisations from 6% in 2016 to 8% in 2018. Both Canada and Ireland reported that the CBPFs they contribute to disbursed more than 25% to local and national actors.

However, the data reported against the indicator for this core commitment is neither comprehensive nor

comparable. Many signatories are still not able to report specifically on how much of their funding is channelled to local/national actors and through what channels. Those that did report provided slightly different data, making comparisons difficult. In other cases, it was not specified how signatories calculated the figures they reported. IOM, for example, reported (preliminary) data on its funding to local and national actors as a percentage of funds channelled to and spent by implementing partners, while UNICEF and FAO reported on funds as a percentage of all humanitarian funding they spent, and WHO reported on the percentage of its spending at country level that was directly transferred to local/national actors. Many signatories have clearly made efforts to report quantitative data on the funds they provide to local/national responders, with several undertaking specific audits or internal analyses to obtain this information, but given the differences in how data was calculated, and given that the indicator required individual reporting as a percentage rather than volume, it was not possible to generate an aggregate figure against the indicator developed for this core commitment.

Looking at OCHA FTS figures, there appears to have been a slow but steady increase in the allocation of global humanitarian funding to local and national actors: in 2018, 8.74% of global funds were received by national societies of the RCRCM, national and local NGOs and national and local government – with the greatest volumes in Yemen (\$1.78 billion), Syria (\$67 million) and Lebanon (\$35.2 million). This is an increase from 2.9% in 2017, and 2% in 2016. However, as many signatories pointed out during research interviews, quantitative figures, and specifically the 25% target, will only give a partial picture of how much progress is being made on truly ‘localising’ humanitarian response. The figures reported for this commitment need to be understood in the broader context of non-financial investments in supporting local and national responders. This is reflected in interviews with donors, many of whom highlighted that, for domestic political reasons, they had reached the limits of the funding they were able to transfer directly to local and national actors. As such, they were looking for pragmatic ways to ensure that these actors receive the support they need, whether through increased use of pooled funds, single intermediaries specifically required to invest in local and national actors and institutional capacities or through other innovative approaches.

3.2.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.3 Workstream 3: increase the use and coordination of cash

3.3.1 Workstream summary

This workstream continued to perform well in 2018, with a high level of signatory reporting, including against the core commitment, and a collaborative and focused approach. Available evidence suggests that there has been both a normative and an operational shift towards the routine use of cash programming since 2016. The Grand Bargain is not the principal driver of this system-wide change, but it is certainly a contributor in that it serves as an active platform for strategic dialogue, mutual support and problem-solving between major donors, UN agencies, the RCRCM and NGOs.

The workstream remains very active, and there are clear areas of focus and a collaborative approach among signatories to achieve agreed priorities. In their second annual workshop in June 2018, the participating signatories agreed on seven priorities for action: improved coordination, increased efficiency and effectiveness, more collective donor efforts, better tracking of cash and vouchers, better links between humanitarian cash programming and social protection,

risk management and gender. Particular progress was made on donor coordination, with joint donor missions to Jordan and Lebanon and the development of a Common Donor Approach to humanitarian cash programming (launched in early 2019). Multi-purpose cash indicators were being developed to increase efficiency and effectiveness, and new operational models were proposed and trialled.

Signatories reported increased use of cash within and across different sectors (i.e. multi-purpose cash) and different crises. Several donors and aid organisations supported new models to deliver cash at scale with greater efficiency (commitment 3.2) through the use of new technology and stronger links with existing social protection systems (which relates to commitment 10.3 (*Increase social protection programmes and strengthen national and local systems and coping mechanisms in order to build resilience in fragile contexts*)). WFP's CHOICE programme has meant that over 700,000 beneficiaries in Lebanon can now opt to use e-vouchers to buy food in over 500 participating shops, withdraw the value as cash from ATMs, or a combination of the two. World Vision International enhanced its Last Mile Mobile Solutions (LMMS) system in 2018, developing an e-voucher solution that enables end-to-end digitalised tracking of cash and voucher transactions, and which has improved the security of transfers and reduced inclusion and exclusion errors. The system is being used by other agencies, including Oxfam, Save the Children, ICRC, Care International, Mercy Corps, NRC, UNICEF and UNDP, with over 4.5 million beneficiaries registered in 29 countries. UNHCR reported on its Common Cash Facility in Jordan, which in 2018 was used by 26 different partner organisations, and accounts for approximately 90% of all the cash assistance provided to vulnerable refugees outside camps. The increased number of partners participating in the platform has helped reduce the charges banks levy on these transactions, from 5% to 1.15%. Supporting humanitarian cash transfers through national social protection systems is accepted by many signatories as an efficient and effective way to support national capacities and reduce the costs associated with creating entirely new systems. UNICEF, for example, programmed 27% of its cash assistance through existing national social protection systems.

Efforts to develop more collaborative approaches to cash transfers (commitment 3.4 – *Collaborate, share information and develop standards and guidelines for cash programming in order to better understand its risks and benefits*) also made good progress in 2018. The Collaborative Cash Delivery

(CCD) network, which includes nine signatories,²² is piloting its approach in five countries (Colombia, Ecuador, Ethiopia, Peru and Uganda), with results reported in relation to more streamlined cash delivery and pooling of resources, including common payment platforms, shared staff and joint beneficiary databases. In a similar effort, the principals of OCHA, UNHCR, UNICEF and WFP issued a joint statement in December 2018 outlining their agreement on a common cash system, building on a single transfer mechanism and joint cash programming.

Several initiatives to support collaboration in monitoring and evaluation were launched: in Lebanon, the CAMEALEON monitoring initiative involves a consortium of INGOs (including NRC and Oxfam) and other actors contracted specifically to monitor and evaluate WFP's multi-purpose cash programme for Syrian refugees.²³ Similar independent but collaborative monitoring of cash programmes was supported by the UK in Iraq, Mozambique and Somalia. Substantial progress was also made on donor coordination, with a joint donor mission on cash programming to Jordan and Lebanon and the development of a Common Donor Approach (launched in February 2019), based on shared principles to improve the coherence, efficiency and effectiveness of cash assistance.

Efforts to increase the evidence base on the benefits and risks of cash programming were also evident. Key themes of research conducted and supported by various signatories included the impact of cash on specific sectoral outcomes and vulnerable groups, including children (UNHCR, World Vision International, WFP, UNICEF, ECHO); the use of cash for health objectives (WHO and UNFPA); the risks and benefits of cash in addressing the vulnerabilities of women and girls (Canada, UN Women, IRC, WFP and other CaLP members); the efficiency gains to be accrued through scaling up cash (DFID); and humanitarian cash transfers and social protection (Australia, WFP). The RCRCM's Cash Hub was launched in 2018 as a library of resources for sharing learning.

The workstream placed particular emphasis on gender later in 2018, with a sub-workstream led by CARE International and UN Women established to focus on developing guidance materials, building evidence

and convening stakeholders. There is also evidence of increased attention among signatories on gender considerations in cash programming. Several reported specifically on how they have used cash programming as part of broader efforts to mitigate or respond to gender-based violence. UN Women reported that a programme implemented in Jordan targeting women with cash for work in combination with other activities led to a decrease in domestic violence for 20% of recipients and an increase in household decision-making power for more than 70%. UNICEF developed a policy brief on how to use cash to mitigate gender-based violence, as well as developing guidance on cash and gender.

Links to other workstreams were limited in 2018, with some dialogue with workstream 1 (*Greater transparency*) on tracking cash, workstream 5 (*Needs assessments*) and workstream 2 (*Localisation*). Engagement with other mechanisms and fora has been consistent, with clear links with CaLP, the GHD and other fora also discussing cash programming. In this regard, the workstream agreed to leave cash coordination out of its workplan for 2019 in order to avoid duplication with similar efforts elsewhere.

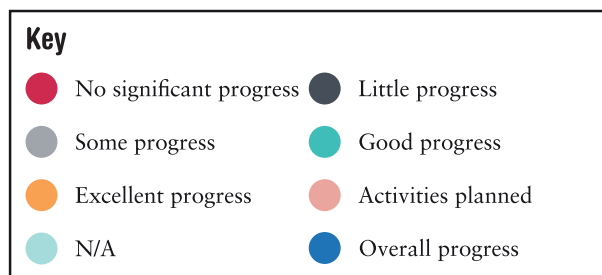
This workstream did face some ongoing challenges. Progress on operational coordination was slower, with the coordination of cash across multiple sectors and within established coordination processes continuing to present practical as well as political challenges. Despite important steps on definitions and methodologies, there has been insufficient progress on integrating cash and vouchers in global tracking systems and standards (including IATI), and available statistics are largely dependent on organisations' own internal systems, which vary considerably in how and in what detail they track cash programming.

Progress in terms of a normative and operational shift towards more routine use of cash programming is impressive. However, to realise the potential of cash programming this workstream still needs to drive forward key issues relating to tracking cash through integration of data in FTS, IATI and other data management systems. There are also opportunities for stronger policy and operational links with the humanitarian–development nexus, to capitalise on efforts to integrate emergency cash transfers in existing social protection systems. While operational coordination is being phased out as a priority action for this workstream owing to efforts elsewhere, progress on ensuring predictable operational and strategic coordination at country level is essential to realise the potential of cash programming across the humanitarian system.

22 The CCD network is a group of 15 INGOs working together to deliver cash at scale: ACF, ACTED, ADESO, CARE, Concern, CRS, DCA, DRC, IRC, Mercy Corps, NRC, Oxfam, Relief International, Save the Children and World Vision.

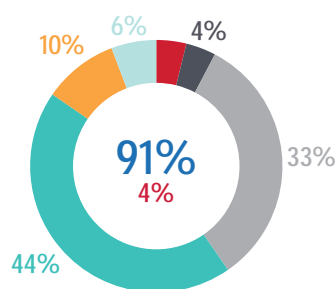
23 Solidarités International is also a member of this consortium.

3.3.2 Progress against core commitment



Core Commitment 3.1+3.6: Increase the routine use of cash, where appropriate, alongside other tools. Some may wish to set targets.

All signatories – Individual action – No target or deadline



Across the board, signatories have made specific efforts to meet this core commitment, and many have continued to scale up their use of cash across sectors and types of crisis. This is reflected in

the high reporting rate – 50% of signatories – against the specific indicator for this core commitment. The two largest UN humanitarian agencies scaled up their use of cash and vouchers in 2018: WFP’s cash and voucher programming increased by 21%, to \$1.7 billion, reaching 20 million people in 2018, compared to \$1.4 billion and 19.2 million people in 2017; UNHCR programmed \$568 million in cash in 2018, up from \$502 million in 2017 (an increase of 13%). UNICEF programmed \$184 million to 2.4 million households in 2018.²⁴ The World Bank again reported the largest volume of cash programming overall, with \$1.8 billion allocated to its Social Safety Net operations in fragile contexts, though not all of this is primarily related to ‘humanitarian’ objectives or outcomes. The scale of cash programming is particularly evident at country level: in Turkey, through an ECHO-funded Emergency Social Safety Net programme, the Turkish Red Crescent Society, with oversight and support from WFP, managed the delivery of \$463 million in cash transfers to 1.2 million people by the end of 2018; in Yemen, the World Bank provided emergency cash transfers to nine million people, totalling \$640 million. It is not only the larger signatories that are scaling up use of cash programming: Italy doubled its provision of funding for cash programmes from \$13.6 million in 2017 to \$27 million in 2018, and ZOA reported an increase to just over \$4 million.

Some signatories reported substantive institutional shifts towards the *routine* use of cash, with new institutional policies prioritising cash over other programme modalities and the establishment of institutional targets. On the former, ZOA’s Country Offices are encouraged to consider cash as the first option in programme design, and Oxfam reports that all of its humanitarian programmes use cash as the preferred option, with alternative modalities only considered where markets are dysfunctional, inflation is high or cash is not permitted by national authorities. On the latter, Belgium, UNHCR, IRC and IFRC have all set targets for a percentage increase in the use of cash by 2020, and Spain’s new humanitarian strategy includes an objective to increase the use of cash and vouchers to 15% of total humanitarian spending in 2022, and 18% in 2026.

The key challenge in assessing progress against this commitment is the lack of a global system for tracking cash programming.

3.3.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



²⁴ No consolidated figures are available for UNICEF for 2017.

3.4 Workstream 4: reduce duplication and management costs with periodic functional review

3.4.1 Workstream summary

Progress within this workstream remained uneven in 2018. The co-conveners continued to focus primarily on instituting measures to reduce costs within the UN group, capitalising on UN reform efforts to gain traction on certain commitments. There is certainly logic in this approach given the opportunities presented by UN reform, the scale of efficiencies to be achieved within the UN group and the need for focus within the broad scope of commitments under this workstream. However, as a consequence three years into the Grand Bargain there has been little coordination across signatory groups on any of the commitments under this workstream and limited progress in some key areas, including in relation to the core commitment (commitment 4.5 – *Reduce individual donor assessments*).

The co-conveners focused primarily on syncing with efforts by the UN reform process to achieve commitment 4.2 (*Harmonise partnership agreements and share partner assessment information as well as data about affected people, after data protection safeguards have been met, by the end of 2017, in order to save time and avoid duplication in operations*) and 4.3 (*Provide transparency and comparable cost structures*). In respect of the latter, UNHCR worked as part of the ad hoc team on the ‘UN’s future data cube’ in 2018, which developed six UN reporting standards. These were approved by UN senior management²⁵ in October 2018 and entered into force on 1 January 2019. One of the six standards is the ‘UN system function’, which requires UN entities to systematically report spending against four main functional areas (development and humanitarian assistance, peace operations, global agenda and specialised assistance), and provides the option to separately disclose operating costs that have been included in the total amounts reported under these four functions. In this respect, the co-conveners considered that the commitment as it relates to UN signatories has been met. The key output related to commitment 4.2 was the launch of the UN Partner Portal in November 2018. Currently used by UNHCR, WFP and UNICEF, the Portal is intended to centralise registration and due diligence screening of civil society partners of UN agencies. INGOs registered in the

Portal reported positive experiences in the early stages of the initiative, and there is an expectation that it will prove particularly useful in improving access for NNGOs to UN tenders and partnership opportunities.

Many donors and aid organisations reported on investments in technology to reduce costs (commitment 4.1). WFP and UNHCR, with support from the US and Italy among others, have expanded the use of biometric registration: 62 UNHCR operations now use biometrics, compared to 34 in 2015, and eight out of 10 registered refugees now have a biometric identity. WFP’s SCOPE beneficiary registration system has resulted in an average 20% reduction in beneficiary numbers by eliminating duplication and fraud. Albeit on a smaller scale, but using a similar technological approach, Christian Aid estimates that its transition to the ILARIS mobile beneficiary data management application in its cash programme in north-east Nigeria has saved approximately \$30,000 over 10 months, including through reduced time spent checking beneficiaries, quicker generation of reconcilable reports and a reduction in the number of volunteers required for distributions. WFP’s use of blockchain technology in cash programmes in Jordan, in collaboration with UN Women, is generating a full detailed record of every transaction at retailers, improving reconciliation of data and achieving a \$600,000 reduction in transaction fees.

In relation to the CERF and CBPFs, OCHA reported that its 2016 reduction in overhead charges by a third meant that in 2018 an extra \$4.6 million and \$8.4 million was freed up for programming. Enhancements in the CERF GMS in 2018 (such as upload of application data and automation of reporting processes) led to efficiency gains and improvements in data accuracy and quality.

As discussed below, although all donor signatories reported some actions against commitment 4.5 (*Make joint regular functional monitoring and performance reviews and reduce individual donor assessments, evaluations, verifications, risk management and oversight processes*) there is no evidence of any substantive progress in reducing the reporting burden; rather, aid organisations frequently stated to ODI researchers that they had observed an increase in donor reporting requirements in 2018. Reducing or at least finding ways to mitigate donor compliance requirements is one of the key expectations aid organisations have of the Grand Bargain, and many asserted during interviews for this report that the lack of progress against this core commitment is undermining the collaborative spirit that underpins the whole framework.

25 High Level Committee on Management (HLCM) of the Chief Executives Board for Coordination (CEB) and the UN Sustainable Development Group (UNSDG).

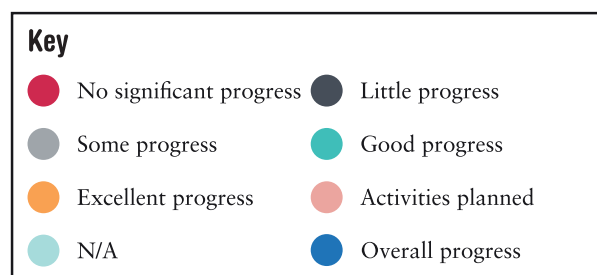
While the workstream as a coordination body did not focus on INGO efforts to reduce management costs in 2018, INGO signatory reports indicate that they are making some progress against commitment 4.3 (*Provide transparent and comparable cost structures*). Through its Money Where it Counts initiative, NRC is working in collaboration with nine NGO partners and Humentum to design tools to implement the recommendations of its 2017 study on harmonising cost classifications and financial reporting among NGOs, and is preparing a pilot to test the actions and tools developed. IRC is working with Mercy Corps and Save the Children to roll out a sector-wide pilot of its SCAN tool in 2019. The tool, which aims to improve the transparency and comparability of cost data across INGOs, was used in 2018 by IRC, Mercy Corps, NRC, DRC and Oxfam in Iraq to assess the comparative costs of cash delivery programmes. These initiatives complement a range of activities by INGOs to reduce management costs across their global operations, including those undertaken by federated organisations and networks such as CARITAS Internationalis (CRS and CAFOD are both members), with integrated management standards enabling members of the network to accept the financial checks done by another member on a partner organisation.

Reporting by individual aid organisations on reducing procurement costs mostly focused on streamlining internal procurement processes, which on its own is unlikely to lead to substantial savings across the system. However, reported initiatives are indicative of the potential for financial savings and increased efficiencies if further coordinated action were in place. WFP, for example, reported saving \$17 million by centralising the procurement process for its Commodity Voucher Trader Network (CVTN) in Yemen; UNHCR achieved an average 7% reduction in procurement and logistics costs in 2017 compared to 2015; and Mercy Corps combined its global supply chain and procurement functions into one team and established Global Master Purchase Agreements for key commodities and services, saving 120 person hours in 2018 in relation to vehicle procurement alone. UNHCR and WFP are leading the BIG, which aims to achieve greater efficiency through common back offices (e.g. procurement) and office use.

