Grand Bargain annual independent report 2020

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HPG
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ODI

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Acknowledgements

Foreword from the Grand Bargain Eminent Person

This year's annual independent Grand Bargain report is being published at a time when the Covid-19 pandemic is impacting us all. It is impelling us to rethink and adjust our ways of living and interacting, our habits and our work processes – while continuing to support the most vulnerable and those affected by this crisis, wherever they are.

The Grand Bargain is moving into an important year: the fifth since the agreement in 2016. Some of the changes that the Grand Bargain negotiators aimed to achieve in 2016 are truly transformational – and may be more significant today than ever before. I am referring in particular to changes to our humanitarian response system that will empower local organisations and include affected people in our response planning. Other key changes in the Grand Bargain include greater use of flexible, multi-year financing throughout the system, data-driven transparency, and collectively aligning some of our reporting and assessment requirements. The impact of Covid-19 is accelerating these transformations: not just because we committed to making them, but because they simply make sense in the current situation.

Our annual independent reports, like this one for 2019, are the cornerstone of our annual dialogue on progress. I would like to thank ODI for their hard work in putting this important report together, thus guiding our dialogue on successes and challenges. Overall, I believe that we as a community are on track towards achieving our Grand Bargain objectives. The report highlights the progress made in 2019, especially on increasing cash-transfer programming, localisation and needs assessment. More progress could have been made on cutting management costs, aligning and reducing the number of donor assessments, and harmonised reporting. While I see significant changes and progress in certain areas (including a sharper focus on localisation and stronger leadership on quality financing), I also see opportunities for immediate improvement on some of the report's specific findings (such as the uptake of the reporting template). Noting of course that in response to Covid-19, progress may have accelerated in some cases or stalled in others in the first months of 2020.

The report presents its findings frankly and makes bold recommendations. This is exactly what an independent report should do. I encourage everyone to take it seriously. Let's all use its findings as a basis for reflection. While taking pride at the report's positive findings, let's frankly address its critical ones. Ask yourself: what more can I as a signatory do in the next 12 months to move forward, especially in the midst of the current Covid-19 crisis? And let's discuss all this at our Annual Meeting. Not just for the sake of the Grand Bargain, but for the sake of people facing crises and disasters.

Sigrid A.M. Kaag, Grand Bargain Eminent Person
Minister for Foreign Trade and Development Cooperation of the Kingdom of the Netherlands

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Acronyms

AAP	accountability to affected populations
ACAPS	Assessment Capacities Project
AIR	annual independent report
ALTP	Accelerating Localisation Through Partnerships
AOR	area of responsibility
BIG	UN Business Innovations Group
BOS	BIG's Business Operations Strategy
CAA	Central Assurance Assessment
CAFOD	Catholic Agency for Overseas Development
CaLP	Cash Learning Partnership
CAR	Central African Republic
CBPF	Country-Based Pooled Fund
CCA	Common Country Analysis
CCD	Collaborative Cash Delivery
CERF	Central Emergency Response Fund
CHS	Core Humanitarian Standard
CRS	Catholic Relief Services
CVA	cash and voucher assistance
CWG	Cash Working Group
DEEP	Data Entry and Exploration Platform
DFID	UK Department for International Development

DI	Development Initiatives
DRC	Democratic Republic of Congo
DREF	Disaster Relief Emergency Fund
DRFIP	World Bank Disaster Risk Financing and Insurance Programme
DRR	disaster risk reduction
DTM	Displacement Tracking Matrix
ECHO	Directorate General for European Civil Protection and Humanitarian Aid Operations
EDRIS	European Disaster Response Information Management System
EP	Eminent Person
ERC	Emergency Relief Coordinator
ESSN	EU-funded Emergency Social Safety Net (Turkey)
EU	European Union
FAO	Food and Agriculture Organization
FCV	fragility, conflict and violence
FG	Grand Bargain Facilitation Group
FoGG	Friends of Gender Group
FRM	Feedback and Response Mechanisms
GAM	Gender with Age Marker
GBV	gender-based violence
GCCG	Global Cluster Coordination Group
GEPM	OECD-DAC's Gender Equality Policy Marker
GESI	Gender Equality and Social Inclusion
GHD	Good Humanitarian Donorship
GHO	Global Humanitarian Overview
GPPi	Global Public Policy Institute

GTS	Ground Truth Solutions
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HNO	Humanitarian Needs Overview
HPC	Humanitarian Programme Cycle
HPG	Humanitarian Policy Group
HPP	Ireland's Humanitarian Programme Plan
HRP	Humanitarian Response Plan
IASC	Inter-Agency Standing Committee
IATI	International Aid Transparency Initiative
ICCG	Inter-Cluster Coordination Group
ICRC	International Committee of the Red Cross
ICVA	International Council of Voluntary Agencies
IFRC	International Federation of Red Cross and Red Crescent Societies
ILO	International Labour Organization
INGO	international non-governmental organisation
IOM	International Organization for Migration
IPC	Integrated Food Security Phase Classification
IRC	International Rescue Committee
ISHA	Investing in Syrian Humanitarian Action
JIAF	Joint Intersectoral Analysis Framework
MFA	Finland Ministry of Foreign Affairs
MOPAN	Multilateral Organisation Performance Assessment Network
MPR	Multi-Partner Review
NEAR	Network for Empowered Aid Response

NGO	non-governmental organisation
NNGO	national non-governmental organisation
NPfDRR	National Platform for Disaster Risk Reduction
NRC	Norwegian Refugee Council
NSIA	National Societies Investment Alliance
OCHA FTS	OCHA's Financial Tracking Service
OCHA	UN Office for the Coordination of Humanitarian Affairs
ODSG	OCHA Donor Support Group
OECD-DAC	Organisation for Economic Co-operation and Development-Development Assistance Committee
OFDA	Office of US Foreign Disaster Assistance
oPt	occupied Palestinian territories
PBA	Sweden's Programme Based Approach
PbR	Payment by Results
PRM	Bureau of Population, Refugees and Migration
PSEA	prevention of sexual exploitation and abuse
PSP	Care International's Participatory Scenario Planning
RCRCM	Red Cross and Red Crescent Movement
RPCS	Recovery and Peace Consolidation Strategy for North and East Cameroon
RSW	World Bank's IDA18 Refugee Sub-Window
SCAN	Systematic Cost Analysis
SCHR	Steering Committee for Humanitarian Response
SCLR	Survivor and Community-led Response
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
SEADRIF	Southeast Asia Disaster Risk Insurance Facility

UN	United Nations
UNCCS	UN Common Cash Statement
UN JSC	UN Joint Steering Committee to Advance Humanitarian and Development Collaboration
UNCT	UN Country Team
UNDP	UN Development Programme
UNFPA	UN Population Fund
UNHCR	UN High Commissioner for Refugees
UNICEF	UN Children's Fund
UNRWA	UN Relief and Works Agency for Palestine Refugees in the Near East
USAID	US Agency for International Development
VOICE	Voluntary Organisations in Cooperation in Emergencies
WASH	water, sanitation and hygiene
WEF	World Economic Forum
WFP	World Food Programme
WHO	World Health Organization
WHS	World Humanitarian Summit

Executive summary

In May 2016, representatives of 18 donor countries and 16 international aid organisations from the UN, international non-governmental organisations (INGOs) and the Red Cross and Red Crescent Movement (RCRCM) agreed a 'Grand Bargain'. This outlined 51 commitments to improve the efficiency and effectiveness of international humanitarian aid, and included a voluntary annual reporting mechanism, supported by an annual independent review, in order to monitor progress against the commitments.

The third Annual Independent Report (AIR), published in June 2019, concluded that there were a number of areas where important progress had been made in the previous year, including on cash programming, amounting to a growing systemic shift in policy and practice; on localising responses, with emerging positive practice that could be scaled up; successful testing of the premise that a harmonised reporting template could reduce the reporting burden for aid organisations, while satisfying donors' requirements for a quality narrative on how their funds were spent; and on joint intersectoral needs analysis, with signatories coming together to address key technical challenges. The report also highlighted outstanding gaps and challenges to greater progress identified in the AIR 2018. These included the sheer breadth and scope of the commitments, the overly bureaucratic nature of the Grand Bargain, the lack of a more strategic approach to delivering across thematic areas, the focus on the technical rather than the political obstacles that continued to stall progress and a lack of clarity on the common vision that the signatories were working towards.

This fourth AIR assesses the collective progress made by signatories against the commitments under the Grand Bargain during 2019. It was commissioned by the UK Department for International Development (DFID) on behalf of the Grand Bargain Facilitation Group (FG). The analysis for this report was conducted using the same methodology as past AIRs, with self-reports provided by 58 of the 61 donors and aid organisations that were signatories in 2019 used as the primary evidence base. Additional data was collated through narrative reports from the co-conveners of each of the eight workstreams that have a coordination mechanism, as well as a review of available literature. The research team sought to verify data provided and address data gaps through semi-structured interviews with 54 of the 58 signatories that submitted reports, and with 17 co-conveners for the eight workstreams.

The review process for 2019 was undertaken in early 2020 as the Covid-19 pandemic unfolded across the world. The nature of this unprecedented crisis, including the widespread and prolonged lockdown imposed by governments, impacted all involved in this process – signatories, other stakeholders and the research team. The research team would like to thank all those involved for their understanding, and their efforts to keep this year's review process on track.

Key areas of progress

In 2019, collective and individual efforts by signatories have brought tangible results in a number of areas, demonstrating that the Grand Bargain can lead to system-wide changes in policy and practice. As in past years, workstream 3 (*increase the use and the coordination of cash*) saw the greatest investments by signatories, including the co-conveners (the UK and the World Food Programme (WFP)). These investments brought positive results, including in relation to the core commitment (3.1+3.6 – *increase the routine use of cash, where appropriate,*

alongside other tools. Some may wish to set targets): preliminary statistics from the Cash Learning Partnership (CaLP) and Development Initiatives (DI) indicate that the volume of cash programming in humanitarian settings, including multi-purpose cash, has doubled since 2016, reaching $5.6 billion by the end of 2019. Progress was also made on enhancing efficiencies in cash programming; in instituting common standards; in nascent discussions on localising cash responses; and in more coordinated approaches at global and country level. Although not the principal driver, the Grand Bargain has helped forge a system-wide shift in policy and practice on cash programming.

Progress was also made on localising responses, under workstream 2 (*more support and funding for local and national responders*), co-led by the International Federation of Red Cross and Red Crescent Societies (IFRC) and Switzerland. In respect of core 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*), there was an increase in the number of signatories meeting the 25% target for providing funding to local actors as directly as possible – from seven in 2018 to 10 in 2019. There was an increased level of activity reported by signatories against core commitment 2.1 (*increase and support multi-year investments in the institutional capacities of local and national responders, including preparedness, response and coordination*): the same group of aid organisation signatories continued their investments in capacity-strengthening support for local actors, but some that did not traditionally work with local partners in this way also reported making a more concerted shift in this respect, including instituting multi-year partnership agreements. There has clearly been a system-wide shift at policy level towards more localised responses, and this review evidences a range of positive practices that can be built on to bring about a similar shift in system-wide practice – if signatories can make the requisite political and financial investments.

Progress in workstream 5 (*improve joint and impartial needs assessments*) continued apace in 2019. The momentum gained in 2018 was sustained throughout 2019, with the co-conveners (the Directorate General for European Civil Protection and Humanitarian Aid Operations (ECHO) and the Office for the Coordination of Humanitarian Affairs (OCHA)) focusing on delivering a package of tools to support joint or more joined-up country-level multisectoral assessments and intersectoral analysis. This package was deliberately embedded in the roll-out of the enhanced Humanitarian Programme Cycle (HPC) for 2020, with positive results: 75% of 16 Humanitarian Needs Overviews (HNOs) for 2020 that were assessed by a multi-stakeholder team against agreed criteria were scored 75% or above, reaching the target set by the workstream in early 2019. Together with the results of the HPC Multi-Partner Review (MPR), this indicates an overall upward trend in the quality of intersectoral analyses being conducted by HCTs.