Gender equality is less relevant to the commitments under this workstream and was not a particular focus as a result. The workstream had limited engagement with other co-conveners in 2018, but engagement with other mechanisms and fora, specifically with the UN reform process and related mechanisms, was substantial.

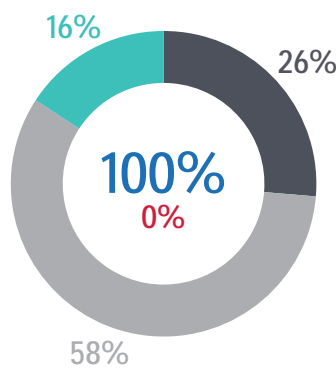
Overall, this workstream achieved some specific results within the UN group through capitalising on opportunities presented by the UN reform process. However, this narrow focus has meant that several important INGO initiatives have not benefitted from the support of the wider group of Grand Bargain signatories, there has been no centralised or strategic push for progress against the core commitment (see below) and opportunities for scaling up efficiencies through more coordinated or joint procurement initiatives are being missed. A shift in focus in 2019 to address these three areas would likely lead to broader progress on reducing management costs in general and, potentially, addressing challenges related to donor reporting requirements.

3.4.2 Progress against the core commitment



Core Commitment 4.5: Make joint regular functional monitoring and performance reviews and reduce individual donor assessments, evaluations, verifications, risk management and oversight processes.

Donors – Joint action – No target or deadline



Every donor reported having taken some action against this commitment, but there was no joint action and no discernible progress as a collective. Several donors pointed out that the commitment itself includes so many components that it

is difficult to know how progress could be measured. Reporting against the indicator (*percentage variance on number of individual donor assessments that your government has conducted compared to 2016*) developed by the co-conveners was low, with only Sweden reporting against it out of 19 donors.

Several small- and medium-sized donors expressed the view that they were not ‘part of the problem’ since their reporting requirements were already relatively light; several (including Australia, Germany, Ireland and Sweden) cited their willingness to accept other donor and/or MOPAN assessments in lieu of their own, and some cited examples of joint monitoring and evaluation exercises. Sweden reported that it had expanded its ‘programme-based support approach’, which reduces partners’ management costs by simplifying application and reporting processes and allowing flexibility in the use of funds. Germany reported that its investment in quality assurance and certification initiatives, such as the CHS Alliance, had reduced the need for individual capacity assessments and individual donor verification. Sweden reported that it had simplified its assessment processes, and that the number of individual assessments required was the same as in 2016.

Larger donors with more cumbersome reporting requirements indicated that they are unlikely to be able to make much progress against this commitment given domestic constraints. The UK and the US have each made efforts to increase coherence across different government departments on approaches to partner assessments, and ECHO is undertaking a review of its Framework Partnership Agreements (FPAs). However, there are no indications that these donors will have scope to significantly ease due diligence, oversight and compliance requirements. France reported that it is aiming to increase the number of partner reviews.

More generally, there has been little strategic discussion within the workstream or across the wider group of signatories on this core commitment, specifically around the risks related to not achieving it, the challenges involved in trying to achieve it and how to mitigate the impact of continuing, and in some cases increased, reporting and compliance requirements.

3.4.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.5 Workstream 5: improve joint and impartial needs assessments

3.5.1 Workstream summary

Responding to criticism in the second annual independent report, this workstream has made substantial progress in 2018, with high-level investment from the Eminent Person to address political obstacles and concerted action from the co-conveners (OCHA and ECHO) to strengthen trust and confidence between signatories on needs assessments and analysis, advocating for more engagement from INGOs and developing joint intersectoral analysis, including with development partners. However, the workstream still faces substantial political challenges, including in relation to aid organisations setting aside institutional agendas to enable a collective and collaborative approach, and a lack of confidence among aid organisations that their investments in enhancing the quality of needs assessment and analysis will result in more informed and principled allocation of resources by donors.

The co-conveners led the workstream in developing a theory of change and clarified the actionable steps required to make progress on several of the commitments; increased the flow of information between and outreach to participating signatories; and held a number of meetings and events to encourage greater participation. A number of signatories appreciated these efforts, and the co-conveners reported increased engagement from across signatory groups in the workstream’s activities, though several interviewees highlighted that engagement from INGO signatories was still not optimal.

In an effort to strengthen trust as a necessary step towards greater collaboration on needs assessments and greater sharing of data (commitments 5.2 and 5.3a), UNHCR and IOM led a collaborative effort on behalf of the workstream to develop a ‘coordinated needs assessment ethos’ document setting out principles for institutional approaches to working together on needs assessments at country level. The document was finalised in January 2019 and will be rolled out more widely through the year. The workstream also made progress against commitment 5.7 (*Conduct risk and vulnerability analysis with development partners and local authorities, in line with humanitarian principles, to ensure the alignment of humanitarian and development programming*). The World Bank, at the request of the Emergency Relief Coordinator (ERC), provided dedicated capacity to support discussions in the workstream on this commitment, and together with OCHA, ECHO and UNDP developed a paper outlining an approach to identifying test cases, good practice and innovative methods to bridge the analytical divide between humanitarian and development actors. These efforts to strengthen collaboration and increase trust among participating signatories can also be seen in the progress being made against the core commitment, particularly at a technical level.

There was also progress against commitment 5.6 (*Commission independent reviews and evaluations of the quality of needs assessment findings and their use in prioritisation to strengthen the confidence of all stakeholders in needs assessments*). Specifically, the INSPIRE Consortium contracted by ECHO finalised a series of quality standards and evaluation criteria establishing minimum standards for multi-sectoral needs assessments (MSNAs) and HNOs, which can also be used as a reference tool by any organisation. OCHA, in collaboration with the members of the workstream, are developing an approach for assessing the quality of the 2020 HNOs by an inter-agency body. Concern was expressed by one signatory that donors may use the assessments and related scoring as a condition for funding. More generally, signatories – aid organisations and donors – welcomed a tool to assess the quality of multi-sectoral needs assessments and HNOs, particularly if it was accompanied by efforts to improve institutional, sectoral and system-wide capacities for needs assessments and analysis.

In this respect, OCHA and ACAPS undertook several initiatives in 2018 to address longstanding gaps in capacities for needs assessment and analysis across the system. OCHA undertook its first Advanced Training for Analysis in Humanitarian Settings (ATAHS) for its own and other agency staff, and

ACAPS, with OCHA and other partners, including the Joint IDP Profiling Service (JIPS), initiated the Humanitarian Analysis Programme, which provides an individualised six-month programme of support and skills development for staff from aid organisations. IOM reported additional investments in institutional capacities, dedicating expert staff (including a senior data and analysis quality advocate working for the Displacement Tracking Matrix global team, a data management officer at the Centre for Humanitarian Data and a project coordinator for the IOM-UNICEF Children on the Move project) to support both its own and collective capacities for assessment and analysis. Save the Children reported on its contribution of technical expertise to support development of the inter-sector analysis framework, as well as developing the Basic Needs Assessment (BNA) Guidance and Toolbox and the Facilitator’s Guide for Inter-sector Response Options Analysis and Planning (ROAP).

More generally, reporting by individual signatories on needs assessments/analysis increased in 2018, suggesting greater interest and engagement compared to 2017. In response to the second indicator for the core commitment (*On a scale of 1–10, with 10 being the highest, please identify at what level of priority within your organisation you consider the work to support coordinated needs assessments and analysis*), eight out of 12 aid organisations and eight out of 10 donors rated coordinated assessments as a high priority for their organisation (a rating of seven and above). In terms of substance, aid organisations’ self-reporting tended to focus on efforts to enhance institutional, cluster or sector-specific needs assessment and analysis methodologies and practices. INGO self-reporting under this workstream also remained very limited – six NGOs did not report at all under workstream 5. All UN agencies to which this set of commitments applies reported some action and/or results. Donor engagement too was mixed. Several donors reported a strategic interest in the workstream, and actively engaged in initiatives to encourage further overall progress. In addition to its role as co-convenor of the workstream, ECHO continued to invest significant financial and technical resources in this workstream, including funding the eight MSNAs conducted in 2018, as well as developing the quality standards noted earlier. The UK reported on its strategic efforts to incentivise collective progress by aid organisations, particularly greater collaboration between aid organisations on collation, sharing and analysis of data on needs and vulnerabilities, through its payment by results framework, its efforts to encourage greater consensus and engagement among donors and through its direct investment in innovative approaches to needs assessment and analysis. On

the latter, the UK reported on its collaboration with OCHA, UNICEF and the US to use satellite data mapping of rainfall and population density to inform action to prevent cholera in Yemen. The US reported on its development of new internal needs assessment guidance and tools, and efforts in South Sudan to bring resilience analysis, livelihood and vulnerability mapping and the Integrated Phase Classification (IPC) process together to inform collective action to address deteriorating food security. Several other donors, including Australia and Japan, reported on their investment in national authorities' capacities to lead and conduct needs assessments and analysis. Smaller and medium-sized donors, however, generally felt they were unable to make much of a contribution to this workstream, and reported limited activity against the commitments.

Progress was also made in integrating gender equality and women's empowerment in the activities of this workstream and by individual signatories. The ethos document mentioned above and the quality criteria for multi-sectoral needs assessments both explicitly require data disaggregation and adequate analysis. UN Women reported that, as a result of collaborative efforts with other UN agencies and INGOs, access to gender analysis and sex- and age-disaggregated data has increased, leading to a sharper focus on and commitment to addressing the differentiated crisis impacts on and needs of women and girls, men and boys. Gender analysis and joint needs assessments on the basis of sex- and gender-disaggregated were undertaken in Afghanistan, Cameroon, Colombia, Guatemala, Jordan, Myanmar, Niger, Sierra Leone, South Sudan and Turkey, to inform more gender-responsive humanitarian planning and crisis response by HCTs.

The workstream also engaged with a number of other mechanisms and fora, namely REACH, on its methodology for Multi-Sector Needs Assessments, and both they and other non-signatory entities regularly participated in workstream discussions, including HelpAge International, the IASC Task Team on Accountability to Affected Populations and Protection from Sexual Exploitation and Abuse, the US Centers for Disease Control and the private company Okular Analytics. Functional links were also made with other workstreams, specifically workstream 3 (*Cash programming*), on strengthening the cash elements of needs and response analysis in the Humanitarian Programme Cycle (HPC), workstream 6 (*Participation revolution*), on strengthening community engagement on needs assessments and analysis, and workstream 7+8 (*Enhanced quality funding*), to share information on activities.

Despite significantly increased investments from the co-conveners, political support from the Eminent Person and corresponding investments from a number of participating signatories, workstream 5 continued to face significant and longstanding political challenges. A number of specific issues were highlighted by both donors and aid organisations during interviews with ODI researchers, including competition among some aid organisations to protect their 'market share'; the failure of senior managers in some aid organisations to make this collaborative approach an institutional priority (with specific concerns expressed in interviews at a perceived 'disconnect' within OCHA in this respect); a fear that striving for 'perfection' risks getting in the way of practical progress at country level; and the lack of long-term investment in institutional and system-wide capacities for assessment and analysis. There is also a concern among some aid organisations that, despite increased investment in enhancing the quality of needs assessments and analyses, including those jointly conducted, this may not lead to more principled decision-making by donors on the allocation of funding at country, regional or global levels.

Looking ahead, the momentum gained in 2018 needs to be sustained in order to make progress against the broader set of commitments under this workstream. Specifically, senior managers of aid organisations (UN and NGOs) need to be clear that improving collaboration on assessments and joint analysis is an institutional priority, and allocate the requisite organisational resources. Donors need to create further incentives to encourage such efforts, including supporting long-term investments in capacity-strengthening initiatives. More generally, an honest dialogue between donors and aid organisations could help build confidence among the latter that their investment in enhanced needs assessments and analysis will be used to support more principled resource allocations by donors.

3.5.2 Progress against core commitment

Core Commitment 5.1: Provide a single, comprehensive cross-sectoral, methodologically sound and impartial overall assessment of needs for each crisis to inform strategic decisions on how to respond and fund, thereby reducing the number of assessments and appeals produced by individual organisations.

All signatories – Joint action – No target or deadline

The workstream focused its efforts in relation to this core commitment on the Joint Intersectoral Analysis Framework (JIAF). A preliminary version of the framework was piloted through OCHA/JIAG/Global

Cluster Coordination Group (GCCG) missions to three HCTs in 2018: the Central African Republic (CAR), Mali and Nigeria. The pilots indicated a number of points of learning and practical challenges, including variations in the quality of available data, major gaps and overlapping sources at country level, variations in capacities for data analysis in OCHA country offices and in clusters/sectors and the importance of sufficient lead-in time for application of the JIAF to inform the HNO process. The pilot process has led to the evolution of the JIAF, including refining data and indicators to reflect the cross-cutting nature of needs and measuring severity.

Progress at country level included the use by eight HCTs of REACH's ECHO-funded MSNA in 2018, with data in some of these cases used to inform development of the HNOs for 2019 (together with other information). UNHCR reported on its collaboration with REACH in using MSNAs to assess the needs of refugees in Uganda, and UNICEF provided staff to support the MSNA process in a number of countries. There is recognition among most signatories that the MSNA is a useful tool in addressing knowledge gaps in a number of contexts, but several noted that it is one among a number of approaches, that it has limitations in relation to the high costs involved and that it needs to be used in combination with improved joint analysis, i.e. the JIAF. At global level, ACAPS, with support from several signatories including members of the INFORM initiative, has continued to develop its Global Crisis Severity Index (GCSI).

Reporting against the indicators developed for this core commitment was high, with 54% or 28 out of 52 signatories responding to the question on challenges faced in strengthening needs assessments and analysis. Challenges reported included a lack of capacity or investment in capacity, lack of collaboration among aid organisations, inadequate collaboration between humanitarian and development actors on analysis and quality control and updating of needs assessment data.

More generally, efforts may be required to link the progress being made in relation to better data *collection* (i.e. assessments), better *analysis* of the data collected at crisis level and better *comparability* of data across different crises – and, critically, to use these in combination to inform and encourage more principled decision-making on resource allocations.

3.5.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.6 Workstream 6: a participation revolution

3.6.1 Workstream summary

Progress continued in this workstream, with signatories indicating that 'participation' had become an accepted norm of humanitarian practice. Building on the progress made in 2017, the co-conveners took a strategic decision, in consultation with participating signatories, to use the workstream as a forum for information-sharing and learning exchange. While this is both logical and practical, it has reduced momentum towards *actioning* the commitments at institutional level. More importantly, self-reports indicate that there remains a dearth of evidence on how beneficiary feedback was actually used to inform programmes.

As a principal output, the co-conveners worked in collaboration with interested signatories to develop a series of 'success indicators' setting out good practice identified in 2017 and enabling signatories to individually and collectively measure their

performance. Some signatories suggested that the co-conveners and the wider workstream ‘monitor’ performance against these indicators, but neither the co-conveners nor the workstreams as a collective has the capacity to perform such a role.

Preventing sexual exploitation and abuse (PSEA) was a key theme highlighted by donors and aid organisations in the self-reporting process in 2018, particularly in relation to commitment 6.2 (*Develop common standards and a coordinated approach to community engagement and participation, with the emphasis on inclusion of the most vulnerable, supported by a common platform for sharing and analysing data to strengthen decision-making, transparency and accountability and limit duplication*). This was largely in response to the scandals affecting the humanitarian sector in the course of 2018. Aid organisations highlighted their efforts to enhance institutional mechanisms on PSEA. InterAction reported on engagement, dialogue, webinars and training with its membership organisations at various levels, including directors of country-level NGO coordination bodies and member organisations’ CEOs. These investments were intended to increase leadership at global and country level on PSEA among NGOs, and support system-wide efforts to address SEA.

Some donors reported on how they had used their partner guidelines to encourage aid organisations to invest in participatory approaches. Denmark has integrated the CHS into its Strategy for Development Corporation and Humanitarian Action, making the CHS obligatory for all civil society activities in fragile situations, including humanitarian interventions. It has also allocated funds to enable its partners to be independently assessed against the CHS. Canada and Sweden have revised their guidance for NGO partners to require them to identify how beneficiaries are involved in decision-making in projects they support, and the UK’s multi-year core funding to seven UN agencies and the RCRCM includes a payment by results performance indicator on accountability to affected populations. In respect of commitment 6.5 (*Fund flexibly to facilitate programme adaptation in response to community feedback*), a number of donors including Norway and Sweden reported that this level of flexibility is already integrated in their agreements, and that they expect their partners to use it to enhance their performance on participation.

For their part, aid organisations have clearly made efforts to upgrade, enhance and roll out institutional policies on participation. The GTS/OECD 2018 field perspectives surveys suggest that these efforts are having an impact, with affected populations generally

feeling that they were at least treated with respect. The ICRC reported on its corporate-wide approach, with AAP a priority in the institutional strategy for 2019–22. All delegations are required to report on this as part of their annual planning and reporting. The ICRC also commissioned an external evaluation of its performance on diversity, inclusion and accountability to affected populations across its global operations, fed the results into a new corporate framework on AAP and has worked with Ground Truth Solutions to develop a toolkit for delegations to assess perceptions of their programmes among affected populations. Most aid organisations were using a range of technologies to engage with affected populations and beneficiaries (commitment 6.3 – *Strengthen local dialogue and harness technologies to support more agile, transparent but appropriately secure feedback*): CRS, for example, has diversified its feedback channels to include SMS, online and hotline platforms. In Greece, CRS was able to respond to 98% of feedback within six days of receipt. UNICEF reported on its ‘U-report’ programme, which has enabled the agency and its partners to directly engage with over four million young people in 39 countries (see Box 7). UNHCR also reported on its engagement with mobile operators in Uganda and Nigeria to address the legal barriers to access to mobile phones and the internet for refugees.

Box 7: UNICEF’s U-report system

UNICEF’s U-report system uses SMS, Facebook, Viber and other social platforms to engage over 6.9 million, predominantly young, ‘U-reporters’ in 55 countries. UNICEF and its in-country partners analyse the data generated and share it with key stakeholders, including governments, communities and young people themselves. UNICEF has also used the system as a cost-efficient and effective way of reaching large numbers of beneficiaries with short, fact-based, often life-saving information on key issues including preparing for impending disasters, emergency contacts or, as was the case in Nigeria in 2018, responding to disease outbreaks.

The principal challenge holding back realisation of the ‘participation revolution’ remains the lack of progress on ensuring that feedback from affected populations is integrated into the design, delivery and review of programmes. Tellingly, only half (16) of 31 aid organisations with an operational presence reported evidence of systemic links between feedback and

corrective action to adjust programming (commitment 6.4), only nine reported activities and ‘results’ which ODI rated as ‘good’ and only three (Christian Aid, IRC and ICRC) were rated by ODI as ‘excellent’. The GTS/OECD surveys in 2018 similarly found that – despite improvements compared to previous surveys – the majority of affected people surveyed still did not feel that aid providers were taking their views into account in the design and implementation of programmes – with Lebanon scoring the lowest on this point of the seven countries surveyed (see Box 9). Some aid organisations argued that they were unable to adjust their programming because their funding was not sufficiently flexible. Other aid organisations disagreed, noting that failings in this respect were related more to a lack of prioritisation of participatory approaches as a core practice. Certainly, many donors feel they already offer adequate flexibility. An additional point of concern is that, although most signatories reported on their investments in technology to improve their outreach and engagement with affected populations, the GTS/OECD survey results for 2018 indicate that these populations still preferred face-to-face contact with aid providers.

In terms of gender, the workstream worked with the Friends of Gender group to develop and integrate gender equality and women’s empowerment in the success indicators. Individual signatories also reported efforts to integrate gender in their policies and practices on participation. Australia reported that its partners are required to submit a Gender and Disability Action Plan (GDAP) to ensure that appropriate strategies are in place to prevent and respond to sexual abuse and exploitation, and to ensure the participation of affected populations in design and implementation of programmes. ActionAid is monitoring responses to ensure the meaningful participation of women in all formal and informal decision-making processes on aid, and aims to ensure that women make up at least 50% of people engaged in ActionAid-led community decision-making and consultation processes.

The workstream had limited engagement with other workstreams in 2018, though individual signatories reported on their engagement and/or outreach with other relevant mechanisms, including the CHS Alliance and the CDAC network.

Overall, many signatories asserted that the Grand Bargain has helped drive a system-wide shift wherein participation has become a key norm of

Box 8: CRS’ MUKE II programme

CRS’ MUKE II programme in Bangladesh supports disaster-affected communities. Following feedback during monitoring, the programme was adjusted to reflect women’s needs (including new activities such as kitchen gardens and paying elderly community members to provide childcare while women worked) and to encourage women’s engagement in programme activities (through changing the times of meeting/consultations, door-to-door visits to engage women and men directly and recruiting more local staff and religious leaders to support the programme and increase community acceptance).

humanitarian action. But available data indicates that operationalising this norm at country, programme and project level has proven far more challenging. A concerted effort from the co-conveners and participating signatories to address this, and to encourage, facilitate and drive a shift in operational practice, is urgently needed. Increased incentives, including conditionalities in donors’ funding agreements, will be key, as well as ensuring across the board that funding agreements enable programme adjustments to reflect beneficiary feedback. More urgently, aid organisations need to ensure that delivering on the ‘participation revolution’ is made an institutional priority, with adequate staff incentives, capacities and resources to action the policies and systems already in place.

3.6.2 Progress against core commitment

Core Commitment 6.1: Improve leadership and governance mechanisms at the level of the humanitarian country team and cluster/sector mechanisms to ensure engagement with and accountability to people and communities affected by crises.

Aid organisations – Joint action – No target or deadline

Efforts to ensure a collaborative approach to participation at country level have continued. OCHA reported that 90% of 20 HRPs issued in 2018 demonstrated that operational decision-making is informed to some extent by the views of

affected people;²⁶ 11 HRP's were assessed as having performed 'well'. However, there is no disaggregated data on beneficiary views (i.e. by gender, age or vulnerability). OCHA also reported that gender equality considerations, protection and accountability to affected populations were assessed as having been 'adequately taken into account' in 60%, 95% and 55% of the 20 HRP's respectively.

In Chad, the HCT, with assistance from Ground Truth Solutions and the CHS Alliance, has adopted and begun reporting against perception indicators linked to the strategic objectives of the HRP. In Haiti the HCT used Ground Truth Solutions data to inform the HNO and HRP for 2019, including in relation to recommendations on accountability in shelter provision and in programmes to support self-empowerment.

Box 9: GTS/OECD Field Perspectives Surveys 2018

Following on from surveys conducted in 2017, GTS, together with the OECD, conducted a second round of surveys in 2018 in the same six countries (Afghanistan, Iraq, Haiti, Lebanon, Uganda and Somalia), as well as in Bangladesh (in relation to the Rohingya refugee response). In respect of the affected populations surveyed:

- Most generally felt safe and that they were treated with respect by aid providers.
- They were mostly satisfied with the cash assistance they received.
- Most felt that aid was still not meeting their most pressing needs.
- Most felt that their views were still not taken into account by aid providers (despite improvements compared to the previous round).
- Most found that aid received was 'not at all' or 'not very' empowering or supportive of their self-reliance.

26 The criterion for evaluation is: 'HRP explains how response considerations were developed in consultation with affected people, specifically what changed or will be improved compared to the previous HRP. Should also indicate how affected communities will be engaged throughout the response. Might also include outcome indicators on community feedback, e.g. satisfaction level with response as sourced in some MCNAs'.

The Global Education Cluster, co-led by UNICEF and Save the Children, is preparing a strategy toolkit for country clusters which includes guidance on incorporating AAP into strategic planning processes and core training materials. Four country clusters have developed strategies informed by these tools.

3.6.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.7 Workstream 7+8: enhanced quality funding through reduced earmarking and multi-year planning and funding

3.7.1 Workstream summary

Substantial progress was reported by signatories in key areas under this newly merged workstream, particularly in relation to multi-year funding and planning, and there was evidence of a normative shift on both. However, progress in other areas remains uneven. Activity by individual workstreams was limited in the first half of 2018, and in the second half of the year the co-conveners focused primarily on the process of merging, with little substantive activity reported.

In the first half of 2018, the co-conveners of workstream 8 (Sweden and the ICRC) produced a

paper exploring the challenges involved in providing flexible, unearmarked funding, which was used to promote a discussion on the issue at ECOSOC 2018. Sweden also commissioned a desk review (in consultation with Canada, UNICEF and the ICRC) on the synergies between reduced earmarking and multi-year funding aimed at deepening the understanding of signatories of the tensions and enablers between these two commitment areas. UNICEF contributed a case study on the multi-year flexible funding it received for its operations in Jordan and Lebanon. Few other activities were reported.

Following discussions, including in relation to the second annual independent report's recommendations, the four co-conveners decided to create a new joint workstream on 'enhanced quality funding through reduced earmarking and multi-year planning and funding'. This was intended to consolidate efforts against the respective commitments in the two original workstreams, to leverage synergies and to facilitate a more integrated approach to flexible *and* predictable funding. A workplan was developed by the four co-conveners, two core commitments were identified and agreement was reached for an annual rotation of co-conveners, with the ICRC and Canada assuming the roles for 2018–2019. However, reports and interviews indicate limited progress since in terms of creating an active coordination body on this theme. Engagement beyond the original group of co-convening signatories (and OCHA and the NRC, which continued to provide support in 2018) has been limited, with several signatories asserting that they had tried to engage with this workstream, but it had not been clear how to do so, or whether such engagement would be welcome.

At individual signatory level, self-reports indicate substantial progress was made in several areas, specifically against parts of core commitment 7.1a (*Signatories increase multi-year, collaborative and flexible planning and multi-year funding. Aid organisations ensure that the same terms of multi-year funding agreements are applied with their implementing partners*). The most progress has been made by the donor group: 14 out of 18 have either maintained or increased the volume or percentage of multi-year funding they make available. Several noted that they now consider the rationale for multi-year funding as fully accepted, and that the provision of such funding had become the norm, rather than the exception. This however contrasts sharply with the experience of aid organisations, the majority of which reported seeing no or only minimal increases in the multi-year funding available to them. Significant progress was also made in respect of multi-year planning, with 12 out of 23 HCTs in

2018 either already working to multi-year plans, or developing new multi-year plans in 2018.^{27,28} Individual signatories also reported moving towards more multi-year planning. For example, 11 of UNICEF's country offices have multi-year humanitarian response plans aligned to inter-agency multi-year plans, and 15 have multi-year planning agreements with civil society partners.

Progress against commitment 7.3 (*Strengthen existing coordination efforts to share analysis of needs and risks between humanitarian and development sectors and to better align humanitarian and development planning tools and interventions, while respecting the principles of both*) continued, both in relation to efforts in workstream 5 (*Needs assessments*) to increase coordination on needs assessments and analyses between the two sectors, and in relation to country-level coordination. Country teams in Burkina Faso, Chad, Somalia, South Sudan, Sudan and Ukraine have each developed a set of humanitarian–development 'collective outcomes' and, according to OCHA, the creation of multi-year humanitarian plans has enabled increased alignment of humanitarian and development planning. Progress against core commitment 8.1a/8.5 (*Donors progressively reduce earmarking, aiming to achieve a global target of 30% of humanitarian contributions that is unearmarked or softly earmarked by 2020*) was less than on multi-year funding, but still significant. Many donors reported increasing flexible funding, but overall donors were divided between those who were already 'good performers', 'improvers' and those who had made limited progress.

Progress in other areas under this workstream was less evident, particularly around commitments specifically for aid organisations. In relation to both core commitments there was little evidence of progress in transferring the predictability or flexibility that aid organisations receive from donors down to their implementing partners. As in 2017, aid organisations generally argued that they did not receive enough of such funding to pass this downstream, though this is not borne out in the quantitative data reported by donors on multi-year funding for 2018. UNICEF

27 Nine HCTs were working to existing multi-year plans: oPt, Afghanistan, DRC, CAR, Chad, Cameroon, Somalia, Sudan and Haiti. Haiti, Ukraine and Nigeria all developed new multi-year plans in 2018, for the period 2019–2020.

28 OCHA notes that there is a distinction between HRP that are annual, but which are framed within a multi-year strategy, and HRP which are detailed multi-year plans annually updated with numbers of people in need, target populations and risk projections (such as in Afghanistan and DRC).

reported that cascading funding down to implementing partners is complex, and cannot be measured only by transfers of multi-year funding. UNICEF reported using a mix of funds received from donors (short-term, earmarked, flexible and multi-year) for transfers to its implementing partners.

Progress against commitment 7.1b (*Signatories document the impacts of multi-year collaborative and flexible planning and multi-year funding instruments on programme efficiency and effectiveness*) was very limited, with only anecdotal reporting by some signatories. Progress against commitment 7.2 was also limited, with no clarity on how increases in multi-year funding were connected to or supportive of the increased number of multi-year planning processes at country level. No actions were reported in relation to commitment 8.1 (*Jointly determine, on an annual basis, the most effective and efficient way of reporting on unearmarked and softly earmarked funding and initiate this reporting by the end of 2017*). The lack of action on this commitment is likely contributing to the sporadic reporting on and progress against commitments 8.3 (*Be transparent and regularly share information with donors outlining the criteria for how core and unearmarked funding is allocated*) and 8.4 (*Increase the visibility of unearmarked and softly earmarked funding, thereby recognising the contribution made by donors*).









The new workstream included a gender component in guidance on the indicators for core commitment 7.1a, but this was not explicitly included in the self-reporting template and there was no specific reporting against it by signatories. The co-conveners identified areas for engagement with other workstreams, but no action had been taken by end-2018, and although there was some engagement with other mechanisms or fora by NRC and other members of the workstream (principally with the IASC Task Team on Humanitarian Financing), there was no clear strategy from the co-conveners on this.

The rationale for consolidating workstreams 7 and 8 was clear, but the process of merging the two appeared to take some time, and by the end of 2018 the co-conveners had made little progress on a number of commitments. Looking ahead, particular efforts are required to ensure appropriate coordination of multi-year funding *with* multi-year plans at country level (commitment 7.2). With regard to commitment 8.1, it will be important to develop a collective agreement on how to report on flexible

funding in a way that increases confidence among donor governments that they can reduce earmarking. More granular data is also required to clarify what donors define as ‘multi-year’, and how they are allocating multi-year funding (i.e. to the UN, the CERF, NGOs, the RCRCM). A strategic dialogue is also urgently required between donors and aid organisations to understand the disconnect between donor reporting on multi-year and flexible funds and aid organisations’ experience, including how this relates to passing funds down the chain. On the latter, greater understanding of how UN agencies and INGOs are passing down funding, including their use of mixed funding for specific programmes or projects, would also support a more informed discussion on these issues. Finally, greater clarity is required from the co-conveners on their approach to engaging with the wider group of signatories.

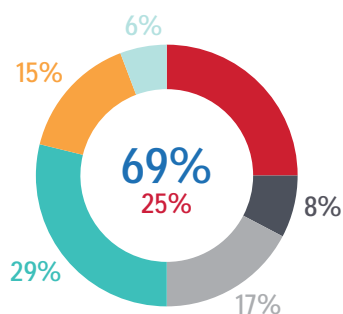
Improving the quality of humanitarian funding, and specifically ensuring more predictable and flexible funding, is key to achieving the Grand Bargain’s goal of improving the efficiency and effectiveness of humanitarian response. But it is also key to the *quid pro quo* that underpins the concept of the ‘bargain’. Substantive progress in this new workstream is therefore critical to the success of the framework as a whole. As such, it requires not just increased investment from the four co-convening institutions (in terms of ensuring adequate staffing/resources to encourage and facilitate greater collective progress on the areas mentioned above), but also the commitment of the new Eminent Person in facilitating high-level dialogue among the signatories to overcome the political obstacles to enhancing the quality of humanitarian funding.

3.7.2 Progress against core commitment

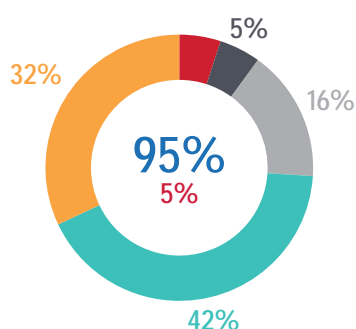
Key			
	No significant progress		Little progress
	Some progress		Good progress
	Excellent progress		Activities planned
	N/A		Overall progress

Core Commitment 7.1a: Signatories increase multi-year collaborative and flexible planning and multi-year funding. Aid organisations ensure that the same terms of multi-year funding agreements are applied with their implementing partners.

All signatories – Individual action – No target or deadline



Donors only



As noted above, significant progress has been made by most donors on increasing their provision of multi-year funding, as reflected in reporting against the first indicator for this commitment (*percentage of humanitarian funds available that are multi-year*), and in ODI's assessment of both the quantitative and qualitative information reported. A third of donors were rated as 'excellent' and 42% as 'good' in terms of progress reported. The UK was the standout performer, reporting that it had increased the share of multi-year funding within its humanitarian funding portfolio from 89% in 2017 to 96% in 2018. Belgium was close behind with 72% of its funding in 2018 classed as multi-year. The Netherlands, Canada and Germany also performed very well, reporting their multi-year funds accounting for more than half of their overall humanitarian funding in 2018: 57%, 55% (compared to 32% in 2016) and 50% (an increase of 18.4% on 2017) respectively. Sweden and Italy reported respectively that 41.7% and 40% of their humanitarian funding was multi-year, and Switzerland and Spain both reported increases in the percentage of their humanitarian funding that was multi-year. Also faring well were Denmark, which reported that 100% of its humanitarian funding can be rolled over beyond 12 months, Australia, with 83% of its core funding to multilaterals classed as multi-year (of which 80% was

unearmarked and 20% softly earmarked) and New Zealand, with 100% of its core unearmarked funding for multilaterals classed as multi-year. Both Ireland and Norway also reported either an increase in or a consistently high level of multi-year funding, though no statistics were provided. While the US and ECHO reported relatively low percentages of multi-year funding compared to some, their overall volumes were still significant: the US's multi-year funding in 2018 totalled \$895 million (USAID/Food for Peace, USAID/OFDA and State/PRM). Overall, these figures indicate substantial progress since 2016 on the provision of multi-year funding.

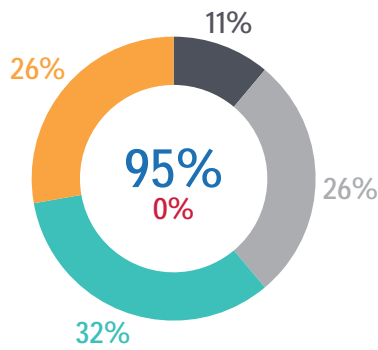
However, this is not echoed in the experience of aid organisations. Most stated that they had not received increased multi-year funding in 2018, and several reported a decrease in either the volume they received, or as a percentage of overall funding. UNHCR reported that it had received 50% less multi-year funding in 2018 compared with 2017, and WFP reported that, although the overall volume of funding increased in 2018, the percentage that was multi-year decreased by 1% compared to 2017. It is unclear why there is such a discrepancy between donor and aid organisation reporting in this regard.

Aid organisations reported limited progress in transferring the multi-year funding that they received down to their implementing partners. Only four out of ten UN agencies in a position to pass down multi-year funding (i.e. those who have an operational presence and work with/through implementing partners) reported that they had passed some down (UNICEF, WHO, WFP, UNFPA) and only one (UNICEF) gave an actual figure (\$113 million, or 22% of the multi-year humanitarian funding it spent in 2018, as per provisional figures). Out of 13 INGOs in a position to pass down multi-year funding (i.e. individual 'operational' NGOs, not consortia), nine reported that they passed down some, but only four reported how much.

Aid organisations fared better in respect of multi-year planning, with multi-year planning by HCTs now the norm, and many reporting on their institutional multi-year planning approaches.

Core Commitment 8.2+8.5: Donors progressively reduce earmarking, aiming to achieve a global target of 30% of humanitarian contributions that is unearmarked or softly earmarked by 2020. Aid organisations reduce earmarking when channelling donor funds with reduced earmarking to their partners.