Responding to concerns outlined in the AIR 2019, there was also a concerted effort from the co-conveners (the UN Children's Fund (UNICEF), International Committee of the Red Cross (ICRC), Norwegian Refugee Council (NRC), OCHA, Sweden and Canada) of workstream 7+8 (*enhance quality funding through reduced earmarking and multi-year planning and funding*) to institute stronger leadership and a clear division of labour, and to formulate a plan of action to support delivery against the commitments under this theme. These efforts are starting to bear fruit, with a range of initiatives under way at end-2019, including gathering evidence to enable better understanding of challenges and identify possible solutions. Crucially, the number of donors reporting having met or exceeded the target of 30% of their humanitarian funding allocated as unearmarked/softly earmarked funding, as per 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*), increased from seven in 2018 to 11 in 2019. Seven donors reported year-on-year increases in the volume of multi-year funding that they provide.

Progress was also made in instituting greater transparency in the publication of funding and activity data, with the percentage of signatories (or one or more of their members/affiliates) publishing some data on their funding and activity to the International Aid Transparency Initiative (IATI) Standard by the end of 2019 increasing to 85%, from 73% in June 2017 (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*). And 45% of signatories reported that they 'used' IATI data in some way during 2019, according to the definition developed by DI. The self-reporting also evidenced a strong commitment among signatories to fulfilling commitments on enhancing collaboration between humanitarian and development actors, including continued collective investment from the UN system and its partners to develop better-quality joint humanitarian and development analyses and plans at country level, in collaboration with national counterparts.

Leadership and governance processes of the Grand Bargain were strengthened in 2019. The new Eminent Person (EP), Minister Sigrid Kaag of the Netherlands, took up her role in June 2019 at the Grand Bargain Annual Meeting and swiftly began investing significant efforts in encouraging signatories to make greater progress – efforts which have already begun to bring results in terms of increased political momentum for change. With support from signatories and the EP, the FG adopted a stronger governance role in response to recommendations made in the AIRs in 2018 and 2019 – enhancing the self-reporting process in order to better capture where progress was being made and what challenges were inhibiting progress, focusing discussions at the Annual Meeting on identifying and agreeing specific action points at collective and institutional levels, and instituting, by the end of the year, preliminary discussions within and across workstreams on risk management and risk sharing. The Secretariat was expanded in the latter half of 2019 with the appointment of a second staff member. With this additional capacity, the team was able to support increased internal coordination and information flows among the various structures of the Grand Bargain and increase communication with stakeholders outside of the mechanism.

Although there was still no strategy for rolling out the commitments to country and crisis levels, many signatories and groups of signatories have taken steps to institute changes in their operational practice at that level in accordance with the commitments; there is a wealth of positive practice emerging from the field on supporting local and national responders, on enhancing the quality of funding, on cash programming and on increasing collaboration between humanitarian and development actors; and there is continued interest from both international and national actors at country level to use the Grand Bargain – its content, if not its 'brand' – to bring about real change. Progress on gender equality and women's empowerment was relatively positive in 2019, with the Friends of Gender Group (FoGG) continuing to use the Grand Bargain to bring pressure to bear on signatories to fulfil commitments on this theme that they have made elsewhere.

Four years into the Grand Bargain process, it is clear that the mechanism is acting as a lever for change, that it is evolving in response to the dynamics of the wider aid context and even that it is maturing, offering advantages not necessarily envisaged when it was originally designed in 2016. Many smaller signatories from all constituent groups asserted that their participation in this mechanism has afforded them opportunities to contribute to, even influence, system-wide discussions on key issues in a way they had not been able to in the past. While substantive shifts in *practice* have not yet been realised in most areas, the Grand Bargain has facilitated a more nuanced discussion between signatory groups of the challenges each faces in changing their practice, and how to work together to address these. It is evident that the Grand Bargain *is* having a wider impact in terms of a more cohesive, collaborative approach across the international humanitarian aid sector – a crucial element in helping drive forward reforms of the whole humanitarian system.

Remaining challenges, weaknesses and key barriers to change

Notwithstanding the above, there remained substantial challenges in moving towards the original goals of the Grand Bargain, with very limited substantive progress on some of the core commitments in particular. Although a large number of donor signatories (87%) reported activity on core 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 little evidence that these efforts are having a tangible impact. Several donors referred to their efforts to share assessment or partner information with other donors, but while they may consider this a significant shift in their internal rules, the practical impact on many of their partners (particularly those with multiple donors) is likely to be limited – as indicated in the reporting from aid organisation signatories. The lack of progress in this regard reflects under-performance in workstream 4 (*reduce duplication and management costs with periodic functional review*) as a whole. The focus of the workstream remained largely the same as in 2018, with the co-conveners (the UN High Commissioner for Refugees (UNHCR) and Japan) focusing efforts on using UN Reform initiatives to secure efficiency gains for UN agencies in procurement and shared premises, as well as rolling out agreed comparable cost structures. But the failure to expand the workstream strategy, the continued lack of engagement with NGO initiatives towards more transparent and comparable cost structures, and the glacially slow pace of coordinated activity on the core commitment has increased frustration with this workstream, among aid organisations and donors alike.

In past AIRs, workstream 9 (*harmonise and simplify reporting requirements*) has been highlighted as performing well. However, despite the best efforts of the co-conveners (the International Council of Voluntary Agencies (ICVA) and Germany), the self-reports and interviews indicate that little progress had been made by the end of 2019 in rolling out the

finalised 8+3 narrative reporting template: just six signatories (9%) had rolled the template out globally to their downstream partners by the end of the year. Little evidence was presented during interviews to justify this low take-up, with many signatories explaining that they were unaware that the pilot had been concluded and the template finalised. Whatever the reasons, the opportunities that the template offers to reduce the narrative reporting burden, particularly for smaller aid organisations, are not being realised.

Although there was important progress under workstream 7+8, specifically on increased provision of flexible and multi-year funding, the evidence available indicates a complex picture. The way in which much of the multi-year funding reported by donors is given (i.e. multi-year framework agreements with staggered annual release of funds on the basis of an annual performance assessment) may limit its 'predictability' in the sense that current modalities generally do not offer aid organisations sufficient guarantees to enable them to make the longer-term institutional, programmatic or partnership investments required to support multi-year planning or approaches. It is also unclear how much of the increased volume of unearmarked or softly earmarked funding from donors is allocated directly to aid organisations rather than via the OCHA-managed Central Emergency Response Fund (CERF) and/or Country-Based Pooled Funds (CBPFs) or other pooled funds, which then effectively earmark those funds onwards against specific objectives. Certainly, aid organisations reported no or only very limited increases in the volume that they receive, and explained that, even if they do receive flexible funds, there is a limit to how far they can pass that flexibility down the chain as it ultimately needs to be allocated against specific programming objectives. For some signatory aid organisations, funding patterns have not changed at all – their funding from institutional donors remains largely earmarked, projectised and short-term.

There are also a number of weaknesses in the overarching strategy of the Grand Bargain which, though highlighted in past AIRs, have not been addressed and continue to impede

further progress overall. The workstreams have remained largely focused on technical issues, with some success in this respect. But there was no corresponding political investment in addressing the long-standing challenges that continue to inhibit change, including a lack of agreement on the leadership and coordination of multi-purpose cash programming, low tolerance of the risks inherent in more localised responses and a lack of investments to augment capacities for better-quality intersectoral analysis. Although there was increased collaboration with the Inter-Agency Standing Committee (IASC) in 2019, most notably between the co-conveners (the United States and the Steering Committee for Humanitarian Response (SCHR)) of workstream 6 (*a participation revolution*), and outreach by the EP to the IASC Principals, there was no major effort to articulate the added value of the Grand Bargain in relation to pre-existing mechanisms, including the IASC, the UN Reform process, the Good Humanitarian Donorship (GHD) initiative and the donor members of the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC). Nor was there a strategic approach to working in concert, rather than in competition, with these entities and mechanisms to further common goals on reforming the humanitarian system.

Most problematic, however, has been the continued failure to take to scale many of the positive or illustrative practices that have emerged through the Grand Bargain process. A large number of pilots and innovative initiatives have been launched or implemented across the commitments by workstreams, by individual signatories and at country or crisis level. But contrary to recommendations in past AIRs, very few are being scaled up even where there are measurable results.

The key barriers to change are both practical and political. The scope of the commitments is still too broad, and much of their content too vague to provide guidance or direction, or to measure progress. It is abundantly clear from successive years of self-reporting that few signatories treat the Grand Bargain as a whole package, with the vast majority, including the largest institutions, having determined their own priorities from among the original list. This 'pick-and-choose' approach has been compounded by the sheer scale and scope of the bureaucracy that has been created around the Grand Bargain (i.e. the multiple sub-groups, meetings, consultations and reporting processes). The designation in 2018 of a set of 11 core commitments, drawn from the original 51, was an effort to address this by articulating where collective efforts should be focused. But by the end of 2019, it had become clear that the effect of this strategy had been limited. The priorities selected were not strategic and were not interconnected, and progress against them has been very uneven. In addition, there were limited efforts to link workstreams or identify and address issues and challenges that cut across all workstreams, including those suggested in the AIR 2019. Some signatories have made their own connections across workstreams, articulating for example how they have integrated efforts to achieve more localised and people-centred approaches in their nexus programming. But the impact of such efforts will be limited unless they can be taken to scale through a more strategic, cross-cutting approach at the collective level.

Measuring performance against the core commitments still presents a major challenge. The number of signatories reporting against the indicators developed in early 2019 and revised again in early 2020 increased slightly overall, but still varied considerably per indicator: 91% of donors reported some data against the indicator for core commitment 7.1a, compared with only 23% of aid organisations. Many signatories explained that they simply do not have access to the data required to report against many of the quantitative indicators, or need to collate data manually and do not have sufficient resources, or interest, to do this. Where quantitative data was reported, it was often not comparable because signatories used different metrics or terminology, or had different interpretations of the guidance issued by co-conveners on data to be reported.

Some long-standing issues arising from the original framing of the Grand Bargain have never been fully reconciled and continue to inhibit progress overall. There is still no clear

agreement and no strategy on how the Grand Bargain should be delivering at country level, which means that the cascading effect of changes at headquarters are slow and ad hoc, and that efforts to scale-up or expand positive practices at country level have been minimal. The AIR 2018 highlighted the lack of agreement among signatories on whether membership should be expanded. In the absence of a clear decision, membership has slowly increased, but managing the trade-offs between inclusivity and efficiency has proved challenging. When the Grand Bargain was publicly announced in 2016 there was specific reference to a goal of saving $1 billion through increased efficiencies, but there has since been a distinct lack of reference to, and an apparent nervousness about, this goal, which in turn has led to a lack of focus on how to achieve, consolidate and measure efficiency gains arising from signatories' efforts. The lack of constructive debate in this area has meant that there is an unhelpful divergence of views on what efficiency means as a concept; who is responsible for making efficiency gains and how this might impact others in the chain; and, crucially, how to balance efficiency with increased effectiveness of humanitarian aid interventions.

The mechanism has engendered a spirit of collaboration between donors and aid organisations that is helping them address the challenges they face in trying to achieve their collective objectives. But this is in spite of, rather than because of, the quid pro quo principle on which the Grand Bargain was founded. In reality, the quid pro quo (the 'bargain') is not functioning, and has instead become an unhelpful framing, with some signatories excusing their lack of action in some areas as linked to a (perceived) lack of action by counterparts in other groups. Making the institutional changes and investments required to deliver against the commitments calls for the highest level of political commitment within each signatory institution. However, the majority of Sherpas are not principals, ministers or senior officials, and may therefore not have adequate influence over institutional direction and decision-making. The above factors

combined are resulting in a decreasing sense of ownership among many signatories over the mechanism itself and the commitments, and in a limited sense of accountability to deliver what has been promised.