Donors only



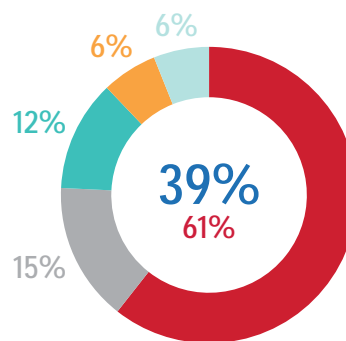
Donors made good progress against this core commitment, with seven exceeding the 30% target for unearmarked or softly earmarked funding. The Netherlands was the top performer for

the second year running, with 90% of its funding unearmarked, 57% of which was also multi-year. The six other donors were Sweden (55.8%, compared to 38% in 2017), which is also leading the way in the provision of combined multi-year unearmarked funds; Ireland (53%, though this figure is for 2017; data for 2018 is expected to remain the same); Belgium (53% – an increase from 50% in 2017); Denmark (45%); Norway (38%); and Switzerland (37%). Other donors also made good progress, though had not yet reached the 30% target: Germany increased its share of flexible funding to 22.6% in 2018, from 11.2% in 2016, and Spain increased from 9% in 2016 and 15% in 2017 to 22% in 2018.

Progress among three of the largest donors remained limited. The UK reported that 28% of its bilateral (excluding pooled funds) humanitarian funding is unearmarked or softly earmarked, but this is not expected to increase. ECHO reported preparatory work to enable reduced earmarking, including piloting strategic agreements with NGO partners as part of the scheduled review of its FPAs with NGOs. The US increased its funding to CBPFs, but noted that any further reduction in earmarking for bilateral or other agreements was contingent on ‘significant advancements’ by aid organisations in relation to joint needs assessments, reducing management costs, greater transparency and multi-year planning. The US position is echoed by other donors, who are concerned at the lack of progress made by aid organisations in a number of areas, including reporting on the use of and results achieved with the flexible funding that they already receive (commitments 8.3 and 8.4). Substantial progress is being made by a number of small and medium-sized donors, many of whom had already been performing well in this respect prior to the Grand Bargain, but without more progress among the largest donors, it seems unlikely that there will be a reduction in earmarking on the scale originally envisaged.

Moreover, the reported increases among some donors are not consistent with the level of funds aid organisations reported receiving. IFRC reported that, in 2018, it saw the second highest volume of *earmarked* funding from its donors since 2011, with 68% of emergency cash pledges tightly earmarked. WFP also reported that the volume of funding it received that was flexible had decreased slightly, from 6.4% in 2016 to 6% in 2018, though the overall amount of such funding had increased (\$380 million in 2016 and \$442 million in 2018). A number of aid organisations told ODI researchers that, even if funds are formally classified as ‘unearmarked’, donors still tend to exert some level of pressure on recipient organisations to direct funds to specific crises, country operations or programme areas. Many donors have included the contributions they make to pooled funds (including CERF and CBPFs) in their reporting on unearmarked or softly earmarked funds. While these funds are ‘flexible’ when they enter the CERF or pooled fund, they are then allocated against specific programmes, projects and objectives, and are therefore not received by implementing organisations as ‘flexible’ funds. Thus, if donors’ flexible funding provision is increasing in relation to pooled rather than bilateral funds, then it is not surprising that aid organisations do not see an increase in their direct access to flexible funding. This however requires further analysis and investigation.

Aid organisations only



Aid organisations’ progress against this core commitment was generally limited: only five reported against the indicator (percentage of unearmarked/softly earmarked humanitarian

funding received that is allocated onwards, with flexibility, to implementing partners), and only six out of 25 rated as ‘good’ or ‘excellent’ by ODI in terms of the actions they reported against this commitment. In most cases, aid organisations that could pass on funding to downstream partners (i.e. excluding NGO consortia, UNRWA, OCHA and the ICRC) said that they did not have sufficient flexible funding themselves to be able to do so. Others explained that, for practical purposes, they effectively have to ‘ earmark’ funds they

pass down the chain as these are targeted at country and programme- or project-specific activities.

As with core commitment 7.1a, there appears to be a disconnect between donor reporting and aid organisations' reported experiences in relation to flexible funding. This requires particular investigation by the workstream. More generally, there has been a lack of dialogue between the constituent groups of the Grand Bargain on whether any further increase in flexible funding can be realistically expected given global political trends.

3.7.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.8 Workstream 9: harmonise and simplify reporting requirements

3.8.1 Workstream summary

In 2018, this workstream continued to focus its efforts on the roll-out of the reporting pilot, the '8+3 reporting template'. Signatory reporting was high in this workstream, with more than half of signatories participating in the pilot and others reporting on their own initiatives to reduce reporting requirements with their partners. However, as noted in relation to commitment 4.5, there is as yet no system-wide shift from donors to reduce and simplify reporting requirements.

In 2018, the workstream continued the roll-out of its 8+3 reporting template in three pilot countries, Iraq, Myanmar and Somalia. The template, developed by GPPi on behalf of and in consultation with signatories participating in the workstream, is designed as a standardised and simplified approach to project reporting, intended to lighten the reporting burden on aid organisations, both intermediaries and frontline implementers. An interim report on the pilot in mid-2018 indicated a positive experience for users (Gaus, 2018). One-third reported that they felt it had or would save time, and most found the questions and guidance accompanying the template easy to follow – a particular benefit for local staff and partners. The report also concluded that it was too early to find evidence of the 'harmonisation effect' because not enough donors and partners were using the template. Criticism of the template format related largely to what some considered was insufficient flexibility in catering to the type of information required to report on short-term projects as well as long-term programming – with too much detail required for the former, and too little opportunity to reflect on the bigger picture for the latter. These findings were echoed in the self-reports and interviews with signatories conducted for this report. There were also some challenges in using the template at country level, specifically a disconnect between HQ and country-based staff of some donors and aid organisations about the use of the template. The efficiencies to be gained by harmonising reporting are also limited by the lack of a related harmonised proposal template, with aid organisations still having to complete complex and detailed application forms for funding. On this point, OCHA began a process in 2018 to align the application templates for CBPFs and the CERF with the 8+3 template, and these were rolled out from 1 January 2019.

There has been an increase, albeit incremental, in the number of users and the scope of use of the template. France joined the roll-out in late 2018, has since extended the template to all funding agreements and estimates that, by early 2019, 75% of partners were using the template. UNHCR has also rolled out the template to all its partners, not just those in the pilot countries. Several other donors and aid organisations are only partly engaged in the pilot or are 'aligning' or integrating elements of the template in their own reporting, rather than adopting the 8+3 template in its entirety.

Aside from the pilot, 56% of signatories (donors and aid organisations) reported on their use of technology to enable better access to and reporting of programme information (commitment 9.2). WFP, for example,

has developed a web-based annual country report, alongside guidance for country offices on the need to emphasise results, and ICRC has created a new office to spearhead the creation and management of tools providing secure digital services. Save the Children reported on its long-term investment in PPM PRIME – an internal project management methodology and online system that includes a database designed to hold monitoring, learning and reporting data across all its programming. This is expected to enhance data quality and enable reporting in real time. IATI is being integrated into this new system to ensure interoperability with that system, OCHA FTS and the UN Partner Portal. There was less reporting by signatories on commitment 9.3 (*Enhance the quality of reporting to better capture results, enable learning and increase the efficiency of reporting*), though those aid organisations that did report highlighted an effort to move to results-based reporting. Several donors raised a concern that greater focus on improving the quality of reporting from aid organisations was necessary to enable a reduction in donor reporting requirements, but as noted in relation to workstream 7+8 (*Enhanced quality funding*) there has been no strategic discussion around what better-quality reporting would look like.

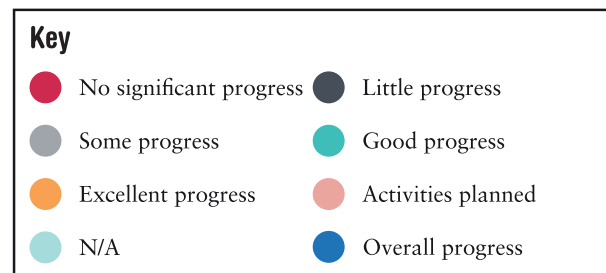
In terms of gender, individual signatory reporting was limited, and references were mainly to inclusion of gender and age in reporting systems. The 8+3 template specifically contains questions on the participation of affected populations disaggregated by gender, the impact of the project on gender equality and how gender considerations were taken into account, and asks partners to provide sex- and age-disaggregated data regarding project implementation and results.

The workstream had limited engagement with other mechanisms or fora in 2018. The co-conveners were aware of potential links between the workstream and discussions on harmonised reporting under the UN reform process, but no active connections were established. Although there was some preliminary engagement with other workstreams, including 4 (*Reduced management costs*) and 1 (*Greater transparency*), these did not translate into concrete actions in 2018.

Overall, despite significant investments by the co-conveners and the core group of signatories participating in the pilot, there is no evidence of a system-wide shift or even a gradual reduction in reporting requirements (as noted in relation to core commitment 4.5 – *Make joint regular functional monitoring and performance reviews*). The full potential for efficiencies through simplified and

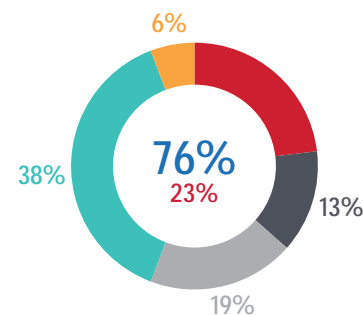
harmonised reporting will only be realised when a critical mass of donors (including ministries and departments within the same government) adopts the same template, and this may, at least in part, be dependent on efforts by aid organisations to increase the quality of their data and reporting. Efforts to integrate elements from or align individual reporting to the template may be considered positive on some level, but they are basically a piecemeal effort and are unlikely to lead to fulfilment of the core commitment in terms of a truly *harmonised* approach to reporting.

3.8.2 Progress against core commitment



Core Commitment 9.1: Simplify and harmonise reporting requirements by the end of 2018 by reducing the volume of reporting, jointly deciding on common terminology, identifying core requirements and developing a common report structure.

All signatories – Individual action – Deadline: end 2018



In 2018, good progress was made against this core commitment, as noted above. Twelve donors and 23 aid organisations participated in the three pilots. The

interim review indicated that the template was positively received and was beginning to have an impact in terms of reducing the staff time required for donor reporting. The roll-out is however not comprehensive; not all participating signatories are using the template in all three countries and challenges remain in respect of a lack of communication between HQ and country-based staff of some signatories. Signatories' reporting against the indicator for this core commitment accorded with the number of signatories engaged in the project as reported by the co-conveners. However, the indicator itself is limited in its usefulness in assessing substantive progress because it does not solicit information on user experience or outcomes in terms of staff time saved or reduced requirements for additional information from donors.

3.8.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:



LINKS TO OTHER WORKSTREAMS:



LINKS TO OTHER EXISTING PROCESSES:



3.9 Workstream 10: enhance engagement between humanitarian and development actors

3.9.1 Workstream summary

The co-conveners (Denmark and UNDP) closed this workstream as a coordinating body in March 2018 following discussions with signatories on the duplication with ‘external’ mechanisms and fora that were already dealing with this theme. This argument resonated with many signatories, though there were also concerns that the lack of a dedicated space for donors, UN entities and NGOs to coordinate efforts to implement the ‘humanitarian–development nexus’ meant that momentum to achieve the commitments under this workstream would be lost. Self-reporting by signatories against these commitments was high, but it is evident from the information collated for this report that these concerns have to some degree been borne out, with little evidence of a coordinated or strategic approach among signatories to achieving the commitments under this workstream, or maximising synergies or links with other commitments.

Levels of activity increased across all five commitments compared to the previous year. The commitments under this workstream are broad, and this is reflected in the self-reporting by signatories across the constituent groups. A key theme on commitment 10.1 (*Use existing resources and capabilities better to shrink humanitarian needs over the long-term, with a view to contributing to the outcomes of the Sustainable Development Goals. Significantly increase prevention, mitigation and preparedness for early action to anticipate and secure resources for recovery*) was the evolution of corporate approaches to the humanitarian–development (and, in some cases, peace) nexus, including integration of strategies, increased technical capacities and even the merger of management structures to facilitate harmonisation and coordination of institutional efforts across the two sectors. World Vision International, Care International and Mercy Corps all reported on efforts to harmonise, merge or integrate institutional resources in their separate humanitarian and development portfolios, including merging management roles at headquarters and/or country level. Aid organisations also reported on a range of activities aimed at improved humanitarian–development responses. FAO reported on the work of the Global Network against Food Crises, including its 2018 *Global report on food crises*. The report, a collaboration between FAO, WFP and 13 other partners, provides information and analysis on the severity, magnitude and drivers of food insecurity and malnutrition in food crises, to inform better humanitarian–development planning and funding of evidence-based responses.

On the donor side, two achievements were particularly noteworthy: the finalisation of the new OECD-DAC recommendation on the humanitarian–development–peace nexus and the revised OECD-DAC peer review framework. The recommendation, developed over the course of 2018, has been adopted by all OECD-DAC members as a reference guide for nexus-related issues. Specifically, it calls for stronger operational and policy coherence, while protecting humanitarian principles. It also explicitly supports the integration of the nexus in several Grand Bargain workstreams, including localisation (workstream 2) and enhanced quality funding (workstream 7+8). The peer review framework was revised to situate humanitarian aid within the broader framework of response to fragility and crises, and will serve to better assess the coherence between humanitarian and development (and other) funding, in line with the recommendation on the nexus.

Many signatories also reported on their investment in the preparedness capacities of national and local responders – governmental, civil society and community level. A number of donors have funded instruments to support this area of work, including in the Forecast-based Action window of the IFRC's Disaster Relief Emergency Fund (DREF), established in December 2017. With support from Canada, Germany, Norway and other donors, the DREF allocated CHF 23.57 million to 61 National Societies to provide support to 5.14 million people ahead of an impending disaster. Germany also supported a range of other preparedness or anticipatory initiatives, including the Start Fund's Anticipation Window, in a strategic effort to enable humanitarian organisations to make better use of forecasts to react more promptly and with greater impact to risks in disaster-prone countries. Germany and the UK also worked together to establish a Global Risk Financing Facility (GRiF) to subsidise the costs of risk financing instruments such as insurance, and provide grant funding to strengthen national disaster response systems and preparedness planning. FAO reported on the launch in 2018 of the inter-agency framework for early action. New standard operating procedures for early action to El Niño/La Niña events provide the international community with a common understanding of potential impacts and high-risk areas.

A wide range of activities and results were reported by donors and aid organisations against commitment 10.2 (*Invest in durable solutions for refugees and internally displaced people and sustainable support to migrants, returnees and host/receiving communities, as well as for other situations of recurring vulnerabilities*). This is not surprising given the broad scope of the commitment, and the lack of clarity on what specific actions were expected. Save the Children reported on its Migration and Displacement Initiative which, in collaboration with partners, has created a prototype tool to predict the duration and scale of forced displacement in particular contexts, aimed at supporting governments, donors and aid organisations in responding to forced displacement. Engagement in the development and agreement of the Global Compact on Refugees, formally approved by the UN General Assembly (UNGA) on 17 December 2018, and in the related Comprehensive Refugee Response Frameworks (CRRFs) in specific refugee situations, was referenced in a number of donor and aid organisations' self-reports, but overall there has been no clear strategic approach or coordination of action against this commitment.

Aid organisations' reporting against commitment 10.3 (*Increase social protection programmes and strengthen*

national and local systems and coping mechanisms in order to build resilience in fragile contexts) indicated good progress, with important investments in national and sub-national systems, including the integration of humanitarian cash programmes with existing national social protection systems. Relief International has developed and adopted a 'systems approach' requiring all humanitarian programmes to be implemented within existing national or subnational systems (dependent on cluster/sector); training has been provided for staff in seven Country Offices and indicators developed to track compliance with this new approach. Australia and New Zealand targeted efforts on strengthening national systems in the Pacific, specifically in disaster preparedness and response capacities. FAO reported on its continued collaboration with WFP, UNICEF and the World Bank, DFID and ECHO-DEVCO to develop a common understanding of the role of social protection in fragile contexts through a series of meetings and workshops in 2018.

As in 2017, reporting against commitment 10.5 was limited, with aid organisations that did report focusing mainly on engagement with the World Bank on country-specific initiatives. WHO reported on its collaboration with the World Bank in the refinement of the Pandemic Emergency Facility (PEF), a standing financing instrument for infectious hazard events, which it is hoped will result in earlier and more effective responses. OCHA and WFP have both pursued engagements with the private sector, particularly on innovation. The Innovation Accelerator supported 28 'sprint and scale' projects in 2018, including digital projects to improve cash-based assistance in Jordan and Lebanon. The IFRC

Box 10: Partnership between the IFRC and the Islamic Development Bank

IFRC reported that it signed a memorandum of understanding with the Islamic Development Bank (IsDB) in 2018 to work together in developing a new and innovative approach bringing together development financing, humanitarian aid and private capital to support IFRC's efforts to meet humanitarian needs and contribute to the SDGs. As a first priority, the project aims to reduce cholera deaths by 90% in the most affected Organisation of Islamic Cooperation (OIC) countries over the next 10 years. The aim is to achieve this through an end-to-end partnership leveraging traditional resources to deliver integrated ONE WASH programmes in these countries.

and UNDP reported on their expanding relationships with international development banks (see Box 10).

There was limited reporting by signatories on how they have integrated consideration of gender equality and women's empowerment in their efforts to achieve these commitments. Exceptions include UNDP, which reported on its Gender Equality Strategy 2018–2021, which provides a roadmap for according gender equality greater prominence in all areas of UNDP's work. The institutional goal is to have 40%–60% of the agency's activities targeted towards women's empowerment and gender equality. Across its global programmes in 2018, women accounted for on average 30% of the beneficiaries of UNDP's jobs and livelihood programmes (and 50% in Yemen and Uganda).

UNDP and Denmark approached the nexus as a cross-cutting theme within the Grand Bargain, and reported that, within the limits of their institutional resources, they provided some guidance and advice to three workstreams (workstreams 1 (*Greater transparency*), 3 (*Cash programming*) and 5 (*Needs assessments*)) on integration of the humanitarian–development nexus in their activities. Under workstream 5, and in collaboration with UNDP and the World Bank, there was some progress on joint analyses with development partners (commitment 5.7), and workstream 3 (*Cash programming*) explored good practice in integrating humanitarian cash programming in national social protection systems (commitment 10.3). A number of signatories reported on individual efforts to integrate the 'nexus' or link the commitments under this workstream with others. IOM appointed a humanitarian–development nexus advisor in headquarters, organised a large internal workshop and conducted five country case studies to document lessons, enabling factors and obstacles to implementation of the nexus, the results of which were shared internally.

The evidence available to this study suggests that there was no strategic approach to, or policy leadership of, integrating workstream 10 commitments across the Grand Bargain framework at workstream or signatory levels. Although the former co-conveners' argument for closing this workstream as a coordination body resonated with a number of signatories, many also felt that consultation with the wider signatory group on this decision had been too limited. In the absence of a coordinated strategic approach to integrating the nexus across the Grand Bargain framework, signatories' efforts appear disparate and disconnected, missing opportunities to scale up or amplify results, identify and address issues such as the protection

of humanitarian principles and ensure appropriate synergies of effort, including investing in local/national responders and increasing prevention and preparedness for early action. The organic evolution of some signatories' efforts to mainstream nexus thinking in other commitments and workstreams is positive, but overall it is not clear what the signatories' actions amount to in terms of achieving system-wide progress on enhancing collaboration between humanitarian and development actors.

Other fora and mechanisms outside of the Grand Bargain are working towards implementation of a nexus approach, but as several signatories pointed out, each is geared towards a specific group of stakeholders (e.g. the IASC, OECD-INCAF, GHD) and do not provide an appropriate space for open dialogue where diverse stakeholders – donors, UN agencies/entities, INGOs and NNGOs – can have an equal say. While not recommending the reconstitution of the workstream as a coordination body or the creation of a new or additional mechanism, there is an urgent need for a dedicated space for strategic dialogue on, and greater leadership of, coordination, collaboration and harmonisation between humanitarian and development action, both in relation to the commitments under this theme and across the Grand Bargain framework. Led by the Eminent Person, the Sherpas should be able to perform such a role. Absent this, it is unclear how the Grand Bargain can support a system-wide normative and operational shift on this issue.

3.9.2 Progress against core commitment

Core Commitment 10.4: Perform joint multi-hazard risk and vulnerability analysis, and multi-year planning where feasible and relevant, with national, regional and local actors in order to achieve a shared vision for outcomes. Such a shared vision for outcomes will be developed on the basis of shared risk analysis between humanitarian, development, stabilisation and peacebuilding communities.

Aid organisations – Joint action – No target or deadline

It was not clear from the self-reporting template what data should be reported against the indicator developed for this commitment (*number of joint multi-hazard, risk and vulnerability analyses and multi-year plans developed with national actors, to elaborate a shared vision for outcomes*). Individual signatories primarily reported on their own institutional humanitarian–development analyses and planning processes, but reporting on collective efforts was less

clear. WHO reported that it conducted 79 combined humanitarian–development analyses and plans with national authorities in 2018; Mercy Corps conducted three risk and resilience assessments with its Country Offices and partners; and ECHO reported that it conducted risk and vulnerability assessments and joint analyses in six nexus pilot countries (Sudan, Uganda, Nigeria, Chad, Iraq and Myanmar).

Collective performance against this core commitment is evidenced primarily through reporting on the New Way of Working and the efforts of the UN’s Joint Steering Committee on Humanitarian–Development Collaboration (led by the Deputy Secretary General). Under the latter, UN agencies have been working together on joint analysis, planning and coordination in seven priority countries (Somalia, Cameroon, Chad, Nigeria, Niger, Burkina Faso and CAR). Roll-out of the New Way of Working continued at country level, with UNDP and others supporting joint analysis, multi-year planning and financing processes in 12 countries. The IASC’s Humanitarian–Development Nexus Task Team (under the co-leadership of UNDP and WHO) contributed towards work on identifying collective outcomes, including through the organisation of two regional workshops in Entebbe, Uganda, and Dakar, Senegal. Informing this primary work, the Task Team also organised a community of practice among country teams in the 20 countries most affected by protracted crises.

Overall, assessing progress against this core commitment was difficult. Efforts are being made by a number of signatories across constituent groups, particularly within the UN system under the new leadership of the Joint Steering Committee, but it is not obvious how efforts across different signatory groups are connected.

3.9.3 Workstream scorecard

DONOR ACTIVITY:



AID ORGANISATION ACTIVITY:



ACTIVITY ON JOINT COMMITMENTS:

N/A as the workstream was closed in 2018.

LINKS TO OTHER WORKSTREAMS:

N/A as the workstream was closed in 2018.

LINKS TO OTHER EXISTING PROCESSES:

N/A as the workstream was closed in 2018.

Section 4

Conclusions and recommendations

4.1 Conclusions

Three years into the process, the Grand Bargain continues to attract substantial institutional investment from the majority of signatories, many of whom have dedicated staff/staff time, integrated the concept and the commitments into corporate strategies and policies and used the framework to shape institutional practice. Signatories continue to see the potential of the Grand Bargain to act as a lever for change, resolve or navigate long-standing challenges and improve system-wide efficiency and effectiveness. Indeed, the pessimism that was evident during the consultations in 2017 seems to have abated to some extent, with a general (if not universal) consensus that the potential of the Grand Bargain has yet to be realised, and that the investments made thus far need to be sustained for at least a further two–three years before the returns will be fully evident.

In 2018, with continued investments from the Eminent Person and the wider group of signatories, tangible progress was made across a number of workstreams and in relation to specific commitments. With donor support, cash programming is becoming embedded in the policies and operations of aid organisations; the volume of cash being programmed is steadily increasing among a critical mass of aid organisations (based on data reported); the scope of needs and vulnerabilities being addressed through cash programmes, including multi-purpose cash, is broadening; and strategic and policy-level coordination has continued, resulting in increased shared knowledge of risks and benefits, as well as common standards and approaches. Financial and capacity investments in national and local responders also appear to be increasing, with innovative and long-term investments in their institutional and technical capacities, stronger

representation in and influence on decision-making on international humanitarian responses by these actors and a greater share for them in country-based pooled funding. A critical mass of donors – of all sizes – have increased their provision of multi-year funding, both as a percentage and in volume terms, with many now considering this kind of predictable funding as the norm, rather than the exception. Increased transparency and comparability in cost structures, at least within the UN group, together with targeted investments by donors and aid organisations in technologies to support programme implementation, are bringing about important, and in some cases measurable, cost savings and efficiency gains. Overall, the evidence available in 2018 indicates that the Grand Bargain is driving a system-wide shift in policy (if not always in operational practice) in localisation, in participatory approaches and in multi-year funding, and that it is contributing to system-wide shifts in policy and practice on cash programming.

But many of the challenges to further and speedier progress that were identified in the second annual independent report remain. Despite efforts to streamline and adopt a clearer focus in the fourth quarter of 2018, the Grand Bargain is still both over-structured and under-governed, with engagement creating an unnecessary burden on signatories, without clear leadership on where their collective efforts are heading. The identification of core commitments was intended to provide a focus for and consolidation of collective efforts, but it is too early to assess what impact this new focus will have and, at the end of 2018, signatories were still proceeding at their own pace, working to their own priorities and, in some areas, in their own directions. Although there is more data on ‘results’ in this year’s reporting it is still limited, and it is therefore difficult to accurately

assess or clearly quantify what tangible progress is being made across the breadth of the commitments. Communication between workstreams, between the FG and co-conveners and between them and the wider group of signatories remains poor. Signatories that are not part of the FG or a co-convener struggle to find out what is happening outside of the workstreams that they engage regularly with, and have no access to or influence over the ‘bigger picture’.

Workstreams continued to work in silos, with no substantive dialogue between different co-conveners on specific or general cross-cutting themes, and even the most active workstreams still focused primarily on technical issues. Sherpa engagement has been limited, and political-level dialogue across the breadth of signatories – or even within a core group of signatories – has been largely absent. In consequence, many of the outstanding obstacles to greater and faster progress across workstreams have remained unresolved. The lack of constructive dialogue on key issues – such as the impact of domestic political constraints on donors’ risk tolerance, the transparency of aid expenditures down the chain, the barriers to more flexible funding and reducing or mitigating the impact of reporting or compliance requirements – is undermining the spirit of collaboration that the Grand Bargain was built upon, and upon which the successful transformation of the humanitarian sector depends.

Key questions regarding the future of the Grand Bargain highlighted in the second annual independent report, specifically how it should evolve, adapt, be further streamlined or even when it will ‘conclude’, have remained unanswered. There is still no clear deadline for ‘achieving’ the goals that were originally set, and no targets to clarify what achieving those goals would look like. Some signatories felt that there was still insufficient clarity or detail on the ‘vision’ that the Grand Bargain was trying to realise. There is an urgent desire among signatories for greater leadership and clarity on these fundamental issues.

More broadly, there are growing concerns among signatories across all constituent groups regarding the high transaction costs associated with implementing the Grand Bargain. Signatories highlighted again this year the heavy bureaucratic burden, the wealth of workstream discussions and initiatives to follow and the sheer breadth of the commitments and actions required to fulfil them as all requiring a major level of investment at institutional level. Absent a more tangible demonstration of returns on these investments, particularly evidence of at least some headway on some

of the major political issues that are stalling greater progress, it is likely that enthusiasm will start to wane.

In 2018, the authors of the second annual report argued that, to remain relevant and productive, the Grand Bargain needed to be more nimble, more focused, more pragmatic and more responsive to the global environment in which it is operating. The authors reiterate this conclusion in 2019. Serious efforts to address underlying problems in the structure, vision and focus of the Grand Bargain are required to ensure that it can deliver on its original promise.

There is evidence to show that such efforts are possible, that the Grand Bargain *can* evolve and adapt. The growing interest in and use of the Grand Bargain at country level, the use of it to push ahead with pre-existing commitments on gender equality and women’s empowerment and the prioritisation of certain commitments by several workstreams over the last three years all indicate that the Grand Bargain is to an extent already evolving – albeit organically and without a clear vision. Slavish adherence to the original package of 51 commitments, with its vast array of themes, often vague wording and lack of actionable commitments is, in the opinion of the authors, unlikely to bring about the results the original group of signatories were aiming for.

Instead, adopting a purposefully iterative approach, based on learning from the process thus far, to further consolidate collective efforts and reduce the bureaucracy may well ensure that the potential of the Grand Bargain is realised. This will require collective reflection on the key, primarily political, issues that are blocking further progress, what investments are required to address or navigate them and a commitment to taking the pragmatic actions required to move forward.

The evidence available for this report suggests that the Grand Bargain still has added value. It is proving effective in driving forward major changes in policy and practice on localisation and multi-year funding, and is supporting wider efforts to change policy and practice on cash programming. The investments made thus far by signatories are significant, and it still provides a unique platform for strategic dialogue between donors, UN entities, NGOs and the RCRCM – a platform which does not exist elsewhere within the aid system. It is difficult to estimate the likely impact of a failure to achieve, at least in part, the original ambitions of the Grand Bargain. But abandoning the significant political, financial and institutional

investments made by such a broad array of signatories thus far would likely undermine the sense of collective purpose that this initiative has generated, and which is necessary to achieve the system-wide improvements to humanitarian action that are so urgently needed – and which the people affected by conflict and disasters around the world rightly deserve. It would also likely impact upon the reputation of the humanitarian sector as a whole at a time when it is already under great scrutiny. Imperfect as it may be, the Grand Bargain is probably the best vehicle currently available to bring about the kind of transformative change to the humanitarian sector that donors and aid organisations are striving for.

4.2 Recommendations

Notwithstanding the efforts made by signatories to implement a number of the recommendations made in the 2018 annual independent report, it is evident that many of the actions the authors suggested then remain relevant in 2019. In this regard, the authors highlight in particular the following key areas for action.

1. Adopt a strategic approach to mitigate remaining challenges and maximise opportunities to make greater progress

Action: Under the leadership of the Eminent Person, the signatories should come together at the annual meeting to identify where progress is stalling, what factors are responsible for this and what actions or investments are necessary to overcome, navigate or mitigate those factors, and how to consolidate and simplify efforts to achieve these aims. This discussion at the annual meeting should provide the outline of a collective strategy to build on progress already made, including capitalising on the growing momentum at country level. This process should also outline delegated responsibilities for actions agreed as part of the strategy.

2. Undertake concerted high-level political dialogue aimed at better navigating or mitigating challenges to success

Action: The FG and co-conveners, with support from the Secretariat, should identify the political issues that are retarding progress within and across workstreams to inform discussions on the development of a strategy at the annual meeting. The present report can serve as a basis for this analysis, with particular focus on issues such as: what a more qualitative approach to supporting local and national responders should look like (i.e. going beyond increased access

to funding); how best to reduce the impact of low risk tolerance among donor countries, and how to mitigate the related impact on aid organisations of increased compliance requirements; where the barriers are to scaling up flexible funding and how to use the different levels of ‘flexibility’ that already exist more strategically to address gaps and better support priorities; and how to ensure that aid organisations’ efforts to enhance needs assessments and analysis will result in more principled allocations of funding by donors.

Action: The FG and co-conveners should undertake a series of ‘deep dive’ analyses to inform a more in-depth understanding of and dialogue on the key political obstacles to further progress, including on those issues listed above.

3. Define more clearly what the ‘success’ of the Grand Bargain will look like

Action: The original ambitions of the Grand Bargain were ‘transformative’ in nature. While these ambitions should be retained, they should also be examined with a critical eye to see what can reasonably be achieved in the next few years, paying due regard to how the framework has already evolved over time, and how the politics of the global aid environment have changed since 2016. This analysis should inform the strategy recommended above (see Recommendation 1).

Action: A review of the indicators for some of the core commitments should be undertaken and adjustments made to ensure that they are practical (i.e. signatories can report against them), pragmatic (i.e. signatories can access this data without investing in new, heavy data collection exercises) and useful (i.e. the data collated can be used to develop a reasonable overview of collective progress). This process should aim to *simplify*, not further complicate, current discussions on measuring ‘progress’. The authors recommend in particular a review of the indicators for core commitments 2.4, 4.5, 6.1, 7.1a, 9.1 and 10.4 in order to provide greater clarity on how/what data should be reported or adjustments made to ensure each indicator is practical, pragmatic and useful in terms of being able to actually measure substantive progress.

Action: A more comprehensive review should be planned for 2021, marking five years since the Grand Bargain was initiated. This review should be based on a series of practical and pragmatic quantitative and qualitative points of analysis (e.g. funding trends, pre-existing targets embedded in certain commitments, Ground Truth Solutions or other perception surveys) that can provide a *reasonable* assessment of progress

made against the original goals the Grand Bargain was created to achieve. The review should draw from the evidence presented in the annual independent reports prepared since 2017 and provide the basis for decision-making on the future of the Grand Bargain initiative. Given the scope and depth of changes envisaged by the original signatory group, any such decisions made earlier are unlikely to benefit from or be informed by an appropriate understanding of whether the Grand Bargain has achieved its original goals.

4. Get the bargain back on track

Action: Signatories should design and institute appropriate incentives for actions to fulfil the commitments. In current discourse this has focused primarily on donors incentivising action by aid organisations, but this should be a mutual approach, recognising that all signatories may need incentives to make the substantial changes in policy and practice required. Key incentives for aid organisations include funding conditions or making funding available for specific actions. Incentives for donors may include increased visibility in domestic and international public discourse, use of ‘good donor’ ranking systems, increased access to substantive or technical discussions among aid organisations and characterising actions as ‘global public goods’.

Action: Building on the initiative put forward by the Netherlands and the ICRC,²⁹ signatories should work together to understand the risks that different constituent groups face in taking actions or not taking actions towards their commitments, and how respective efforts to mitigate risks may impact – positively and negatively – on other constituent groups.

5. Consolidate efforts in order to lighten the bureaucratic burden and better support implementation of the commitments

Action: The FG, in full consultation with the co-conveners, should consider ways to break down the silos between workstreams, with a view to further consolidating and sequencing efforts and reducing duplication. For example, greater synchronicity of efforts between workstream 7+8 (*Enhanced quality funding*) and workstream 5 (*Needs assessments*)

29 At the High Level Meeting of select Sherpas called by the Eminent Person in September 2018, the Netherlands and ICRC agreed to follow up on a discussion on risk-sharing, specifically to identify the substantial political issues involved and to propose to the Eminent Person some ways forward.

could enable greater alignment of multi-year funding for multi-year plans (commitment 7.2), with shared outcomes between humanitarian and development actors (commitment 10.4) that are in turn based on shared needs and vulnerability analyses (commitment 5.7). Strategic collaboration between workstreams 4, 7+8 and 9 could also ensure a more holistic approach to enhancing the quality of funding (commitments 7.1a and 8.2/8.5), while reducing or mitigating the impact of compliance requirements through harmonising and simplifying donor reporting requirements (commitments 4.5 and 9.1).

6. Empower existing governance structures to deliver

Action: The capacities of the FG should be reinforced, with a greater understanding among member institutions of the nature of the work and resources required to fulfil this role (e.g. staff time); with a biennial rather than annual term, to ensure greater continuity of leadership at this level; and with greater oversight of the workstreams, enabling them to trouble-shoot problems arising and provide a preliminary strategy for addressing them (or raising to Sherpa level as required).

Action: The co-convener’s role should also be reinforced, with a clear focus on coordination and leadership of inclusive efforts (i.e. across all signatory groups) to achieve the commitments within the respective thematic areas, and a commitment from the signatory institution acting as co-convener to provide the necessary sustained and dedicated staff resources to perform this function for a reasonable period. An administrative process should also be agreed for enabling co-conveners to step down from the role and pass on the responsibility to other signatories as necessary/ desired.

Action: The capacity of the Secretariat should be significantly increased (i.e. with an increase in staffing levels) to better support the work of the FG, co-conveners and signatories. As a priority, additional staffing in the Secretariat is necessary to increase communication across the workstreams; helping the FG to trouble-shoot problems within and across workstreams; and ensuring greater sharing of information among signatories, between them and governance and leadership structures and between the collective of Grand Bargain signatories and other key stakeholders, including at country level.