Conclusions and recommendations

In the fourth year of the Grand Bargain, progress was consolidated, even accelerated, in key areas, but there was also a continuing failure to address the long-standing challenges that have inhibited positive change in the international humanitarian system. Cash programming continued to expand, with common standards and a strong evidence base attesting to efficiency and effectiveness gains against a range of programming objectives. Funding to local actors slowly increased, and targeted investments to strengthen the capacities of local partners are bringing measurable results. The quality of joint intersectoral analysis and related planning improved, and there was greater strategic direction and focus on addressing the barriers to quality funding and instituting more coherent and consistent approaches to participation. The new EP has brought stronger, more visible leadership; the FG has adopted a more strategic and substantive role in holding signatories to account for delivering on their commitments; and the expanded Secretariat team is proving a valuable support to these efforts, enabling greater communication between signatories at different levels, as well as with external audiences.

But ownership and accountability for the transformation envisaged by the Grand Bargain remained variable. Although the number of signatories reporting is high, the bulk of investments are being made by a core group, and it is hard to say that there is a truly 'collective' effort to achieve the Grand Bargain's overarching goals. There is a lack of strategic focus on the three or four key areas in which all signatories have a vested interest and a contribution to make, and which could genuinely help drive efficiencies and effectiveness across the whole international humanitarian system. The vast

majority of signatories continue to focus on their own institutional priorities, with the result that investments are spread too thin to achieve system-wide change. There has been a general failure to take the wealth of emerging positive practice to scale, even where tangible results have been demonstrated, largely due to a lack of appetite or motivation to take the risks inherent in changing entrenched business practices.

Looking ahead to the final year of the original five-year timeframe agreed for the Grand Bargain, there is both the means and the opportunity to achieve a step change in at least four key areas – if sufficient political will can be harnessed among signatories.

First, increased use of cash programming, particularly multi-purpose cash, could effect a transformation, not just in efficiency terms but also in shifting power from international actors to affected populations – enabling them to use aid to address priorities they, not we, determine. Realising this ambition, however, requires a clear global agreement on coordination of cash programming, an agreement which to date has been stalled by inter-agency competition, rather than technical challenges. Building on the nascent discussions in the workstream 3 sub-group on political obstacles, signatories should now move swiftly to use the more objective platform offered by the Grand Bargain to exert collective pressure on the IASC Principals to agree upon and enact a global mechanism that provides predictable leadership and a clear division of labour, and ensures common standards for cash programming, including at country and crisis level.

Second, increasing access for local partners to international humanitarian funding has been a core element of the Grand Bargain since its inception. However, there has been no comparable collective effort to strengthen the capacities of local and national responders to absorb additional international funding. Long-standing practice by a number of aid organisation signatories has demonstrated the positive return on targeted investments of this kind, enabling local responders to expand the impact and sustainability of programmes and minimise their and their upstream partners'

risks. A sharp increase in the volume of funding for mentoring, training and peer and other support for local actors, including to cover their overhead costs to allow continuity of operations and institutional development, is now essential to enable a system-wide shift to localisation *in practice* – and all the benefits this would bring to the wider humanitarian response.

Third, the co-conveners and other participants of workstream 9 have demonstrated that the concept of a harmonised narrative reporting template can work: that a simplified, common template can satisfy donor requirements for a quality narrative on how their money is spent, while reducing aid organisations' efforts to provide it. It may not be perceived as the most transformative element of the Grand Bargain, but rolling out the 8+3 template globally for use by all downstream NGO partners could reap substantial savings, freeing up resources that could be dedicated elsewhere. Importantly, it can also send a strong political message that signatories can work together to achieve success at scale. The investments now required by signatories to fully deliver on commitment 9.1 by mid-2021 are minimal, but the practical and political benefits to be gained are substantial.

Fourth, quality funding is the key enabler of progress in many other substantive areas that signatories have sought to address: it facilitates more localised and participatory responses and more effective humanitarian–development programming, and it can generate greater efficiencies through more responsive and anticipatory programmes and longer-term planning. The important progress made so far by donors in terms of the increased provision of multi-year and less earmarked funding has not yet achieved the results that were hoped for: there was no clear uplift in the *predictability* of funds committed through multi-year frameworks and divergent views over what level of flexibility is required, and whether and how it can be passed down the chain. The nature of 'quality funding' now needs to be redefined, and the complex challenges inherent in current humanitarian funding models need to be recognised and tackled in a more strategic way. Signatories

should come together over the next 12 months to articulate a more comprehensive strategy for funding for humanitarian response – one that combines different levels of flexibility with different levels of predictability. Reflecting on how the global funding landscape has changed since 2016, such an approach would ensure that, in the shorter term, signatories make smarter use of current financing models and scale up best practices to ensure funding is carefully calibrated to the specific response, context and programme, *and* that, over the medium term, they work together in a more collaborative way to design new approaches to address the perennial gap between humanitarian needs and available funding.

The Grand Bargain in 2019

There was a minor increase in the percentage of signatories reporting actions or results against each commitment

2019 69%
2018 68%
2017 52%
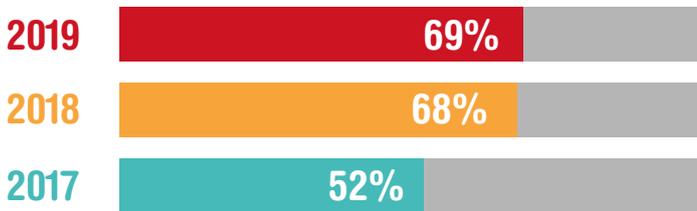
6 signatories rolled out the harmonised narrative reporting template globally to downstream partners

11 donors met the target for allocating **30%** of their annual funding as unearmarked or softly earmarked

10 signatories met the target for allocating **25%** of annual funds to national/local responders as directly as possible

97%

97% of signatories reported that they are integrating gender equality and women's empowerment in their activities

Progress remained uneven

Obstacles to greater progress remain political, not technical

4 key areas for action in 2020–2021

✓ Institute a global agreement on coordination of cash programming

✓ Increase funding for strengthening local actors' institutional capacities

✓ Roll out the harmonised narrative reporting template to all downstream partners globally

✓ Increase the quality of funding by combining predictability and flexibility

Progress made per workstream

★☆☆☆ **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
1: Greater transparency	★★★☆ (Good)	★★★☆ (Good)	★★★☆ (Good)	★☆☆☆ (Little)	★★★☆ (Good)
2: More support and funding for local and national responders	★★★☆ (Good)	★★★☆ (Good)	★★★★ (Excellent)	★★☆☆ (Some)	★★★☆ (Good)
3: Increase the use and coordination of cash	★★★★ (Excellent)	★★★★ (Excellent)	★★★★ (Excellent)	★★★☆ (Good)	★★★★ (Excellent)
4: Reduce duplication and management costs with periodic functional review	★★☆☆ (Some)	★★★☆ (Good)	★☆☆☆ (Little)	★☆☆☆ (Little)	★★★☆ (Good)
5: Improve joint and impartial needs assessments	★★☆☆ (Some)	★★★☆ (Good)	★★★☆ (Good)	★★★☆ (Good)	★★☆☆ (Some)
6: A participation revolution	★★★☆ (Good)	★★★☆ (Good)	★★★☆ (Good)	★☆☆☆ (Little)	★★★☆ (Good)
7+8: Enhanced quality funding through reduced earmarking and multi-year planning and funding	★★★☆ (Good)	★★★☆ (Good)	★★☆☆ (Some)	★☆☆☆ (Little)	★★☆☆ (Some)
9: Harmonise and simplify reporting requirements	★★☆☆ (Some)	★★☆☆ (Some)	★★☆☆ (Some)	★☆☆☆ (Little)	★☆☆☆ (Little)
10: Enhance engagement between humanitarian and development actors	★★★☆ (Good)	★★★☆ (Good)	N/A (workstream closed in 2018)	N/A (workstream closed in 2018)	N/A (workstream closed in 2018)

Introduction

Background

In May 2016, representatives of 18 donor countries and 16 international aid organisations from the UN, INGOs and the RCRCM agreed a 'Grand Bargain'. This outlined 51 commitments to improve the efficiency and effectiveness of international humanitarian aid, and included a voluntary annual reporting mechanism, supported by an annual independent review, in order to monitor progress against the commitments.

The third AIR, published in June 2019, concluded that there had been a number of areas of important progress in the previous year, including continued progress on cash programming, amounting to a growing systemic shift in policy and practice; a growing normative shift towards more localised responses, with emerging positive practice that could be scaled up; and the successful testing of the premise that a harmonised reporting template could streamline the reporting burden for aid organisations, while still satisfying donors' requirements for a quality narrative on how their funds were spent. There was also important progress in relation to a more coordinated approach to achieving the commitments on joint intersectoral needs analysis, with signatories coming together to address some of the key technical challenges. There were efforts to streamline structures and identify a set of 'core commitments' as collective priorities drawn from each workstream.

The report also highlighted that outstanding gaps and challenges to greater progress identified in the previous AIR (2018) remained. These included the sheer breadth and scope of the commitments, the overly bureaucratic nature of the Grand Bargain mechanism, the lack of a more strategic approach to delivering across thematic areas, the focus on technical issues rather than the political obstacles that continued to stall progress and a lack of clarity on the common vision that the signatories were working towards.

This fourth AIR assesses the collective progress made by signatories against the commitments under the Grand Bargain during 2019. It was commissioned by DFID on behalf of the FG.

Approach, scope and methodology

Approach and scope

As directed by the FG, HPG/ODI sought to maintain a degree of continuity and comparability with the past three annual reviews. This was primarily achieved by applying the same substantive scope (i.e. all 51 commitments, with a particular emphasis on assessing progress against the 11 core commitments) and reporting periods (i.e. the calendar year), as well as utilising the same methodology for collating and analysing data on actions taken and results achieved by the signatories.

The report covers the period 1 January to 31 December 2019. As per the request of the FG, it focuses on signatories' collective, rather than individual, progress. The analysis is based on consideration of all actions and results reported for 2019 by donor institutions and aid organisations that were signatories to the Grand Bargain in the same year. Self-reports submitted by those institutions that were not signatories in 2019 were not included in the analysis.[1] The report considers actions undertaken and results

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1   South Korea submitted a self-report for 2019, but as it only officially became a signatory in early 2020 the report was not included in the analysis for this AIR. This is consistent with the approach adopted for the previous three AIRs.

achieved in relation to the nine thematic areas[2] of the Grand Bargain, both at headquarters/ global level and at country or crisis level. Although issues pertaining to gender equality and women's empowerment were not originally included in the Grand Bargain commitments, HPG/ODI was requested by the FG (as in past years) to analyse the extent to which signatories were mainstreaming gender in their actions to fulfil the commitments.

Methodology

To ensure consistency and comparability with past AIRs, HPG/ODI used the same methodology as for the 2018 and 2019 AIRs. This was, in turn, adapted by HPG/ODI from the original methodology developed by the Global Public Policy Institute (GPPi) in 2017. The research is based on a set of overarching research questions used for the past three AIRs:

- To what degree have signatories made collective progress overall, and specifically in relation to the core commitments?
- Which workstreams have made the most 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 by one signatory group enabled or impeded by the actions or efforts of the other groups?
- How and to what extent has the humanitarian–development nexus been integrated at workstream level? Or by individual signatories?
- How and to what extent has a gender perspective been embedded in efforts to institutionalise the commitments?
- To what degree have the commitments improved or are likely 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 or collectively)?
- What are the main challenges or barriers to greater or speedier progress? How could they be overcome/mitigated?
- To what extent is change by individual signatories or workstreams resulting in changes across the international humanitarian system?