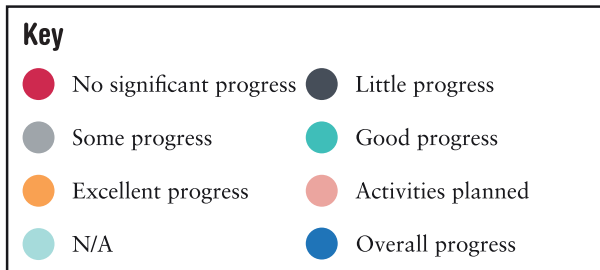
7. Strengthen political leadership to help navigate remaining challenges and achieve success

Action: Building on the work of the first Eminent Person, the new incumbent should reinforce and further elaborate the original vision of the Grand Bargain, focusing the signatories on working together to realise its full potential and ensuring that it remains relevant and delivers on the original ‘bargain’. With reference to Recommendations 1 and 3, the new Eminent Person should lead the signatories in adopting a more iterative approach to achieving the original goals – an approach that capitalises on the organic evolution of the framework thus far, that is informed by an analysis of changes in the wider geopolitical environment and that acknowledges the realities of a multilateral initiative of this kind and the need to respond to a diversity of opinions, capacities and interests. Thereafter, the new Eminent Person will also need to build on the targeted engagement of the first Eminent Person to galvanise action at the highest political levels on key substantive issues, including making greater progress on enhancing the flexibility and predictability of humanitarian funding and addressing the challenges posed by donor compliance requirements.

Action: A core group of Sherpas, specifically those who have time and patience to dedicate to the role,

and who represent different workstreams and different constituent groups, should be established to drive progress against the strategy outlined above (see Recommendation 1). Working on the basis of a clear division of labour between, and in close coordination with, the new Eminent Person, this group should aim to reinforce her efforts, enabling progress at different levels and across the range of issues highlighted in this report. With authority granted by the rest of the signatories, this core group should work together specifically to provide policy guidance on addressing cross-cutting issues, to support the new Eminent Person to address the political challenges that are undermining progress across multiple workstreams and to enable signatories to seize opportunities to maximise collective progress. As a particular priority, this core group should focus on ensuring a coordinated approach to integration of the humanitarian–development nexus across the Grand Bargain framework, guiding co-conveners and signatories on related policy issues and on finding pragmatic ways to navigate those obstacles which cannot be removed, and/or mitigate their impact on signatories’ efforts to achieve the commitments. Particular members of this core group may also be designated as ‘champions’, providing critical and consistent leadership on specific cross-cutting issues or workstreams that would benefit from increased political investment to unblock obstacles and drive greater progress.

Annex 1 Brief analysis of each of the ‘non-core’ commitments

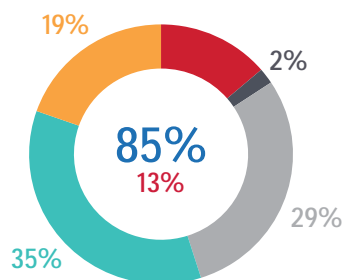


This annex presents brief analysis of each of the remaining commitments (excluding the core commitments), reflecting on the level and scope of reporting by signatories, as well as progress and challenges.

Workstream 1: greater transparency

Commitment 1.1: Signatories publish timely, transparent, harmonised and open high-quality data on humanitarian funding within two years of the World Humanitarian Summit, with IATI serving as the basis for a common standard.

All signatories – Individual action – Deadline: 2018



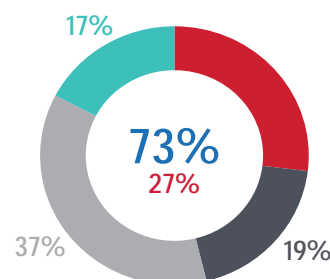
- Signatory reporting against this commitment increased to 85% in 2018, compared to 80% in 2017, with 54% rated as ‘good’ or ‘excellent’.
- 47 signatories (80%) were reporting to the IATI standard by the end of 2018, compared with 44 at the end of 2017. Of those, 43 were reporting

on humanitarian activities specifically, and overall 30% of publishing signatories were including more granular data.

- However, there remains no consensus that IATI is the most appropriate standard for publishing data on humanitarian funding, and there is ongoing concern that the significant effort required to publish to the IATI standard may not be worth the expected gains in terms of more comparable and useable data.

Commitment 1.3: Signatories improve the digital platform and engage with the open data community.

All signatories – Individual action – No target or deadline

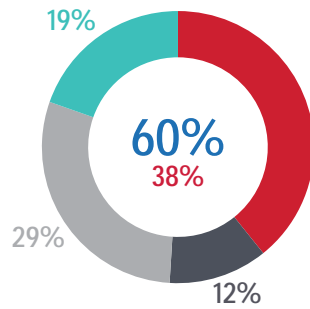


- 73% of signatories reported activities compared to 46% in 2017, including 54% who were rated as having made ‘some’ or ‘good’ progress.
- Reporting related to either publishing to the IATI standard or to new institutional or inter-agency (e.g. HDX) data platforms and websites.

Note: It was not feasible or appropriate to provide a quantitative analysis of some commitments and therefore not all have a corresponding pie-chart showing quantitative analysis.

Commitment 1.4: Signatories support the capacity of all partners to access and publish data.

All signatories – Individual action – No target or deadline

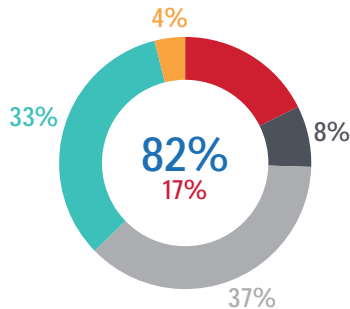


- The number of signatories reporting against this commitment almost doubled in 2018 compared to 2017 (60% in 2018; 33% in 2017).
- Activities largely focused on the provision of clearer guidance to downstream partners on reporting. There was limited reporting of ‘results’.

Workstream 2: more support and funding for local and national responders

Commitment 2.2: Understand better and work to remove or reduce the barriers that prevent organisations and donors from partnering with local and national responders, in order to lessen their administrative burden.

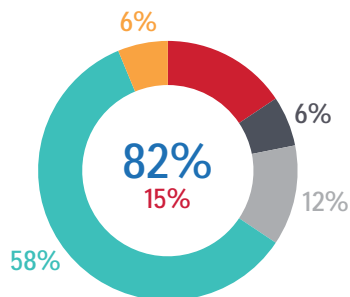
All signatories – Individual action – No target or deadline



- Reporting against this indicator increased from 54% in 2017 to 81% in 2018, with 4% rated as ‘excellent’ and 33% as ‘good’.
- Activities included a number of areas of research at country level as well as direct engagement with national and local responders to identify the constraints on partnerships.

Commitment 2.3: Support and complement national coordination mechanisms where they exist and include local and national responders in international coordination mechanisms, as appropriate and in keeping with humanitarian principles.

Aid organisations – Joint action – No target or deadline



- Reporting against this commitment increased from 63% in 2017 to 82% in 2018, with 6% rated as ‘excellent’ and 58% rated as ‘good’.

- Activities reported included targeted efforts to support local and national responders to participate in and influence decision-making fora, with positive results reported by a number of signatories.

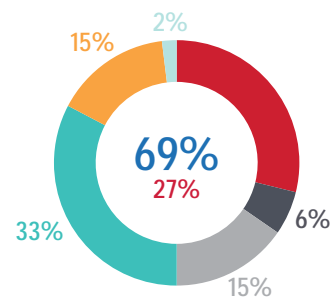
Commitment 2.5: Develop with the IASC and apply a localisation marker to ensure direct and indirect funding to local and national responders.

All signatories – Joint action – No target or deadline

- No specific information reported.

Commitment 2.6: Make greater use of funding tools that increase and improve assistance delivered by local and national responders, such as UN-led CBPFs, the IFRC Secretariat’s Disaster Relief Emergency Fund (DREF) and NGO-led and other pooled funds.

All signatories – Individual action – No target or deadline

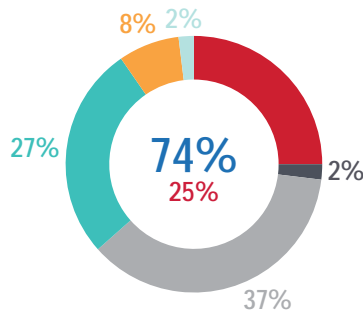


- Substantial progress was made against this commitment, with an increase in the number of signatories reporting – 69% in 2018, compared to 52% in 2017.
- Activities and results related to a range of funding instruments, including the CERF, CBPFs, the DREF and other localised initiatives specifically intended to support local and national responders’ access to international funds.

Workstream 3: increase the use and coordination of cash

Commitment 3.2: Invest in new delivery models that can be increased in scale while identifying best practice and mitigating risks in each context. Employ markers to track their evolution.

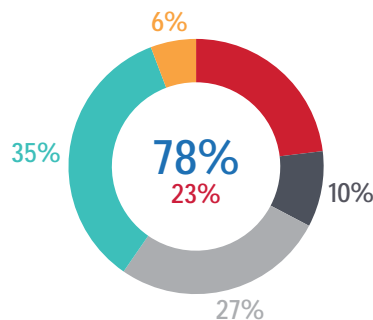
All signatories – Individual action – No target or deadline



- 73% of signatories reported activities against this commitment, compared with 59% in 2017.
- Reporting focused primarily on the use of technology to increase the reach and cost-efficiencies of cash programming.
- Limited information was provided on the risks involved and how these may be mitigated.

Commitment 3.3: Build an evidence base to assess the costs, benefits, impact and risk of cash (including on protection) relative to in-kind assistance, service delivery interventions and vouchers, and combinations thereof.

All signatories – Individual action – No target or deadline

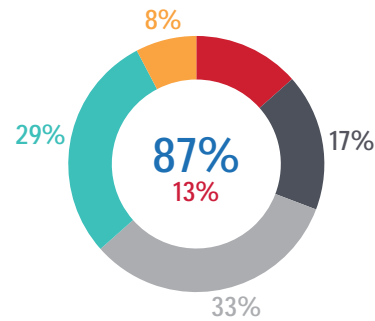


- Reporting increased, from 54% of signatories in 2017 to 77% in 2018.
- Reporting focused primarily on the impact of cash, with less emphasis on the risks involved. There was a particular prevalence of reporting on the impact of cash on gender and gender-related issues, such

as gender-based violence and women's access to healthcare services.

Commitment 3.4: Collaborate, share information and develop standards and guidelines for cash programming in order to better understand its risks and benefits.

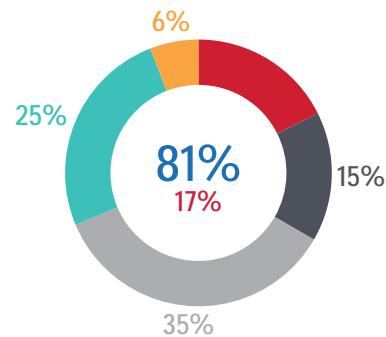
All signatories – Joint action – No target or deadline



- Reporting increased from 80% in 2017 to 87% in 2018, with 8% rated as 'excellent' and 29% as 'good'.

Commitment 3.5: Ensure that coordination, delivery and monitoring and evaluation mechanisms are put in place for cash transfers.

All signatories – Individual action – No target or deadline

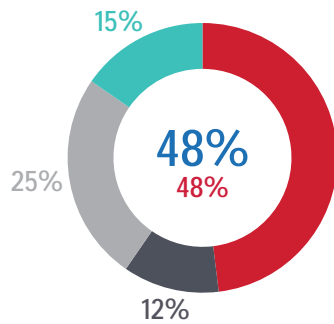


- 81% of signatories reported against this commitment in 2018, compared with 65% in 2017, with 6% rated as 'excellent' and 25% as 'good'.
- Reporting highlighted country-level arrangements for operational coordination, but progress towards a global predictable operational coordination mechanism was limited.

Workstream 4: reduce duplication and management costs with periodic function review

Commitment 4.1: Reduce the costs and measure the gained efficiencies of delivery assistance with technology, including green innovation.

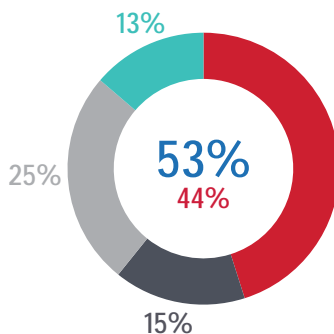
All signatories – Individual action – No target or deadline



- Reporting remained static at 52% of signatories, though there was a small increase in the number rated as making ‘some’ or ‘good’ progress in 2018 (40%, compared to 33% in 2017).
- Reporting focused on the use of technology to reduce operating costs and increase efficiencies; reporting on the use of green technology specifically was extremely limited.

Commitment 4.2: Harmonise partnership agreements and share partner assessment information as well as data about affected people, after data protection safeguards have been met, by the end of 2017, in order to save time and avoid duplication in operations.

All signatories – Individual action – Deadline: end 2017

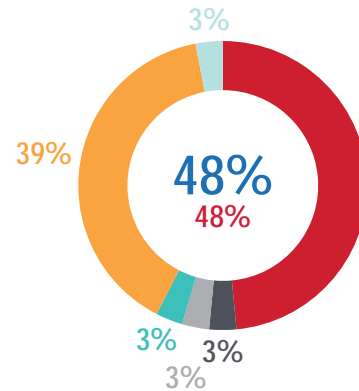


- Reporting increased from 48% to 54% of signatories in 2018.

- Activities reported mainly related to sharing partner assessment information, with limited reporting on sharing of beneficiary data.

Commitment 4.3: Provide transparent and comparable cost structures by the end of 2017.

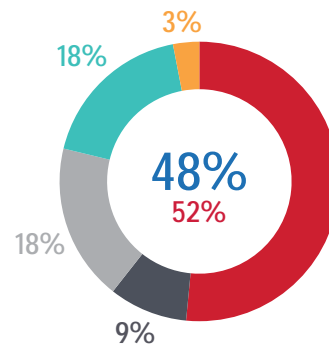
Aid organisations – Joint action – No target or deadline



- Reporting remained static compared to 2017 in terms of the number of signatories reporting – primarily UN signatories. Several INGOs reported on small-scale collaborative initiatives to provide more comparable costs.

Commitment 4.4: Reduce duplication of management and other costs through maximising efficiencies in procurement and logistics for commonly required goods and services.

Aid organisations – Joint action – No target or deadline



- The number of signatories reporting decreased to 48%, compared to 56%.
- Most activities related to small-scale savings, but 3% of reporting signatories were rated as ‘excellent’.

Workstream 5: improve joint and impartial needs assessments

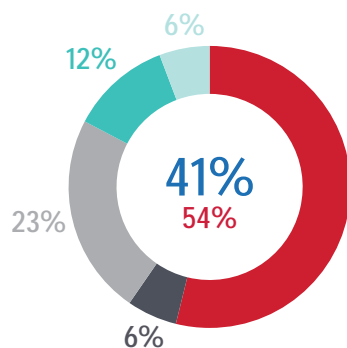
Commitment 5.2: Coordinate and streamline data collection to ensure compatibility, quality and comparability and minimise intrusion into the lives of affected people. Conduct the overall assessment in a transparent and collaborative process led by the Humanitarian/Resident Coordinator, with the full involvement of the Humanitarian Country Team and the clusters/sectors and, in the case of sudden-onset disasters, where possible by the government.

All signatories – Joint action – No target or deadline

- The principal output reported against this commitment was the development of a ‘coordinated needs assessment ethos’ document by the workstream.

Commitment 5.3a: Signatories share needs assessment data in a timely manner, with appropriate mitigation of protection and privacy risks.

All signatories – Individual action – No target or deadline



- Signatory reporting increased slightly, to 40% from 37% in 2017.
- Some signatories indicated that sharing needs assessment data remained a challenge in some cases, but the agreement on an ethos for conducting needs assessment is expected to help address the lack of confidence which many felt was the barrier to greater data sharing.

Commitment 5.3b: Signatories jointly decide on assumptions and analytical methods for making projections and estimates.

All signatories – Joint action – No target or deadline

- Reporting against this action was very limited. It was therefore not possible to identify any particular trends or outputs.

Commitment 5.4: Dedicate resources and involve independent specialists within the clusters to strengthen data collection and analysis in a fully transparent, collaborative process, which includes a brief summary of the methodological and analytical limitations of the assessment.

All signatories – Joint action – No target or deadline

- Signatory reporting against this commitment evidenced a range of primarily institutional investments in improving needs assessment methodologies, but overall there was limited long-term investment in strengthening institutional and system-wide capacities for assessment and analysis.

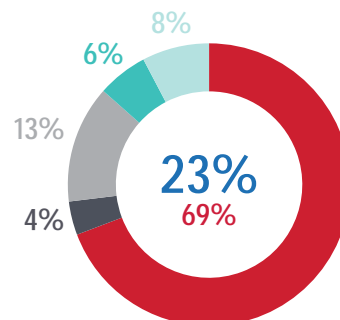
Commitment 5.5: Prioritise humanitarian response across sectors based on evidence established by analysis. As part of the IASC Humanitarian Response Plan process on the ground, it is the responsibility of the Humanitarian Coordinator/Resident Coordinator to ensure the development of prioritised, evidence-based response plans.

All signatories – Joint action – No target or deadline

- No specific actions were reported against this commitment, though there were reported investments in the quality of data collection and analysis methodologies and frameworks.

Commitment 5.6: Commission independent reviews and evaluations of the quality of needs assessment findings and their use in prioritisation to strengthen the confidence of all stakeholders in needs assessments.

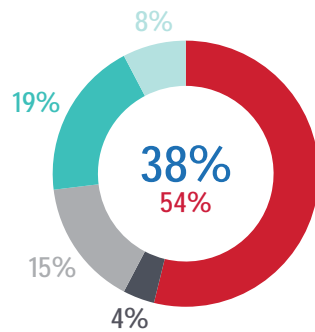
All signatories – Individual action – No target or deadline



- The number of signatories reporting increased from 4% to 23%.
- The principal output against this indicator is the development of a quality criteria for needs assessments by the workstream.

Commitment 5.7: Conduct risk and vulnerability analysis with development partners and local authorities, in line with humanitarian principles, to ensure the alignment of humanitarian and development programming.

All signatories – Joint action – No target or deadline



- An increased number of signatories reported against this commitment – 38% compared with 28% in 2017.
- Reporting focused on institutional efforts to conduct combined humanitarian and development analysis, as well as shared analysis among UNCT and HCT members.

Workstream 6: a participation revolution

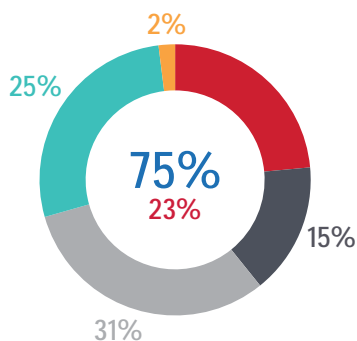
Commitment 6.2: Develop common standards and a coordinated approach to community engagement and participation, with the emphasis on inclusion of the most vulnerable, supported by a common platform for sharing and analysing data to strengthen decision-making, transparency and accountability and limit duplication.