Data used to answer these questions was collated through a series of complementary qualitative and quantitative research activities, including:

- A review of available literature (see Annex 3 for a full list of documentation reviewed).
- A review of the 58 self-reports submitted by the extended deadline of 1 March 2020.
- Semi-structured interviews with representatives of 54 signatories that submitted reports by the deadline (see Annex 1 for a list of reports received and interviews conducted).
- A review of narrative reports submitted by the co-conveners of the eight workstreams for which there is a coordination mechanism.
- Semi-structured interviews with 17 co-conveners from those eight workstreams (see Annex 2 for a list of the reports received and interviews conducted).
- Semi-structured interviews with the members of the FG, Secretariat and the EP's team.
- Preliminary results from 93 respondents to a survey of national and local responders designed and disseminated by the Network for Empowered Aid Response (NEAR), with support from HPG/ODI.
- Complementary analysis of the self-reports conducted by DI in respect of core commitment 1.2, workstream 1 (*greater transparency*).

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2   In late 2018, the signatories agreed to merge the workstreams on 'increasing collaborative multi-year funding and planning' (workstream 7) and on 'reducing the earmarking of donor contributions' (workstream 8) into one workstream. Workstream 10, 'enhance engagement between humanitarian and development actors', was closed as a coordination mechanism in March 2018, but has continued to be referred to by signatories as a workstream under which there are a series of specific commitments they must fulfil.

- Preliminary data provided by Ground Truth Solutions (GTS) from perception surveys it conducted in 2019.

Analysis of the quantitative and qualitative data collated through these activities was conducted using the same methodology as for the AIRs in 2018 and 2019. A coding system, adapted from that developed by GPPi for the first AIR, was used to mark when each individual signatory reported taking an action. These actions were then aggregated to reach a percentage of signatories reporting actions/results against a commitment (note that, throughout the report, percentages indicated may not add up to 100 due to rounding). To ensure a more qualitative analysis of these actions, the research team rated each action and related results reported on a scale of 0–4, with 0 representing no progress or results reported and 4 representing excellent progress/commitment achieved (see Box 1). A similar rating was applied to assess the performance of the eight workstreams that have a coordination mechanism (see Boxes 2 and 3) against the same five key indicators that were developed by GPPi for the first AIR, and used by HPG/ODI in the two subsequent AIRs. 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, HPG/ODI has also identified those workstreams which, on balance, performed best in 2019 – with a view to determining what factors are driving or can drive further progress across and within the different workstreams.

The methodology was endorsed by the FG and interim deadlines for various stages of the reporting and research process were agreed. A full draft of the present report was shared with the FG and forwarded by them to all signatories for factual review. All comments received were considered by the authors and addressed, as appropriate, in this final version of the report.

Caveats and mitigating measures

As per the previous AIRs, the primary source of evidence for this review was the self-reports submitted by signatories which are, by nature of a voluntary self-reporting process, inherently subjective. HPG/ODI sought to mitigate this by conducting semi-structured interviews with all signatories that submitted reports to further interrogate the information presented. However, the timeframe and scope of the review process did not allow for in-depth cross-referencing or cross-examination of the data provided with other sources or other available data. Two signatories did not respond to requests for interviews during the timeframe permitted, and two provided answers to queries by email.[3]

Collecting useable and comparable data on activities undertaken and results achieved against the commitments continued to present a challenge, affecting the overall quality and comprehensiveness of the analysis presented in this report. To address this, HPG/ODI worked again with the FG, Secretariat and co-conveners of workstreams to strengthen the template for self-reporting, including providing suggestions for improving the core commitment indicators developed by the co-conveners in 2018–2019. Despite these efforts, reporting against the core commitment indicators remained inconsistent, with many signatories not reporting any data against them or data that was not comparable. Furthermore, the level of detail, quality and completeness of data reported by signatories throughout the self-report template varied again this year. The researchers attempted to mitigate this by using the interviews with signatories to obtain more complete data.

Finally, the review process was undertaken as the Covid-19 pandemic unfolded across the world. The nature of this unprecedented crisis, including the widespread and prolonged lockdown imposed by governments, impacted all involved in this process – signatories, other stakeholders and the research team. The research team would like to thank all those involved for their understanding, and their efforts to keep this year's review process on track.

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3   France and Slovenia did not respond to requests for an interview. Italy and the World Bank provided written answers to queries from the research team.

The report is structured as follows. Section 1 presents a series of key observations, including overall areas of progress and outstanding challenges in 2019, as well as commentary on the extent to which the Grand Bargain is having an impact at country or crisis level, and the extent to which gender considerations have been integrated in actions and results reported by signatories. Section 2 provides a more detailed summary of progress and challenges pertaining to each of the nine remaining workstreams, including analysis of the core commitments. Section 3 outlines the overarching conclusions and related recommendations for achieving success in the coming 12 months.

Figure 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/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/result do not yet reflect any change in institutional policy or practice	Some activities and/or results were reported, and some minimal improvements in institutional policy and/or practice are being made	Activities and/or results have been reported which reflect significant effort and are bring about tangible improvements in institutional policy and/or practice	Activities and/or results reported evidence significant or transformative change in institutional policy and/or practice, and the commitment has been effectively fulfilled

Figure 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 result have been reported or reported activities and results do not reflect any significant effort or progress	A limited number of activities and/or results have been reported, or the reported activities/result reflect only limited change or progress	A number of activities and/or results were 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 of system-wide change in most (if not all) areas covered by the workstream

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

☆☆☆☆☆	★☆☆☆☆	★★☆☆☆	★★★☆☆	★★★★☆
Important links missed	**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

Section 1

Overall analysis of progress and remaining challenges in 2019

This section offers overarching commentary on progress by signatories, groups of signatories and workstreams, as well as the leadership and governance of the Grand Bargain. It then presents analysis of the outstanding gaps, weaknesses and areas of under-performance across the Grand Bargain, and offers reflections on the extent to which the Grand Bargain is having an impact at country or crisis level, and in relation to gender equality and women's empowerment.

1.1 The Grand Bargain as a driver of system-wide change

The data collated through the AIR process indicates that the Grand Bargain continues to provide a unique platform for strategic engagement, collaboration and coordination between institutional donors, UN agencies, funds and programmes engaged in humanitarian action, NGOs and the RCRCM. In interviews, signatories from all constituent groups highlighted repeatedly that there is no other comparable forum of this kind. Signatories explained that the commitments include little, if anything, new in terms of promises to reform the humanitarian system, but that the Grand Bargain's high profile, its annual reporting process and the size and breadth of its membership reinforce and promote implementation of what are effectively good

aid principles. Many signatories explained that, by virtue of the pressure it exerts upon them, particularly through peer pressure and public reporting, it has proved a useful tool to push for change within their own institutions (e.g. on increased provision of multi-year funding, support for cash programming or publishing to the IATI Standard). Some INGOs explained that it has particular value in helping to standardise approaches within their affiliate or confederated structures, particularly around transparency and needs assessments/analysis.

The quantitative analysis derived from the coding of the self-reports (see Figure 1) and the qualitative analysis based on those self-reports, the co-convener reports, the literature review and data collated through interviews shows a number of positive trends at workstream level, at commitment level and in relation to the different constituent groups of signatories.

1.1.1 Workstream-level progress

That the Grand Bargain can lead to system-wide changes in policy and practice is evidenced in the progress being made at workstream level in 2019. As in past years, workstream 3 (*increase the use and the coordination of cash*) saw the greatest investments by signatories, and solid progress continued across the scope of the commitments under this theme. The collective momentum from which this workstream has benefited since its establishment continued in 2019, with strong and consistent leadership from the co-conveners

Figure 4: Percentage of signatories that reported actions and/or results against each commitment that was relevant to them

2017 **2018** **2019**

Commitment	2019
1.1	88%
1.2	84%
1.3	72%
1.4	60%
2.1	86%
2.2	84%
2.3	80%
2.4	84%
2.6	71%
3.1 & 3.6	90%
3.2	81%
3.3	69%
3.4	72%
3.5	72%
4.1	53%
4.2	57%
4.3	40%
4.4	49%
4.5	87%
5.3.a	55%
5.6	34%
5.7	50%
6.3	74%
6.4	67%
6.5	78%
6.6	61%
7.1.a (donors)	100%
7.1a (aid orgs)	69%
8.2 & 8.5 (donors)	96%
8.2 & 8.5 (aid orgs)	31%
8.3	54%
8.4	51%
9.1	69%
9.2	57%
9.3	71%
10.1	88%
10.2	79%
10.3	71%
10.5	71%

Percentage of signatories reporting action/results
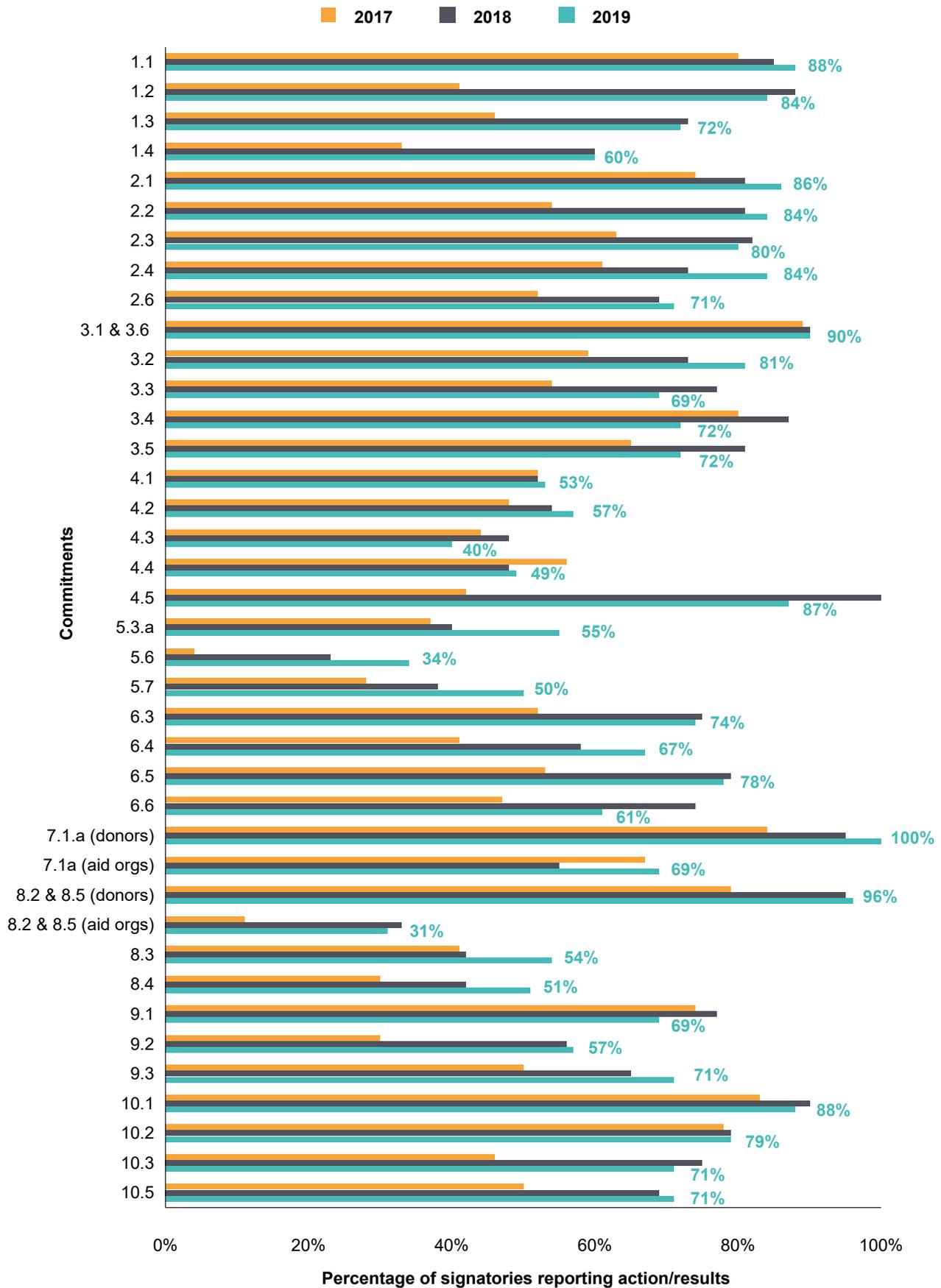
Note: As per the methodology for the previous AIRs, this list excludes those commitments for which a quantitative analysis (i.e. number of signatories reporting taking 'actions') is not applicable (i.e. joint or interagency commitments).

(the WFP and the UK), and active support and participation from signatories of the different constituent groups. These collective efforts resulted in the continued increase in the volume and regular use of cash programming, including multi-purpose cash; in progress on enhancing efficiencies; in instituting common standards; in nascent discussions on localising cash responses; and in more coordinated approaches at global and country level.

Workstream 2 (*more support and funding for local and national responders*) continued to perform well in 2019. The co-conveners (the IFRC and Switzerland) maintained strong leadership, and there was an array of actions and investments from many individual and groups of signatories. A core group of aid organisation signatories continued to invest in capacity-strengthening support for local actors, and some that did not traditionally work with local partners in this way began to make a more concerted shift to multi-year partnership agreements. There was also an increase in the number of signatories meeting the 25% target for funding to local actors as directly as possible. There is a clear systemic shift in normative terms and a range of positive practice that can be built on – if the requisite political and financial investments are made.

Progress in workstream 5 (*improve joint and impartial needs assessments*) continued apace in 2019. The co-conveners maintained the momentum gained in 2018, and focused on delivering a package of tools to support joint or more joined-up country-level multisectoral assessments and intersectoral analysis. These were embedded in the roll-out of the enhanced HPC for 2020. There is evidence that these collective efforts are helping to improve the quality of HNOs and Humanitarian Response Plans (HRPs).

Responding to concerns outlined in the AIR 2019, there was also a concerted effort from the co-conveners of workstream 7+8 (*enhance quality funding through reduced earmarking and multi-year planning and funding*) to institute clear leadership and a division of labour, and the co-conveners formulated a plan of action to deliver on the commitments under this theme. This is starting to bear fruit, with a range of initiatives under way at end-2019, including gathering evidence to enable better understanding of challenges and identify possible solutions. The number of donors reporting that they had met or exceeded the target of 30% of funding allocated as unearmarked/softly earmarked has also gone up.

With the change of leadership within the co-convening institutions (the US and the SCHR) in workstream 6 (*a participation revolution*), there has also been renewed energy and investment in instituting a more robust approach to the commitments in this area.

1.1.2 Progress by signatories – per commitment and per signatory group

As in past years, the progress made by individual signatories or groups of signatories varied significantly in 2019, but there are discernible positive trends in relation to certain commitments and in relation to the different constituent groups of signatories.

As shown in Figure 1, the 2019 self-reports submitted indicate that the level of activity by signatories across the original 51 commitments was consistent with 2018, with on average 69% reporting activities against the commitments relevant to them, compared to 68% in 2018. Figure 1 also indicates a similar variation in the level of activities per commitment to that reported in 2018, the causes and impacts of which are discussed throughout this section.

There are several specific commitments against which signatories made notable progress in 2019, with a large majority reporting actions and results. The level of activity undertaken in respect of 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*) has continued to increase, with 88% of signatories highlighting efforts to publish funding and activity data to the IATI Standard. As a result, 85% of all signatories (or one or more of their members/affiliates) were publishing data to the IATI Standard by end-2019, an increase from 73% in June 2017 (when DI established the baseline for monitoring).

Core commitments 2.1 (*increase and support multi-year investments in the institutional capacities of local and national responders, including preparedness, response and coordination*) and 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*) saw some of the largest increases in reported activity. The percentage of signatories reporting actions and/or results against the former increased to 86% (from 81% in 2018). And 84% of signatories reported against the latter, compared with 73% in 2018, with more individual signatories reporting meeting or exceeding the 25% target. This concurs with the qualitative analysis, indicating that there was an overall increase in the level of investments made in 2019 in key aspects of localising humanitarian response.

The statistical analysis of core commitment 3.1+3.6 (*increase the routine use of cash, where appropriate, alongside other tools. Some may wish to set targets*) indicates a static but high level of activity by individual signatories, with 90% reporting against it for 2019, the same as 2018. Combining this with the qualitative analysis shows once again that signatories have continued to make significant investments to deliver against this core commitment. Taken together with reported efforts by individual and groups of signatories to improve common standards, minimise risks, increase efficiencies and expand positive practices, there has clearly been a continued scaling up of cash programming by signatories large and small, in a manner that reflects the needs of and risks faced by affected populations.

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*) is a joint commitment, so quantitative analysis of individual signatory efforts is not feasible. However, the qualitative analysis indicates that there is continuing collective investment, led by the UN group, to deliver on this commitment. UN Country Teams (UNCTs) and Humanitarian Country Teams (HCTs) have made progress in developing better-quality joint analyses and plans at country level, in collaboration with their national counterparts.

The data available indicates that the constituent groups of signatories have each increased investments and achieved some positive results against particular commitments or under specific workstreams. The donor group (23/58 reporting signatories[4]) had a high rate of submission of self-reports (92%) and presented evidence of activity and results against a broad scope of the commitments, even from small and medium-sized donors with less capacity to follow all areas of the Grand Bargain – 73% of donors reported information against all workstreams for 2019. Progress by institutional donors against the two core commitments in workstream 7+8 (*enhance quality funding*) continued in 2019. In respect of 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*), 11 – 50% – of institutional donors[5] reported that unearmarked and softly earmarked funds comprised more than 30% of their humanitarian funding in 2019, and seven reported increases in the multi-year funding they made available (core commitment 7.1a). Some donors reported on their efforts to incentivise progress among aid organisations, such as the UK's Payment

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4   The donor group includes the Organisation for Economic Co-operation and Development (OECD).

5   This does not include the OECD.

by Results (PbR) approach for UN agencies.[6] The UN group had the highest proportional rate of submission of self-reports (100% submitted reports) and presented a broad scope of investments, activities and results: 62% of UN entities reported on all workstreams that were relevant to them. Progress on reducing management costs continued, mainly through activities under the UN Reform process but also in relation to the roll-out of the UN partner portal. The two signatories from the RCRCM both reported against all the workstreams that they had formally committed to upon signature,[7] indicating a broad scope of investments and growing interest in engaging in multi-stakeholder discussions on issues that are traditionally more sensitive, such as joint needs analysis and the humanitarian–development nexus. NGOs also had a high rate of submission of self-reports for 2019 (95%), and have made important progress in efforts to reduce management costs (through the Systematic Cost Analysis tool (SCAN) and the Money Where It Counts protocol), in increasing investment in the capacities of their local partners and in country-level collaboration on cash programming through the Collaborative Cash Delivery (CCD) network. Reporting for 2019 also evidences an impressive array of illustrative practices emerging from all signatory groups, across all workstreams, much of which could and should be scaled up, as indicated in the more detailed analysis presented in section 2.

1.1.3   Strengthened leadership and governance

The new EP, Minister Sigrid Kaag of the Netherlands, took up her role in June 2019 at the Grand Bargain Annual Meeting. Since then, the Minister has invested significant effort in encouraging signatories to make greater progress, and the research for this review shows that these efforts have begun to produce results in terms of increasing political momentum for change. Based on the analysis presented in

AIR 2019 and discussions at the 2019 Annual Meeting, the Minister identified her four priorities as localisation, quality funding, joint needs assessment and analysis and reducing management costs and increasing efficiency savings. She subsequently sought to communicate these priorities to signatories, and engage with them on the actions needed to make further progress in these areas. This included convening closed-door consultations with key donor and NGO signatories in Autumn 2019, participation at the IASC Principals meeting in December 2019 and a direct letter to all Sherpas issued on 31 January 2020. The Minister has also put in place a team around her to ensure adequate capacity to maintain this momentum and identify priorities, and to regularly and proactively engage with the FG, the Secretariat, co-conveners and other signatories. This new energy and engagement – which were frequently noted and greatly appreciated by signatories during interviews with the research team – are crucial to maintaining momentum and maximising the potential of the Grand Bargain as a mechanism to help drive reform of the international humanitarian system.

With support from the EP and signatories, the 2018–2019 FG (OCHA, UNICEF, InterAction, IFRC, Sweden and the US) also took on a stronger governance role in response to the recommendations made in the AIR 2018. The revised reporting template that this rotation of FG members developed, with support from co-conveners and HPG/ODI in early 2019, was part of a package of measures intended to institute a more granular reporting process to better capture where progress was being made, and the challenges inhibiting change. Supporting this revised approach, the FG specifically designed the 2019 Annual Meeting to focus on identifying and agreeing action points to encourage progress, with an interactive format intended to generate debate on key substantive issues, and a call for signatory representatives

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6   The UK's PbR approach requires seven UN humanitarian agencies to report collective progress against a set of indicators, inspired by the Grand Bargain commitments, in order to receive unearmarked funding totalling £175 million. The indicators include performance relating to transparency, improving the quality of needs assessments, scaling up the use of cash programming, increasing accountability to affected populations (AAP) and delivering on the nexus and protection.

7   By nature of their mandates, the ICRC and the IFRC did not commit to undertaking 'joint needs assessments' in the meaning of workstream 5.

attending to be prepared to make concrete commitments on behalf of their institutions. Preparatory meetings were held between the co-conveners and the FG and then between the FG and the EP, with the aim of creating a positive environment for more action-oriented discussions at the Annual Meeting. Individual or small groups of signatories put forward specific actions that they would take in order to advance certain commitments, and the FG asked the Secretariat to monitor implementation of these. This has had some success, with 17 of the 63 actions agreed being completed by the end of 2019 and another 30 ongoing. While the nature of these action points varied in specificity and in the level of investment required, the approach adopted by the FG (in complement with the existing annual reporting process) has likely helped increased pressure on signatories to enact change at institutional level.

The 2019–2020 rotation of the FG (OCHA, WFP, SCHR, ICRC, UK and ECHO) began work in late 2019, following delays in confirming participation from the donor group. With a detailed handover from the former FG, the new group quickly articulated their intention to maintain the same strategy of increasing pressure on signatories to deliver. They also initiated a discussion on risk-sharing across the Grand Bargain, tasking the Secretariat to consult co-conveners on the risks prevalent in the commitments under their respective workstreams, and what actions, if any, had been taken to institute a discussion on improved risk management or risk-sharing between signatories. These concrete discussions on risk are still nascent but are an important complement to the ongoing higher-level initiative launched by the Netherlands and the ICRC in 2018, which in 2019 focused on preparation of a draft think-piece. Some members of the FG also funded the AIR (the US for AIR 2018 and the UK for AIR 2019) and the 2019 Annual Meeting (OCHA) and supported the Secretariat.

The Secretariat was provided with additional capacity in mid-2019, expanding from one to two staff members. The two positions were funded by donors including Sweden and the US and contracted by the NRC, which continued to host the Secretariat in its offices.

The expanded team subsequently focused on instituting a more strategic approach to communication both to and among signatories, and making information on the work being done under the auspices of the Grand Bargain more accessible. Their outputs are impressive, with a range of new communication tools, an improved website, a bimonthly newsletter and ongoing support to the FG, EP and individual signatories. During interviews, signatories were very positive about the services provided by the Secretariat, which they felt had increased internal coordination and information flows and helped to enhance accountability.