All signatories – Joint action – No target or deadline

- The workstream developed a set of indicators to measure performance against the recommendations and good practice standards identified in 2017.
- Reporting also included efforts via the CDAC Network to share lessons learned on approaches to participation, and 19 country-level, inter-agency plans were developed to scale up engagement with affected populations.

Commitment 6.3: Strengthen local dialogue and harness technologies to support more agile, transparent but appropriately secure feedback.

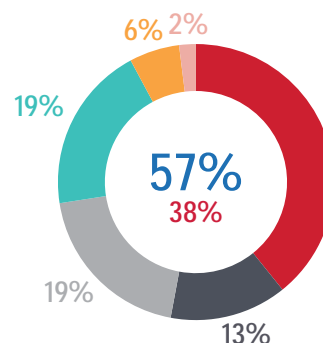
All signatories – Individual action – No target or deadline



- 73% of signatories reported against this commitment, compared to 52% in 2017.
- Signatories reported use of mobile and other technology to solicit feedback and respond to beneficiaries.

Commitment 6.4: Build systematic links between feedback and corrective action to adjust programming.

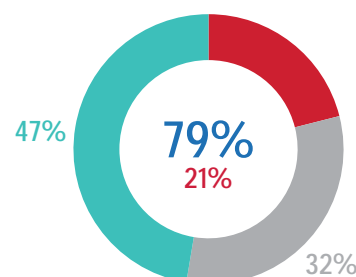
All signatories – Individual action – No target or deadline



- An increased number of signatories reported in 2018 (58% compared to 41% in 2017), with 6% rated as 'excellent'.
- Overall, however, there remained a dearth of evidence on how signatories had systematically used feedback in the design, implementation and review of programmes and projects.

Commitment 6.5: Fund flexibly to facilitate programme adaptation in response to community feedback.

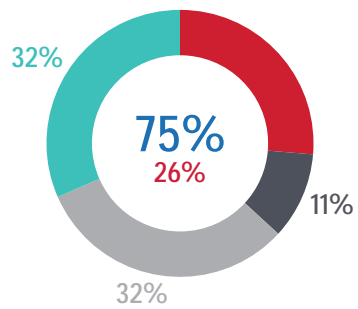
Donors – Individual action – No target or deadline



- 79% of donors reported against this commitment, compared to 53% in 2017, with 47% rated as 'good'.
- In general, donors reported that there is sufficient flexibility in agreements, whether core funding or programme/project funding, to enable adaptations in response to beneficiary feedback.

Commitment 6.6: Invest time and resources to fund these activities.

Donors – Individual action – No target or deadline



- 74% of donors reported against this commitment, an increase from 47% in 2017.

Workstream 7 and 8: enhance quality funding

Commitment 7.1.b: Signatories document the impacts of multi-year, collaborative and flexible planning and multi-year funding instruments on programme efficiency and effectiveness.

All signatories – Joint action – No target or deadline

- There was limited reporting against this commitment by signatories individually, and no collective effort to present a more substantial evidence base for more predictable and flexible funding.

Commitment 7.2: Support in at least five countries by the end of 2017 multi-year collaborative planning and response plans through multi-year funding, and monitor and evaluate the outcomes of these responses.

All signatories – Joint action – No target or deadline

- A reported 12 HCTs were already working on or developing new multi-year plans in 2018.
- But there was no reported coordination or monitoring and evaluation of multi-year funding against these plans.

Commitment 7.3: Strengthen existing coordination efforts to share analysis of needs and risks between humanitarian and development sectors and to better align humanitarian and development planning tools and interventions, while respecting the principles of both.

Aid organisations – Joint action – No target or deadline

- Reporting indicated that progress was made at headquarters and country levels, including through workstream 5, to identify good practice and facilitate sharing of learning on multi-stakeholder analysis.

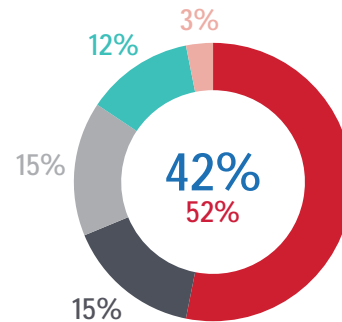
Commitment 8.1: Jointly determine, on an annual basis, the most effective and efficient way of reporting on unearmarked and softly earmarked funding and initiate this reporting by the end of 2017.

All signatories – Joint action – No target or deadline

- No action was reported against this commitment.

Commitment 8.3: Be transparent and regularly share information with donors outlining the criteria for how core and unearmarked funding is allocated (for example urgent needs, emergency preparedness, forgotten contexts, improvement management).

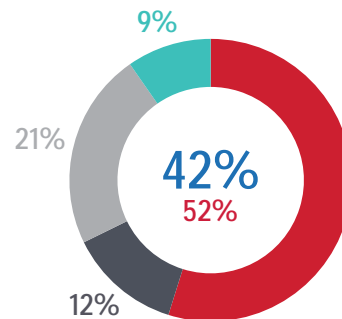
Aid organisations – Individual action – No target or deadline



- There was only a slight increase in the number of aid organisations reporting against this commitment, with 30% reporting actions and/or results rated as ‘good’ or ‘some’ progress.
- In general, activities reported were piecemeal and few appeared to reflect a new or enhanced approach to reporting.

Commitment 8.4: Increase the visibility of unearmarked and softly earmarked funding, thereby recognising the contribution made by donors.

Aid organisations – Individual action – No target or deadline

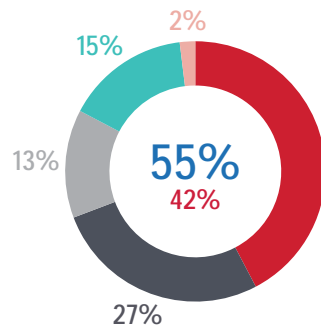


- The number of signatories reporting against this commitment increased from 30% to 42%, but overall progress was limited, with most aid organisations merely referring to the inclusion of such information in their annual report.

Workstream 9: harmonise and simplify reporting requirements

Commitment 9.2: Invest in technology and reporting systems to enable better access to information.

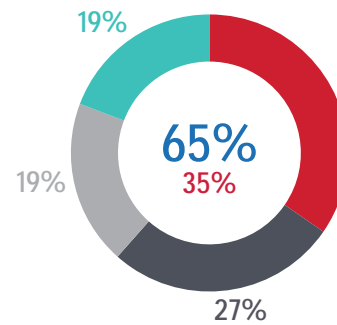
All signatories – Individual action – No target or deadline



- The number of signatories reporting against this commitment increased from 30% in 2017 to 56% in 2018.
- Reporting focused on internal data management systems and annual report formats for reporting on programmes and/or expenditure, with some increased emphasis on reporting of results.

Commitment 9.3: Enhance the quality of reporting to better capture results, enable learning and increase the efficiency of reporting.

All signatories – Individual action – No target or deadline

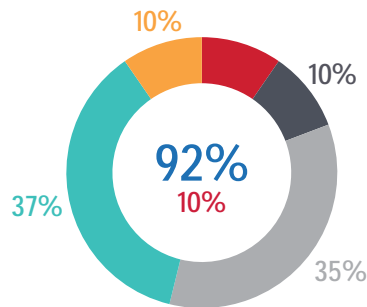


- 65% of signatories reported against this commitment, compared to 50% in 2017.
- But activities reported were limited, with an ongoing lack of clarity on what ‘better-quality’ reporting would look like.

Workstream 10: enhance engagement between humanitarian and development actors

Commitment 10.1: Use existing resources and capabilities better to shrink humanitarian needs over the long term, with a view to contributing to the Sustainable Development Goals. Significantly increase prevention, mitigation and preparedness for early action to anticipate and secure resources for recovery.

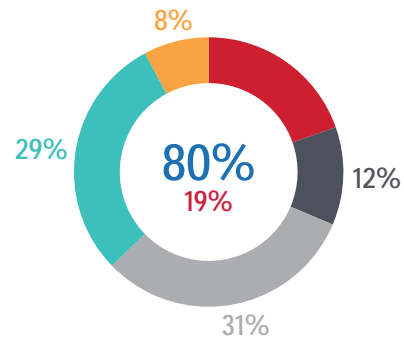
All signatories – Individual action – No target or deadline



- 88% of signatories reported action against this commitment, compared to 83% in 2017.
- Activities reported varied significantly, but key themes included integrating the nexus approach into corporate strategies and structures, greater investment in emergency preparedness capacities at country level and livelihood strategies and approaches.

Commitment 10.2: Invest in durable solutions for refugees and internally displaced people and sustainable support to migrants, returnees and host/receiving communities, as well as for other situations of recurring vulnerabilities.

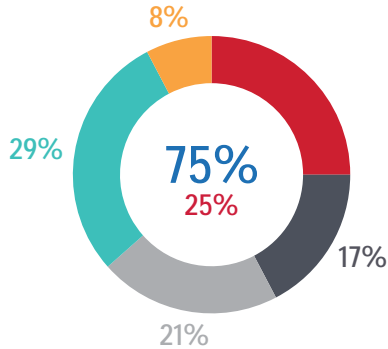
All signatories – Individual action – No target or deadline



- The number of signatories reporting increased slightly on 2017, 79% compared to 78%.
- Activities varied from engagement in the development of the Global Compact on Refugees to country-specific programming.

Commitment 10.3: Increase social protection programmes and strengthen national and local systems and coping mechanisms in order to build resilience in fragile contexts.

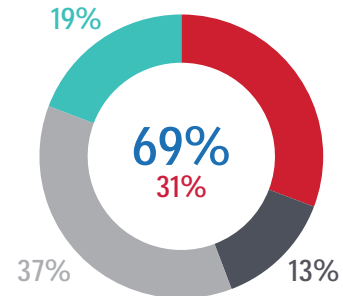
All signatories – Individual action – No target or deadline



- The number of signatories reporting against this commitment increased considerably, from 46% to 75% in 2018.
- Reporting indicated both increased efforts to integrate humanitarian cash programming in national social protection systems/safety nets and investments in national and local civil society and governmental systems.

Commitment 10.5: Galvanise new partnerships that bring additional capabilities and resources to bear in crisis-affected states through multilateral development banks and foster innovative partnerships with the private sector.

All signatories – Individual action – No target or deadline



- The number of signatories reporting against this commitment increased to 69% (from 50% in 2017).
- Overall, activities were limited, with most reporting related to engagement with the World Bank. Reporting on engagement with the private sector remained sparse.

Annex 2 Signatory self-reports received and signatories interviewed

Signatory	Self-report submitted (by 31 March 2019)	Interview conducted
Donors		
1 Australia	X	X
2 Belgium	X	X
3 Bulgaria		
4 Canada	X	X
5 Czech Republic		
6 Denmark	X	X
7 European Civil Protection and Humanitarian Aid Operations (ECHO)	X	X
8 Estonia		
9 Finland		
10 France	X	X
11 Germany	X	X
12 Ireland	X	X
13 Italy*	X	X
14 Japan	X	X
15 Luxembourg		
16 Netherlands	X	X
17 New Zealand	X	X
18 Norway	X	X
19 Organisation for Economic Co-operation and Development (OECD)	X	X
20 Slovenia		
21 Spain	X	X
22 Sweden	X	X
23 Switzerland	X	X
24 UK	X	X
25 US	X	X
TOTAL	19	19

	Signatory	Self-report submitted (by 31 March 2019)	Interview conducted
UN entities			
1	Food and Agriculture Organization (FAO)	X	X
2	International Labour Organization (ILO)	X	X
3	International Organization for Migration (IOM)	X	X
4	Office for the Coordination of Humanitarian Affairs (OCHA)	X	X
5	United Nations Development Programme (UNDP)	X	X
6	United Nations Population Fund (UNFPA)	X	
7	United Nations High Commissioner for Refugees (UNHCR)	X	X
8	United Nations Children's Emergency Fund (UNICEF)	X	X
9	United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	X	X
10	United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	X	X
11	World Bank	X	X
12	World Food Programme (WFP)	X	X
13	World Health Organization (WHO)	X	
	TOTAL	13	11
Non-governmental organisations			
1	ActionAid	X	X
2	Care International	X	X
3	Christian Aid	X	X
4	Catholic Agency for Overseas Development (CAFOD)	X	X
5	Catholic Relief Services (CRS)	X	X
6	Global Communities		
7	InterAction	X	X
8	International Council of Voluntary Agencies (ICVA)	X	X
9	International Rescue Committee (IRC)	X	X
10	MercyCorps	X	X
11	Network for Empowered Aid Response (NEAR)	X	X
12	Norwegian Refugee Council (NRC)	X	X
13	Oxfam International	X	X
14	Relief International	X	
15	Steering Committee for Humanitarian Response (SCHR)	X	X
16	Save the Children	X	X
17	Syria Relief	X	X

Signatory	Self-report submitted (by 31 March 2019)	Interview conducted
18 World Vision International	X	X
19 ZOA International	X	X
TOTAL	18	17
Red Cross and Red Crescent Movement		
1 International Committee of the Red Cross (ICRC)	X	X
2 International Federation of Red Cross and Red Crescent Societies – Secretariat (IFRC)	X	X
TOTAL	2	2
OVERALL TOTAL	52	49

N.B. Médecins du Monde submitted its report by the deadline but was not a signatory in 2018, and its report was therefore not counted in the analysis for this report.

*Italy provided written feedback to interview questions.

Annex 3 Co-conveners' reports received and co-conveners interviewed

	WORKSTREAM	Co-convener report submitted (by 31 March 2019)	Co-convener(s) interviewed
1	Greater transparency	X	X
2	More support and funding for local and national responders	X	X
3	Increase the use and coordination of cash		X
4	Reduce duplication and management costs with periodic functional review	X	X
5	Improve joint and impartial needs assessments	X	X
6	A participation revolution		X
7+8	Enhanced quality funding through reduced earmarking and multi-year planning and funding	X	X
9	Harmonise and simplify reporting requirements	X	X
10	Enhance engagement between humanitarian and development actors	N/A	X
	TOTAL	6	9

Annex 4 List of documentation reviewed

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- Food Security Information Network (2019) *Global report on food crises*. Rome: WFP
- Gaus, A. (2018) *Harmonizing reporting pilot. Mid-term review*. Berlin: GPPI
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- Grundin, S. and Saadeh, L. (2018) *Learning from resilience responses in the occupied Palestinian territories*. Copenhagen: Local to Global Protection
- IASC – Inter-Agency Standing Committee (2018a) *Conclusions of the Grand Bargain rationalization process*. New York: IASC
- IASC (2018b) *Grand Bargain workstream on reducing earmarking: issues for discussion*. New York: IASC
- IASC (2018c) *Localization workstream workplan 2017–2019 (version of 18 January 2018)*. New York: IASC
- IASC (2018d) *2nd Grand Bargain cash workstream workshop: co-conveners’ report. Rome, 4–5 June*. New York: IASC
- IASC (2018e) *Success indicators against good practices related to the participation of people affected by crisis in humanitarian decisions*. New York: IASC
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Annex 5 Terms of reference

Third Annual Independent Report on the Grand Bargain 2019

JUSTIFICATION

Problem Statement

In May 2016, 18 donor countries and 16 aid organisations signed a ‘Grand Bargain’ outlining 51 mutual commitments across ten thematic workstreams – all aimed at improving the efficiency and effectiveness of humanitarian aid. To hold themselves accountable and to ensure transparency of their efforts, the Grand Bargain signatories agreed to an annual reporting process. This process included self-reporting of actions taken against commitments and an overarching annual review of those self-reports - conducted by an independent body – to determine what *collective* progress had been made. The first two annual independent reports highlighted some areas of progress but also provided a critical analysis of where progress had been stalled, indicating what actions were necessary to address this.

Three years into this process, there is now growing international expectation on the Grand Bargain signatories to concretely demonstrate the results of their efforts and investments thus far. The third independent report will thus need to be more accurate and more comprehensive in its assessment, providing a more substantial narrative on the collective progress made to date. Additionally, there are some important lessons to be learned from the previous two years on how to best capture the achievements to date as well as in more accurately quantifying and addressing the remaining challenges.

Justification for Intervention and Needs Assessment Summary

The Humanitarian Policy Group (HPG) at the Overseas Development Institute (ODI) was commissioned by the UK Department for International Development (DFID) on behalf of the Facilitation Group to produce the second annual independent review of progress made against the commitments.

ODI found that important progress had been made against specific commitments and by a number of workstreams, particularly cash programming, participation revolution, and multi-year planning and financing. There had also been some progress towards integrating gender as a cross-cutting issue and there remained genuine consensus among signatories that the Grand Bargain is acting as a catalyst for institutional and system-wide change.

However, progress against individual commitments and across and within the workstreams remained uneven throughout 2017, due in part to underlying practical and political challenges. These challenges included a lack of clarity on the collective end goal; the sheer breadth and scope of the 51 commitments; differing views on how the Grand Bargain should relate to country-level operations; and a lack of visible leadership and engagement at the political level.

The second annual report recommended that the Grand Bargain needed to become more nimble, more focused, more pragmatic and more responsive to the wider aid environment in which it is operating. And it set out six recommendations aimed at helping signatories stay on track to achieve their commitments. Presented at the annual meeting of signatories in June 2018, ODI/HPG’s report has subsequently been utilised as a framework to support more strategic efforts to achieve the long-term goals of the Grand Bargain. Follow-up work commissioned by the Facilitation Group has included development of an informal proposal on a set of core commitments (as requested by the Eminent Person and Principals at the annual meeting in June). It also included facilitating a workshop of Facilitation Group members and work stream co-conveners to finalise the proposal, discussing how to implement these core commitments, how to best capture progress made against them and how to address some of the outstanding political challenges to the Grand Bargain’s overarching goals.

For these reasons, ODI/HPG thus considers itself in prime position to undertake the third annual independent report on progress against the Grand Bargain’s commitments and hereby sets forth its proposal in this regard.

PROGRAM DESCRIPTION

Program Overview

Goals

Building on the first two annual reports

Drawing on the process for the 2018 annual report, as well as ODI/HPG's extensive institutional track record in research and policy engagement, ODI/HPG's goal is to produce a robust analysis that communicates clearly to signatories and other stakeholders where progress has been made across the Grand Bargain framework between January and December 2018, what challenges remain and how these can be mitigated. Noting the success of last year's report, ODI/HPG will utilise the same core team and a similar methodology and approach to deliver a high quality, critical assessment, together with practical and pragmatic recommendations for maximising opportunities for further progress and addressing outstanding challenges.