Four years into the Grand Bargain process, it is clear that it is acting as a lever for change, that it is evolving in response to the dynamics of the wider aid context and even that it is maturing and offering advantages not necessarily envisaged when it was originally designed in 2016. For example, the research for this review indicates that the Grand Bargain has afforded smaller aid actors from all constituent groups greater access to and engagement in system-wide debates and decision-making. Whether through specific workstreams, constituent group efforts or in relation to the collective debate among signatories, small and medium-sized institutions feel that being a signatory to the Grand Bargain has provided them with opportunities to make a contribution to, and even influence, important system-wide discussions – such as on cash programming, localisation and quality funding – in a way they had not be able to in the past. The Grand Bargain has provided a (relatively) level playing field for the diversity of international humanitarian actors – though the effect of this is countered to an extent by the high level of bureaucracy that still surrounds the mechanism. In addition, while substantive shifts in practice have not yet been realised in most areas, the Grand Bargain has facilitated a more nuanced discussion between constituent groups of the challenges each faces in changing practice, how to address these and the solutions required. Understanding of the barriers to change has evolved significantly since 2016 because of debates *within* the Grand Bargain – for example, there is now a more accurate picture of the barriers to system-wide change on

quality funding and localisation, and how each constituent group should address them. Although the 'quid pro quo' concept is not functioning (more details below), it is evident that the Grand Bargain *is* having a wider impact in terms of a more cohesive, collaborative approach across the international humanitarian aid sector – a crucial element in helping drive forward future reforms.

1.2 Key weaknesses and areas of under-performance

The evidence available indicates that there was much more limited progress on certain commitments and within specific workstreams, weaknesses in the performance of three of the constituent signatory groups, and that some signatories continue to make only limited investments in the Grand Bargain as a whole. These factors are inhibiting collective progress in specific areas, and towards the overall goals of the Grand Bargain.

1.2.1 Limited progress on specific commitments and within workstreams

The quantitative and qualitative analysis indicate that there was limited, and in some cases no, substantive progress on several commitments. Although a large number of donor signatories (87%) reported activity on core 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 little evidence that these efforts are having a tangible impact. Several donors referred to their efforts to share assessment or partner information with counterparts, but while they may consider this a significant shift in their internal rules, the practical impact on many of their partners (particularly those with multiple donors) is likely to be limited – as indicated in the reporting from aid organisations.

The level of activity reported against commitments 6.5 (*Fund flexibly to facilitate programme adaptation in response to community feedback*) and 6.6 (*Invest time and resources to fund these activities*) was lower in 2019

compared to 2018 according to the statistical analysis shown in Figure 1. Although there were some illustrative examples worthy of highlight (see section 2.6), there was limited evidence of donors *consistently* promoting or incentivising adjustments to humanitarian programmes in accordance with feedback from beneficiaries.

For the third consecutive year, reporting by aid organisations against core commitment 8.2 (*aid organisations reduce earmarking when channelling donor funds with reduced earmarking to their partners*) was the lowest of all the commitments: just 31% of aid organisations reported any information despite this being one of the core commitments under workstream 7+8 (*enhance quality funding through reduced earmarking and multi-year planning and funding*). Together with the qualitative analysis, this data indicates that a more detailed discussion is necessary to understand how and to what extent aid organisations can pass flexible funding down the chain, and how they can more accurately report on this core commitment.

The number of signatories reporting against 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*) fell in 2019, with 69% of signatories reporting activity compared to 77% in 2018. This reduced activity is reflected in the qualitative analysis, with only six signatories rolling out the 8+3 reporting template for their downstream partners globally by the end of 2019.

To a large extent, the lack of activity on some of these commitments reflects under-performance in their related workstreams. The AIR 2019 highlighted that, under workstream 4 (*reducing management costs*), the co-conveners had utilised the parallel UN Reform process to make progress on transparent and comparable cost structures among UN agencies (commitment 4.3 – *provide transparent and comparable cost structures by the end of 2017*). But the exclusive focus of the workstream on that one constituent group meant that opportunities for a more strategic approach to reducing management costs across the wider humanitarian system were being

missed. In 2019 the focus of the workstream remained largely the same, with the co-conveners (UNHCR and Japan) focusing efforts on using UN Reform initiatives to secure efficiency gains in procurement and shared premises, as well as rolling out agreed comparable cost structures for UN agencies. But the failure to expand the workstream strategy, the continued lack of engagement with NGO initiatives towards more transparent and comparable cost structures, and the glacially slow pace of coordinated activity on the core commitment has increased frustration among aid organisations and donors alike.

In past AIRs workstream 9 (*harmonise and simplify reporting requirements*) has been highlighted as performing well. However, despite the best efforts of the co-conveners (the ICVA and Germany), the self-reports and interviews indicate that little progress had been made by the end of 2019 in rolling out the finalised 8+3 narrative reporting template. Little evidence was presented during interviews to justify this low take-up, with many signatories explaining that they were simply unaware that the pilot had been concluded and the template finalised. Whatever the reasons, the opportunities that the template offers to reduce the narrative reporting burden, particularly for smaller signatories, are not being realised.

1.2.2 Under-performance in signatory groups

The evidence available highlights certain weaknesses in the performance of three of the constituent signatory groups in 2019. Coordination among the donor group was insufficient in many areas, including reducing donor assessments, increasing the predictability of funding and supporting local actors. For the UN group, staff from several agencies explained in interviews that they remain unconvinced that the Grand Bargain has particular added value over other processes, including UN Reform and the IASC. The NGO group is the largest and perhaps the most diverse, and it is therefore more difficult to discern particular trends. Certainly, the scope of their reported investments remained lower than other constituent groups (only 31% of NGOs reported against all workstreams), and this is only partially explained by limited capacity to engage. Interviews indicated an explicit lack of interest or prioritisation among NGOs in certain areas, particularly joint needs assessments and analysis.

1.2.3 Weaknesses in the overarching strategy of the Grand Bargain

The research for 2019, combined with that for the previous two AIRs, exposes a number of weaknesses in the overarching strategy of the Grand Bargain that are impeding greater progress. First, the workstreams have largely remained focused on technical issues – designing new approaches, policies or tools to address related challenges. This has led to important results in key areas, for example in improving modalities to support participatory approaches and in more multi-sectoral needs assessments and joint intersectoral analyses. But in all workstreams, there was inadequate *political* investment in addressing the long-standing challenges inhibiting system-wide change, including a lack of agreement on leadership and coordination on multi-purpose cash programming, low tolerance of the risks inherent in more localised responses and a lack of system-wide capacity to improve needs assessments and analyses. The EP's efforts in late 2019 to galvanise political momentum were important, but commensurate political investments are required from signatories themselves to lift workstreams out of their mainly technical discussions.

Second, the past two AIRs highlighted the importance of clarifying links with other coordination mechanisms and initiatives, particularly those that predate the Grand Bargain. In 2019 there was increased coordination with the IASC, with, for example, the co-conveners of workstream 6 aligning priorities and agreeing a division of labour with IASC Results Group 2 on Accountability and Inclusion. Greater connections were also made between the OECD-DAC and the Grand Bargain in relation to the humanitarian–development nexus. These efforts have however mainly been at the workstream level, and are thus not sufficiently strategic. Consequently, questions remain as to the Grand Bargain's comparative advantage relative to these more formalised mechanisms, and how they can reinforce each

other's efforts without duplicating them. The research indicates a particular lack of clarity on links between the Grand Bargain and the GHD initiative – in part due to limited focus during the period from GHD on its external engagement/outreach to other mechanisms including the Grand Bargain.

Third, and perhaps particularly important, has been the failure to take to scale many of the positive or illustrative practices that have emerged through the Grand Bargain process. A large number of pilots and innovative initiatives have been launched or implemented across the commitments by workstreams, by individual signatories and at country or crisis level. Contrary to recommendations in past AIRs, very few are being scaled up even where there are measurable results. The evidence available for this review indicates that, in many cases, this is due to a lack of funding, which in turn is likely linked to a lack of political will and/or limited appetite to fundamentally change long-standing business practices.

1.2.4   Limited investment from some signatories

There remained significant variations in the level of investment being made by individual signatories, including in reporting on activities and results. Three signatories did not submit reports for 2019 by the agreed deadline: the Czech Republic, New Zealand and Global Communities, with the latter having not submitted any self-reports since it became a signatory in 2016. From the reporting provided it is evident that some signatories are largely paying lip-service to the commitments, while others are trying, within institutional, political or capacity constraints, to institute the changes envisaged – even if only in a few key areas. Overall, too few signatories are making substantive and consistent investments even in the areas they identify as their priorities.

1.3   Key barriers to change

Many of the key practical and political barriers to change identified in previous AIRs have remained, resulting in a limited sense of ownership and accountability among signatories.

1.3.1   Practical and political barriers to change

There are numerous barriers to change. First, the scope of the commitments is still too broad, and much of their content too vague. Reiterating findings from AIR 2018, many signatories articulated during interviews that working on the original set of commitments is unhelpful and counter-productive. It is abundantly clear from the reporting process that few signatories treat the Grand Bargain as a whole package, with the vast majority, including the largest institutions, having determined their own priorities. In September 2018, the co-conveners and the FG came together to agree common priorities, resulting in the designation of 11 of the original commitments as 'core commitments'. This process was intended to bring greater collective focus on a narrower set of priorities, with both individual signatories and workstreams expected to concentrate their efforts on these 11 commitments. By the end of 2019, it had become clear that the effects of this strategy had been limited. There was some impact in that more information was made available through signatories' reporting on the investments they are making to achieve these particular commitments. But the selection process was not sufficiently strategic: one core commitment was chosen from each workstream, rather than identifying priorities most relevant to achieving the overarching goals of the Grand Bargain, irrespective of which workstream they are from. As such, the priorities selected were not particularly interconnected, it was not always clear how they would support delivery of the overarching goals of the Grand Bargain, and progress against them has been very uneven: there has been scant progress on core commitment 4.5 (*make joint regular functional monitoring and performance reviews and reduce individual donor assessments, evaluations, verifications, risk management and oversight processes*) compared to the substantial investments by signatories in achieving core commitment 3.1+3.6 (*increase the routine use of cash, where appropriate, alongside other tools. Some may wish to set targets*). Additionally, the core commitments were selected from the original list using the original language, without consolidating the actions needed to

achieve them. This has meant that some efforts have been too narrowly focused; for example, there was no evident strategic approach in 2019 to link collective efforts to increase the volume of flexible funding (core commitment 8.2+8.5) with commitments aimed at creating incentives for donors to do this, including improving the quality of reporting on flexible funds (commitment 8.3 – *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*) and increasing the visibility of donors' good practice (commitment 8.4 – *increase the visibility of unearmarked and softly earmarked funding, thereby recognising the contribution made by donors*).

Second, there was limited effort to link workstreams or to identify and address issues that cut across all workstreams. AIR 2019 highlighted a number of areas where more collaboration across workstreams could enable greater progress, but little was done in this respect in 2019. Workstreams have remained siloed, with limited collaboration and, in some cases, little discussion between co-conveners. Workstream 3 (cash programming) established a new sub-group on localisation and cash (led by the Swiss Agency for Development and Cooperation (SDC), Oxfam and PDRRN) as a collaboration with workstream 2, and this has the potential to increase attention on how localisation can enhance the efficiency and effectiveness of cash programming, and how cash programming can reinforce the key principles of a more localised response. However, this new body was slow to capitalise on the progress already made and move on to more substantive issues: preliminary activity focused on discussing the possible definitions of 'local actors' when these had already been agreed by workstream 2 in 2018.

Consistent with self-reporting for 2018, signatories continued to make their own connections across workstreams in 2019. Many aid organisation signatories, including the ICRC, IFRC, DanChurchAid and Oxfam, reported on their efforts to link advancement of localisation and participation with programming across

the humanitarian–development nexus. There was also a shift from some donors, including Australia, Denmark and Ireland, to provide better-quality funding to specifically support participation and localisation, as well as other objectives. But the impact of these efforts will be limited unless they can be taken to scale through a more strategic, cross-cutting approach at the collective level.