As determined by the signatories themselves, the primary evidence base for the third annual report will be self-reporting by signatories. To further ensure consistency with the previous two annual reports and enable – to the degree possible – a comparative analysis over time, ODI/HPG will utilise the same approach and methodology as in previous years. This includes use of the original coding system from the first annual report (developed by GPPI) that calculates what actions have been taken by each signatory against the commitments. It will also include – as per ODI/HPG's approach last year – the application of a scorecard to assess whether these actions were relevant and effective in achieving the commitments. This assessment will be based on available data from both the self-reports submitted and from statistical and other data ODI is able to collate from external sources through a desk review (see methodology below). It could also include key indicators of progress made by individual signatories such as whether signatories have integrated the core commitments/ the wider Grand Bargain framework into their institutional strategies and how they are resourcing the adjustments to programming and approach that implementing the Grand Bargain requires. ODI would, as per last year, also seek to identify what factors are driving or hindering progress at work stream level. This analysis would be based on the five indicators of work stream performance that were used in the first two annual reports, with an additional subjective weighting applied to indicators that are more relevant to each individual work stream (see below).

As per the approach last year, ODI/HPG will supplement data provided by signatories in their self-reports with information collated from external sources through 1) available literature/analysis; and 2) available statistical data (see below methodology for examples). The OECD/GTS surveys of field perspectives on humanitarian aid are one of the multiple external sources of data that ODI can draw upon. OECD/GTS are conducting the same surveys in the same six countries in 2018 and thus could prove useful in tracking any changes in perceptions of how humanitarian aid is being designed and delivered by signatories.³⁰

ODI/HPG will again seek qualitative research interviews with all signatories in order to interrogate the information provided in self-reports. Last year these interviews proved essential in enabling the research team to verify information provided, obtain additional details relating to actions reported and to understand more clearly the challenges each signatory faces in implementing the Grand Bargain commitments – institutionally and collectively. Similarly, the research team would also aim to conduct qualitative interviews with the work stream co-conveners, with the Facilitation Group and with other key individual and institutional stakeholders. This second set of interviews are essential to cross-reference information provided, to understand the challenges faced by signatories and to help the research team formulate appropriate solutions.

Looking beyond the substantive progress against individual commitments and across work streams, the research team will also reflect upon lessons learned thus far in implementing the Grand Bargain, including relating to leadership and decision-making; coherence and synergies across work streams; incentivising change and overcoming barriers; accountability, learning and demonstrating contributions to improved efficiency and effectiveness.

Many signatories reported to ODI/HPG last year that they had difficulties interpreting some commitments and specifically in understanding what actions were required of them to implement the Grand Bargain framework. With this in mind, ODI/HPG will once

30 The OECD/GTS methodology and approach varied slightly according to context but involved face to face interviews and an online survey in local languages where appropriate, and with sample sizes accounting for areas most affected by a crisis, a gender balance and reflecting different groups within each country. For more information, see OECD/GTS (2018). Briefing note: The Grand Bargain: perspectives from the field. June. <http://groundtruthsolutions.org/wp-content/uploads/2018/06/GTS-Grand-Bargain-briefing-note-June-2018.pdf>.

again aim to document and communicate through the report examples of good or illustrative practice by individual signatories, groups of signatories or by workstreams. This in turn can be used to encourage and increase opportunities for sharing learning amongst signatories.

The Grand Bargain and the wider international humanitarian system

In the second annual report, ODI/HPG highlighted concerns that the Grand Bargain needed to situate itself in the wider aid context, clarifying why it remains relevant. Building upon this theme, ODI/HPG will seek to examine how the Grand Bargain relates to pre-existing humanitarian mechanisms such as the IASC, GHD and OECD-DAC. As per last year, it would also be important to explore the extent to which shifts in multilateral policy on aid (e.g. UN reform processes, roll-out of the New Ways of Working, SDG-driven financing policy shifts) are directly impacting the Grand Bargain framework, including in relation to bridging the humanitarian-development divide, increasing unearmarked and multi-year funding, reducing management costs, enhancing multi-year planning, and improving coordinated assessments. The research team will thus aim to explore the links between existing and more recent policy initiatives/forums and the Grand Bargain, providing recommendations for enhancing the Grand Bargain's relevance and impact.

Critical Assumptions

ODI/HPG makes a number of critical assumptions in this proposal, including with regard to supporting the recent efforts of signatories to identify collective priorities among the 51 commitments; reinforcing recent efforts to streamline coordination structures of the Grand Bargain; supporting integration of cross-cutting issues including gender and the humanitarian-development nexus; and supporting adjustments to the annual reporting process aimed at increasing the accuracy and relevance of the third annual report.

Supporting collective priorities

In last year's report, ODI/HPG recommended that the signatories rationalise, prioritise and target their collective efforts toward a small number of commitments that can be reasonably achieved within a defined timeframe and which could potentially bring the greatest efficiency and effectiveness gains. The Eminent Person and signatories endorsed this proposal in principle during the annual meeting in June 2018. Subsequently, ODI/HPG was tasked to assist in

determining which of the original 51 commitments should be considered collective priorities. With ODI/HPG support, in September 2018, signatories agreed on a set of collective priorities – the 'core commitments'. ODI/HPG reiterated that signatories should continue to implement the full scope of the Grand Bargain but focus collective efforts in order to be more effective.

ODI/HPG's assumption therefore is that the third annual report will present analysis of progress against all of the original 51 commitments but that it will also provide more in-depth critical analysis of the handful of commitments that are now agreed-upon collective priorities.

Reinforcing streamlined governance structures

As part of an overall approach to streamlining and consolidating efforts, the co-conveners and Facilitation Group members agreed in September 2018 to merge work streams 7 and 8. The group also set out formal plans developed by co-conveners of work streams 1, 4 and 9, for enhanced co-working and collaboration among them. And there was a general re-statement of commitment to increase collaboration across all workstreams. The research team will base their analysis on the assumption that these actions have been agreed and will assess the impact upon progress made within and across remaining work streams.

Supporting integration of cross-cutting issues

Workstream 10 was formally closed by the co-conveners earlier in 2018, with an assumption that each remaining workstream would take action to ensure the 'nexus' is integrated appropriately in their programme of work. On this assumption, ODI/HPG will assess progress made against this group of the original commitments, reflecting in particular on the extent to which the nexus has been integrated in the activities of different workstreams and with what outcomes.

Gender was not identified as a specific area of commitment within the Grand Bargain framework in 2016. However, since that time the Group of Friends of Gender have exerted pressure on their peers within the Grand Bargain to ensure they take gender considerations into account when implementing the commitments. In the second annual report, ODI/HPG undertook a basic analysis of signatories' efforts in this regard, concluding that greater attention and effort was required from all signatories to fully integrate gender in the framework of the Grand Bargain. ODI/HPG assumes that a revised self-report template for 2018 (with accompanying guidance and

support for signatories from the Facilitation Group, Friends of Gender and co-conveners) will facilitate the collation of more detailed information on these efforts, providing ODI/HPG with more consistent, better quality data to analyse.

Supporting preparations for the annual reporting process

In the first two annual reporting processes, the signatories reported on actions taken within workstreams, not by individual commitment. ODI/HPG understands that for the third annual report, the signatories will be asked to report per commitment, as well as per work stream. This positive development will enable the research team to gain a more accurate understanding of actions taken, how they relate to specific commitments, as well as to work streams, and thus what they amount to in terms of collective progress towards the Grand Bargain's goals.

As recommended by ODI/HPG in the last annual report, a handful of simple and reasonable macro-indicators or markers are needed to enable the signatories to tell a narrative of what progress has been made overall by the Grand Bargain over time. These indicators are not specific to each workstream but rather should aim to capture what progress has been made towards the Grand Bargain's overarching goals of greater efficiency and effectiveness in humanitarian aid. These indicators may include, for example, consideration of any increases in the relative volume of flexible, multi-year funding available; any increases in investments in local organisations/ whether local organisations feel more valued as equal partners; any mitigation or decrease in the current donor reporting burden on recipient organisations; and the extent to which strategic and operational collaboration between humanitarian and development organisations has improved/become more frequent. Whilst the signatories themselves are best placed to develop these macro-indicators, ODI/HPG can assist by making informal proposals, based on the set of core commitments already agreed to and on discussions held to date. Negotiations on these informal proposals would then need to be undertaken by the Facilitation Group, supported by the Secretariat, with co-conveners and signatories. As this would be the first year that these macro-indicators are used, ODI/HPG will make only a preliminary or baseline assessment of progress against them based on available data. The subsequent annual reports will be able to capture progress at that level in more detail.

In last year's report, ODI/HPG also indicated that the self-reporting process was inefficient/cumbersome

for signatories, with information presented highly inconsistent in detail and quality. ODI/HPG therefore proposes to assist the Facilitation Group and co-conveners in revising the self-report template with a view to ensuring it is more user-friendly, is better able to capture the kind of information required for the independent report's analysis and that it adequately reflects recent agreements on core commitments and macro-indicators. ODI/HPG can develop a proposal for a revised template, aiming to present a simpler format that is less cumbersome to complete, and which can elicit more useable information and data for analysis. The revised format should enable collation of information on progress made and on what challenges are preventing further/speedier progress at institutional level. The Facilitation Group would, with support from the Secretariat, undertake negotiations with co-conveners and signatories on the proposed revised template developed by ODI/HPG and finalise the draft revised template accordingly. As part of this simplified approach to self-reporting, ODI/HPG also proposes that targeted outreach to signatories be undertaken by the Facilitation Group, with the support of the Secretariat, to explain how to use the revised template, once it has been finalised. This outreach should be led by the Facilitation Group, with the support of the Secretariat, and could take the form of a webinar, a more detailed guidance note and/or a FAQs document. ODI/HPG would be able to support the FG's leadership in developing these tools by participating in a webinar and helping draft a guidance note or Q and A document on the revised template.

Program Strategy

Consultation with Facilitation Group

ODI/HPG would request a group consultation with the members of the Facilitation Group (via skype/ teleconference) at the beginning of the project. Such a consultation would provide an opportunity to clarify ODI/HPG's proposed scope and methodology as set out below and address any outstanding questions from the Facilitation Group or from ODI/HPG. The outcomes of this consultation would be summarised in a written note that would help guide ODI/HPG in its implementation of the project.

Research questions

To enable some degree of comparability with the first two annual reports, ODI/HPG will adopt the same methodology, including the same scope and activities. This methodology will be based on the same baseline research questions as last year but with some

adaptations to reflect recent agreements and changes. Research questions will include the following:

- To what degree have Grand Bargain signatories made collective progress overall and specifically in relation to the newly adopted core commitments?
- Which work streams have made the most substantial progress? What factors contributed to their progress and what factors hindered it?
- To what extent is the quid pro quo functioning? To what extent is progress enabled/impered in one signatory group by progress/no progress in another signatory block?
- How and to what extent has the humanitarian-development nexus been integrated at workstream level? What are the outcomes to date?
- How and to what extent has a gender perspective been embedded in efforts to institutionalise the commitments? What are the outcomes to date in terms of ensuring a more gender-responsive approach to humanitarian aid by signatories?
- To what degree have the commitments improved or are likely (based on progress to date) to improve the efficiency and effectiveness of humanitarian assistance (referencing available baseline information from the first annual report)?
- What are best practices for implementing the core commitments? What synergies are there between core commitments and to what extent have these been exploited by signatories (individually/collectively)?
- What are the main challenges or barriers to greater or speedier progress and how can they be overcome?
- To what extent is change by individual signatories or work streams resulting in change right across the international humanitarian system?

Research methods

ODI/HPG will utilise several research methods in collating and analysing available data, including a review of available data and information and semi-structured research interviews with signatories and other stakeholders.

1. Desk review and analysis of available qualitative and quantitative data, including:
 - self-reports of signatories and any supporting background material;
 - meeting minutes, periodic reports and updates, and monitoring data from each work stream;
 - studies commissioned in support of or closely linked to work streams;
 - Humanitarian Response Plans for countries identified by workstreams as pilot countries for

specific initiatives/engagement (e.g. Somalia, Myanmar);

- relevant quantitative data, including on humanitarian financing trends as collated by workstreams (e.g. workstreams 2, 7 and 8) or available from external sources (e.g. FTS, IATI, OECD-DAC, DI, and recently published reports such as Oxfam's Money Talks (Bangladesh and Uganda) and ODI research with NEAR in South Sudan and Somalia);
 - independent research/reports related to issues relevant to the Grand Bargain;
 - latest data/analysis available from OECD/GTS perceptions surveys.
2. Semi-structured qualitative interviews and/or focus group discussions with:
 - Eminent Person, the Facilitation Group (group and/or bilaterals), Co-conveners (bilateral), Group of Friends of Gender (group and/or bilaterals) and Sherpas (group and/or bilaterals);
 - All signatories that submit self-reports by the agreed deadline; and
 - Non-signatory stakeholders at headquarters and country level, including:
 - national NGOs (through international and national consortia
 - the wider UN system
 - key senior individual stakeholders.
 - independent experts on thematic issues

Analytical framework

Assessing individual progress and collective progress

As noted earlier, the research team will use the same analytical framework as last year. This includes the original coding system to count actions reported through the self-report. This coding system enables ODI/HPG to develop an overview of all actions reported by signatories – across all groups and across all commitments. Building on last year's additional analysis, ODI/HPG will then apply an adapted scorecard to subjectively assess the relevance and effectiveness of those individual actions, enabling a rating (0-4, where 0 is no progress and 4 is excellent progress) of the quality of actions reported. As per last year's process, this analysis will be based on the self-reports submitted, on any additional documentation or data collated through a literature review and on the interviews ODI/HPG will conduct with all signatories that submit self-reports. In this way, ODI/HPG will conduct a brief analysis of the overall progress of each signatory against its respective commitments and

will then collate that analysis to provide an overview of progress made by the collective of signatories. Balancing the analysis of each signatories' progress and the collective progress made by signatories will need to be determined in consultation with the Facilitation Group at the beginning of the project.

Assessing workstream level progress

ODI/HPG will utilise a similar scorecard for rating progress made per work stream in relation to the five (previously agreed) indicators, using a similar 0-4 rating. These indicators are donor activity, aid organisation activity, activity on joint commitments, links to other workstreams and links to other/external processes. ODI/HPG's assessment against these indicators will take into account the original benchmarks agreed for the first annual report, together with consideration of additional information such as whether workstreams have an agreed strategy for action and what challenges or obstacles external to the workstream are stalling its progress against any of the five indicators (e.g. lack of response from other workstreams to outreach/requests for collaboration, or lack of opportunities to forge links with other external processes).

Assessing progress against the core commitments and remaining commitments

ODI/HPG will apply the same analytical framework to all commitments, including the core commitments, against which signatories report. However, in its final report, ODI/HPG will focus its presentation on the analysis and related conclusions and recommendations pertaining to progress against the core commitments. The final arrangements for presenting analysis of the remaining commitments will be finalised following consultation with the Facilitation Group (and co-conveners). Noting the importance of the whole Grand Bargain framework, this is likely to include brief narrative text and graphic visualisation on each individual commitment, akin to the style used in Section two of last years report.

Outputs

The principal output will be the final report on the Grand Bargain 2019 (due July 2019). However, noting the request from the Facilitation Group for some preliminary findings in advance of the scheduled UN ECOSOC session at the end of May 2019, ODI will also produce a short summary document outlining some preliminary findings and recommendations. This document will be an **estimated**. 2-3 pages, consisting

of bullet points and some graphics. Based on the timeline, this document will be submitted in the second/third week of May. Additional outputs through the project will be as follows:

- Proposal for a revised self-report template;
- Proposal for a set of macro-indicators (related to the overarching goals of the Grand Bargain, not per workstream/commitment);
- Participation in a webinar for signatories on the revised self-report template; and
- Preparation of a draft Q and A document or guidance note on use of the revised self-report template.

Timeline

The deadline for publication of the final report is proposed as July 2019. A summary of preliminary findings will be prepared to inform the deliberations at the ECOSOC session in mid-May.

Sector-Level Coordination

As mentioned above, the primary evidence base for the third annual report will be self-reporting by signatories. This approach, by its very nature, will require co-ordination with colleagues across the humanitarian sector. The use of the scorecard furthers the coordination with the sector by seeking to assess whether actions were relevant and affected in achieving their stated aims.

Technical Description

As determined by the signatories themselves, the primary evidence base for the third annual report will be self-reporting by signatories. To further ensure consistency with the previous two annual reports and enable – to the degree possible – a comparative analysis over time, ODI/HPG will utilise the same approach and methodology as in previous years. This includes use of the original coding system from the first annual report (developed by GPPI) that calculates what actions have been taken by signatories in respect of each work stream. It will also include – as per ODI/HPG's approach last year – the application of a scorecard to assess whether these actions were relevant and effective in achieving stated aims. ODI would, as per last year, also seek to identify what factors are driving or hindering progress at work stream level. This analysis will be based on the five indicators of work stream performance that were used in the first two annual reports, with an additional subjective weighting applied to indicators that are more relevant to each individual work stream.

As per the approach last year, ODI/HPG will supplement data provided by signatories in their self-reports with information collated from 1). available literature; and 2). available statistical data. This would include data obtained by the Organisation for Economic Co-operation and Development/Ground Truth Solutions (OECD/GTS) from their surveys of affected populations, local organisations and field staff of international aid organisations in six aid recipient countries. The survey data proved useful in last year's process in helping analyse gaps between actions reported by signatories and local perceptions of actual performance, including, for example, on the appropriateness of assistance and engagement with affected populations in design and delivery of assistance (e.g. related to work stream 6 – the participation revolution).

ODI/HPG will again seek qualitative research interviews with all signatories in order to interrogate the information provided in self-reports. These interviews proved essential in enabling the research team to verify information provided, obtain additional details relating to actions reported and to understand more clearly the challenges each signatory faces in implementing the Grand Bargain commitments – institutionally and collectively. Similarly, the research team would also aim to conduct qualitative interviews with the co-conveners of each work stream, with the Facilitation Group and with select external stakeholders. This second set of interviews are essential to cross-reference information provided, to understand the challenges faced by signatories and to help the research team formulate appropriate solutions.

HPG

Humanitarian Policy Group

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