Third, measuring performance against the core commitments still presents a major challenge. Although reporting has improved overall with the introduction of a more detailed template for the self-reports in February 2019, obtaining an accurate picture of collective or system-wide progress has remained difficult. In response to AIR 2019, amendments were made by co-conveners to some of the indicators for the core commitments. The number of signatories reporting against the indicators increased slightly overall, but still varied considerably per indicator: 91% of donors reported some data against the indicator for core commitment 7.1a, compared with only 23% of aid organisations. The two optional indicators for core commitments 2.1 and 2.4 again had the lowest reporting rates – 2% and 4% respectively. Many signatories explained that they simply do not have access to the data required to report against many of the quantitative indicators, or need to collate data manually and do not have sufficient resources, or interest, to do this. Where quantitative data was reported, it was often not comparable because signatories used different metrics or terminology, or had different interpretations of the guidance issued by co-conveners. This was particularly the case for data reported against core commitments 2.1, 2.4, 7.1a and 8.2+8.6.

Fourth, some long-standing issues arising from the original framing of the Grand Bargain have never been fully reconciled. The AIR 2018 highlighted the lack of agreement among signatories on whether the Grand Bargain should be viewed as primarily a headquarters mechanism, or whether it was designed or intended to be 'rolled out' in some form at country level. There is still no clear agreement and no strategy on how the Grand Bargain should be delivering at country level, which

means that the cascading effect of changes at headquarters are slow and ad hoc, and that efforts to scale-up or expand positive practices at country level have been minimal. The AIR 2018 also highlighted the lack of agreement among signatories on whether membership should be expanded. In the absence of a clear decision, membership has slowly increased (including in 2019), but managing the trade-offs between inclusivity and efficiency has proved challenging. When the Grand Bargain was publicly announced in 2016 there was specific reference to a goal of saving $1 billion through increased efficiencies. But there has since been a distinct lack of reference to, and an apparent nervousness about, discussing efficiency gains, which in turn has led to a lack of focus on how to achieve, consolidate and measure gains arising from signatories' efforts. The lack of constructive debate in this area has meant that there is an unhelpful divergence of views on what efficiency means as a concept; who is responsible for making efficiency gains and how this might impact others in the chain; and, crucially, how to balance efficiency with increased effectiveness of humanitarian aid interventions.

Fifth, despite some efforts to streamline structures and processes in the past few years, the Grand Bargain has remained over-bureaucratised. As highlighted in the AIRs in 2018 and 2019, the sheer scale and scope of the bureaucracy that has been created around the Grand Bargain (i.e. the multiple sub-groups, meetings, consultations and reporting processes), has become a counter-weight to progress. The burden is too great for even the largest institutional signatories, and the consequent focus by all on institutional rather than collective priorities, has meant that efforts invested are simply spread too thin to achieve system-wide change (with the exception of cash programming).

Sixth, the 'quid pro quo' – a commitment to reciprocal action by different signatory groups, with each playing their part to achieve the collective goals – is non-functional. Related to issues of accountability and ownership, it was even clearer in 2019 that this concept has not worked as originally designed and has actually become an unhelpful framing. Some signatories have been using the lack of action on certain commitments by one group as an excuse for their own lack of progress on others. There is increasing tension between some groups due to a perceived or actual lack of action, undermining the spirit of collaboration necessary to make collective progress. Some INGOs, for example, are becoming increasingly frustrated by a perception that UN agencies are holding on to funding received from donors, rather than passing it on to their NGO partners (see Miliband, 2019).

Certainly, each signatory, and each signatory group, has their own 'truth' about the progress they and others are making against the commitments. But the evidence presented for this annual review indicates that most constituent groups are not making adequate investments in key areas. Although there are exceptions, donors are generally not making substantive progress on reducing the reporting burden for their downstream partners, most have done little to promote better-quality joint needs assessments and analysis by aid organisations, and despite a sizeable group of donors making good progress on increasing their provision of multi-year funding, the impact of these efforts has been limited in part because of a lack of coherence and collaboration, and a lack of understanding of the extent to which the modalities they use translate into more predictable funding for aid organisations down the chain. Many UN signatories are still not making the investments in capacities that are necessary to ensure high-quality joint or more joined-up needs assessments and analysis, most have little quantitative evidence of the efficiency gains they report and there is still no agreement on a global mechanism for operational coordination of cash programming. NGOs have generally not invested a great deal in the concept or practice of joint needs assessment and analysis: few engage in the workstream and there is little interest in joint processes at country level. Investments being made by NGOs are insufficient to ensure consistent application of the participatory and localisation policies they have developed and are committed to implementing.

Despite some tensions and the non-functioning of the quid pro quo concept, the majority of signatories (from all groups) did indicate during interviews with the research

team that, even if others were not playing their part, they were intent on delivering against their commitments because they reflect good aid practice.

Seventh, domestic politics continues to play a major role in the extent to which donors, and to a degree international aid organisations, are able to deliver the changes in policy and practice required by the Grand Bargain. But there has been limited strategic debate among signatories on how to address this. Some donors explained that they are using the Grand Bargain as a way to garner internal government support for different approaches, such as increasing the flexibility of funding and providing more long-term funding commitments to partners. For others the domestic political environment is highly challenging, with low tolerance of the risks inherent in international humanitarian aid. More tactical arguments, such as a greater focus on the financial savings to be made by changing practice or demonstrating how financial, reputational and other risks can be effectively mitigated, are necessary to help persuade domestic constituencies to relax rules and increase their risk appetite. There is evidence to support such arguments in signatories' self-reports for the Grand Bargain and from other sources, but this has yet to be collated and coherently presented for use by donor representatives in their internal government discussions.

Eighth, making the institutional changes and investments required to deliver against the commitments calls for the highest level of political commitment within each signatory institution. However, the majority of Sherpas are not principals, ministers or senior officials, and may therefore not have adequate influence over institutional direction and decision-making. There are questions as to whether higher-level political engagement – i.e. at ministerial or principal level – could be generated, but there are opportunities to do so, including capitalising on the seniority and the personal reputation of the EP, and taking advantage of the high-level momentum the Covid-19 response is bringing to efforts to reform the international humanitarian aid system.

1.3.2   Limited ownership and accountability

Many of the issues discussed above can be addressed – to an extent – through practical measures, as indicated in the recommendations in section 3. But this is also dependent on a stronger sense of ownership and accountability than currently exists. Four years into this process, it may not be entirely surprising that there is a more limited sense of ownership among signatories of the commitments they have each made under the Grand Bargain. The self-reports, interviews and consultations with signatories evidence that internal communication within signatory institutions is often weak, with a lack of awareness among headquarters and field staff of the commitments made and efforts being undertaken by their respective institutions (see also Degnan and Kattakuzhy, 2019). Many staff continue to question the benefits to their institution, and the relevance the Grand Bargain has for their work. Some signatories have clearly not yet dedicated requisite resources to ensuring the institutionalisation of some commitments, such as commitment 1.1, which requires publication of funding and activity data to the IATI Standard; core commitment 4.5, on reducing individual donor assessments; and core commitment 9.1, on rolling out the now-final harmonised reporting (8+3) template. As noted earlier, the broad scope of commitments has meant that the majority of signatories can only invest efforts in a few key areas, limiting their sense of ownership over the whole package as it was originally designed. Interviews and consultations with signatories also indicate that many are too reliant on a 'leader' delivering a 'vision' for them. As such, they fail to recognise their own role in delivering what the Grand Bargain set out to achieve. The EP can support and coordinate this process, but it must be a shared effort by all signatories.

Related to this is a limited sense of accountability for delivering on the commitments. As a voluntary process, and one that must compete with other more formalised mechanisms of international aid, the Grand Bargain has always faced challenges in holding signatories accountable for the promises they made in 2016. The rate of reporting by signatories on their actions and results has

increased, but their *investments* have not necessarily done so, and certainly not in all areas, among all signatories – as the self-reports from each year of this process clearly indicate. The revised format for the 2019 Annual Meeting and the related monitoring of action points agreed in the discussions has been important, but additional ways to increase pressure on signatories to deliver are still required. As the principal mechanism to secure accountability, further adjustments to the annual reporting process could be helpful. For example, the spreadsheet component of the revised self-report template for 2018 was not made public, and several signatories indicated to HPG/ODI researchers that they did not invest much effort in preparing the spreadsheet for 2019 reports because it is a time-consuming task and they knew in advance this year that it would not be published. Not publishing this more detailed part of the self-report has meant that some of the momentum towards increased accountability gained by revising the whole template in early 2019 has been lost. There has also been much debate in recent years among the FG and other signatories about whether to somehow rank the performance of the individual signatories. This was previously set aside for clear reasons but it may now be worth reconsidering how to integrate this approach in the AIR to create additional incentives or increase pressure on signatories to make the necessary institutional shifts in key areas, such as quality funding, localisation and harmonised reporting.

1.4 Country-level relevance of the Grand Bargain

As noted above, the question of whether and how the Grand Bargain should link to or be used to support country or crisis-level operations has never been resolved. In the absence of a specific strategy, connections to and use of the Grand Bargain at country level continued to evolve

organically in 2019. As noted above, workstream 5 sought to embed the tools it had developed in the global field-level roll-out of the enhanced HPC for 2020. Workstream 2 undertook its third 'country demonstrator' mission in 2019, to Nigeria. The multi-stakeholder team worked with the HCT to develop recommended actions to support the Humanitarian Coordinator (HC) and HCT members to develop a context-specific approach to localisation, including increasing the representation of local responders in the HCT.

There was also targeted outreach to the field as part of the ongoing VOICE project, supported by Belgium. Building on work in 2018, VOICE (whose membership includes 11 INGO signatories to the Grand Bargain) continued its engagement with country-based actors in Lebanon and undertook new activities in the Democratic Republic of Congo (DRC) to investigate whether and how front-line responders were having a say in Grand Bargain implementation. Workshops in both countries resulted in the development of recommendations from country-based actors on how and in what areas the Grand Bargain commitments could be used to effect change in their respective contexts. In DRC, country-based INGOs and national NGOs agreed to use the Grand Bargain to mobilise more predictable funding to accompany the new three-year HRP, and to advocate for more funding to local and national actors and simplified reporting requirements from donors and upstream partners.

The efforts of HCTs, UNCTs, NGO and donor fora and individual signatories have resulted in an array of pilots, initiatives and programmes instituted at country and crisis level in 2019 in support of the core commitments and other areas of the Grand Bargain (see Figure 2 for a visual of core commitments achieved by HCTs). Examples included the country-based cash collaboration platforms established by the CCD network;[8] targeted investments in capacity strengthening for local organisations, such as those reported by Christian Aid, Catholic Relief Services (CRS) and NRC, and of local networks

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8   The 15 members include 10 signatories (Care International, CRS, DCA, IRC, Mercy Corps, NRC, Oxfam International, Relief International, Save the Children International and World Vision International) and ACTED, Action Against Hunger, ADESO, Concern Worldwide and the Danish Refugee Council.

Figure 5: Humanitarian Country Teams undertaking actions to fulfil core commitments of the Grand Bargain
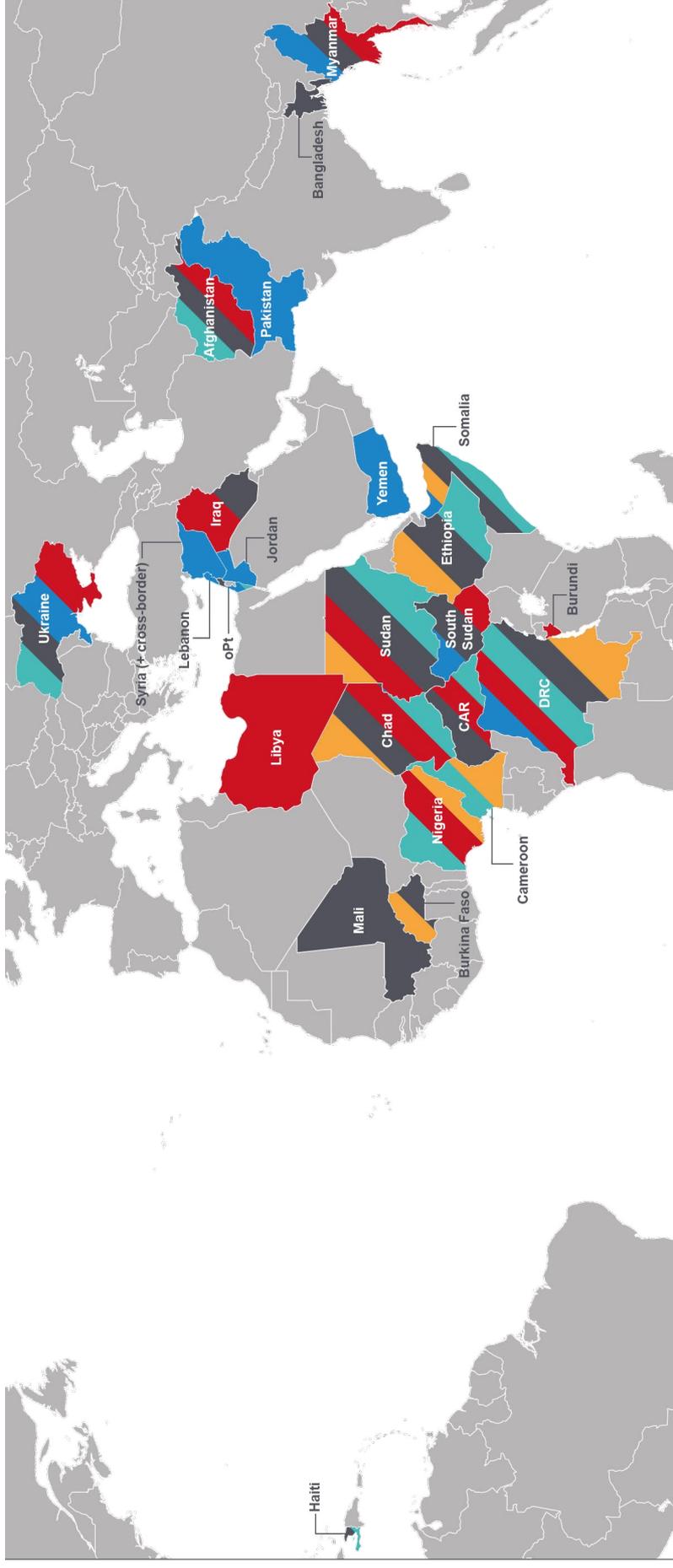
Core commitment 2.4: Country-Based Pooled Fund which allocated more than 25% of funds directly to local/national NGOs

Core commitment 5.1: Multi-sectoral needs assessment conducted and/or an intersectoral joint analysis conducted resulting in a Humanitarian Needs Overview that was scored 75%+

Core commitment 6.1: Regular surveys of affected populations' perceptions of the humanitarian response conducted and/or a joint approach to accountability to affected populations in place

Core commitment 7.1a: Multi-year Humanitarian Response Plan in place

Core commitment 10.4: Humanitarian-development analysis conducted and Collective Outcomes developed between HCT and UNCT

(as reported by SCHR); and efforts to track the perceptions of local actors of the aid they receive, and the extent to which they feel able to influence decision-making (such as by HCTs in Bangladesh, Chad, Iraq and Somalia, supported by GTS/OECD).

There is certainly growing evidence that local actors – government and non-governmental – are interested in engaging with the Grand Bargain as a way of improving or reforming the way international humanitarian aid is provided. The VOICE workshops and the recent survey by NEAR demonstrated strong interest among local and national NGOs in using the Grand Bargain to hold donors and international aid organisations to account. But there has been insufficient effort by signatories to capitalise on this interest and expand engagement with local actors, or to ensure that their own country-based staff are aware of the commitments their institution has made, and how they should change their practices accordingly. There has also been no clear and comprehensive strategy adopted at headquarters to use HCTs, UNCTs, NGO forums or donor coordination mechanisms at country level to lead, coordinate and promote implementation of the commitments of most direct relevance to country operations, such as those on localisation, participation, joint needs assessment/analysis, quality funding, harmonised reporting and the humanitarian–development nexus. Without a more coherent and strategic approach, the benefits that the Grand Bargain can bring to country or crisis-level operations will not be maximised. Reflecting on how the Grand Bargain is being used in Somalia (see Box 4) offers an indication of these benefits, and thus what could be achieved through a strategic approach from headquarters.

1.5   Gender and the Grand Bargain

Gender equality and women's empowerment were not included in the original discussions on and formulation of the Grand Bargain commitments in 2016. But as outlined in previous AIRs, a small group of signatories came together under the informal leadership of UN Women to consider how to ensure that such considerations were integrated in the implementation of the commitments. This approach has evolved significantly since late 2016, with the creation of the FoGG expressly using the Grand Bargain as a vehicle for advancing commitments on gender equality and women's empowerment which had already been made elsewhere (e.g. under the IASC, within the UN system and within OECD-DAC and the GHD).

1.5.1   Using the Grand Bargain to drive progress on gender in humanitarian action

Consistent with 2018, there was a high level of reporting by signatories on their efforts in 2019 to integrate gender in their institutionalisation of the Grand Bargain commitments: 97% of signatories reported some information on this, either in their narrative report and/ or their spreadsheet. The reports evidenced the formulation and implementation of institutional strategies on gender equality, as well as detailed examples of how signatories have been integrating these issues in their implementation of specific commitments. The most common references were to the integration of gender in contextual or needs assessments and analysis, ensuring due regard for gender, as well as age. There were also examples of targeted investments in gender equality/women's empowerment in other areas, including efforts by ActionAid and Oxfam International to strengthen the capacities of and ensure access to international funding for local women's rights and women-led organisations; Australia's support to women's leadership groups in Asia and the Pacific, aimed at helping women and girls participate in and lead community disaster response; WFP and the World Bank's joint efforts to support and track integration of gender issues in cash programming; and the International Labour Organization (ILO) and UN Development Programme (UNDP)'s holistic approach to supporting women and women's organisations to build local and national resilience. Some signatories also reported on their efforts to augment capacities to institute more gender-responsive approaches across the system: Care International provided training on rapid gender analysis, based on the IASC Gender Handbook, for over 40 organisations.

Box 1: Embedding the commitments at country level – Somalia

International and national humanitarian actors have sought to embed many of the commitments under the Grand Bargain into their work, including through the HNO and HRP, the Somalia NGO Consortium and the Somalia Humanitarian Fund (SHF).

Planning and response strategies: As in the previous year, the 2020 HNO is based on a joint multi-sectoral needs assessment conducted by REACH and a joint intersectoral analysis (core commitment 5.1) conducted by the HCT members/clusters. Development and resilience actors, including donors, were involved in the 2020 HPC process from the outset (commitment 5.7), and the 2019 and 2020 HRPs' objectives and projects were explicitly linked with the four Collective Outcomes developed jointly by the development and humanitarian community in 2017 (core commitment 10.4): all humanitarian projects in the 2019 and 2020 HRP are expected to contribute to these Collective Outcomes. In 2020, the HCT will begin discussions on transitioning the current annual HRP to a multi-year planning framework (core commitment 7.1a).

Localising the response: Since 2017, the Somalia NGO Consortium has proactively and consistently engaged its international aid counterparts in Somalia (donors and UN) to promote application of the Grand Bargain's commitments on localisation. It held a series of workshops with stakeholders, building the evidence base for localisation, and sought to increase collaboration with the HCT through the formulation of a localisation framework intended to ensure that 'local and national humanitarian actors are increasingly empowered to take a greater role in the leadership, coordination and delivery of effective humanitarian preparedness and response in Somalia' (OCHA, 2020: 17; see also NGO Voice et al., 2018; Shuria et al., 2018) (core commitment 2.1, commitments 2.2 and 2.3). The HRP states that the Consortium will support NGO coordination mechanisms and 'continue to strengthen the capacity of national NGOs to improve frontline response' (OCHA, 2020: 51) (core commitment 2.1).

Participation and tracking of beneficiaries' perceptions: Since 2017, the HCT has been supported by GTS/OECD as part of the latter's Saving Lives in Crisis project. This has involved annual surveys of beneficiaries' perceptions of the aid they receive. The HRP 2020 includes perceptions of aid recipients – and targets based on those indicators – as a metric for tracking implementation of the HRP. These indicators include people's views on all the strategic objectives in the HRP (commitment 6.7).

Enhancing the quality of funding: The Somalia Humanitarian Fund (SHF) – a CBPF managed by OCHA – has embedded key Grand Bargain commitments in its strategic approach to promoting and incentivising change for partners. Almost half (47%) of the funding available in 2019 was allocated to local and national responders, who account for 57.8% of all recipients (core commitment 2.4). Real-time data on the CBPF Business Intelligence portal was published to the IATI Standard, alongside public outreach via social media and the internet (commitment 1.1). Allocations to cash programming were prioritised based on cluster recommendations, with cash accounting for 11% of grants in 2018, and tracking of cash was enhanced through the addition of a cash marker in the Grant Management System (core commitment 3.1+3.6). Priority was also given to direct implementation of grants by first-level recipients, reducing management costs and increasing efficiencies, with sub-contracting only permitted in exceptional cases (commitment 4.1 and 4.4). The fund supports and promotes joint needs assessment and intersectoral analysis through facilitating cluster coordinators' engagement in the decision-making process, and the alignment of grants with HRP priorities, which are themselves based on the collective HNO process (core commitment 5.1 and commitment 5.5). All SHF-funded projects are required to embed community consultation and feedback processes throughout the project cycle (core commitment 6.1). The SHF was one of the three pilots for the 8+3 harmonised reporting template and, as is now the case for all OCHA-managed CBPFs, uses the finalised 8+3 template for reporting by recipient organisations (core commitment 9.1). The 2019 revision of the SHF operational manual has enabled the fund to formally issue grants of more than 12- month duration in accordance with strict criteria, and all applicants are encouraged to explain how they plan to enhance the sustainability of their project (commitment 10.1) (SHF, 2019).

The UN Population Fund (UNFPA), as lead of the Gender-based Violence (GBV) Area of Responsibility (AOR) under the Global Protection Cluster, worked with its partners to launch the revised Coordination Handbook on Gender-based Violence and the new inter-agency Minimum Standards for GBV in Emergency Programming, which promote community and local actors' involvement in GBV responses.

Details reported by signatories varied, with some reporting only in broad terms about their institutional policy on gender, while others presented a detailed strategy of engagement on gender equality and women's empowerment, alongside examples of how they are promoting this through programmes and in their institutional staffing and processes. The forthcoming World Bank Group Strategy for situations of fragility, conflict and violence (FCV) prioritises gender and emphasises the Bank's efforts to address the needs of women and girls by identifying gender-based discrimination and harmful gender norms (including those that drive GBV), as well as gendered gaps in access to economic opportunities, assets and human capital in such settings. Under IDA18 the number of operations focused on preventing and responding to GBV increased, and 13 out of 20 operations were 'gender-tagged'. Mercy Corps reported on its institutional commitment to integrating gender equality and women's empowerment in its humanitarian work, including the establishment in 2019 of a new Gender Equality and Social Inclusion (GESI) team, the launch of a GESI community of practice with 100 focal points from 34 country operations, and the development and roll-out of a diagnostic tool enabling country operations to design contextualised action plans that support inclusion, diversity and gender equality, both in the workplace and in their programmes.

Much of the momentum on gender equality in the Grand Bargain is driven by the FoGG through its outreach to signatories generally and to specific workstreams. In 2019, the FoGG prioritised their investments in supporting/promoting gender in four workstreams, working with co-conveners, developing guidance notes and engaging local actors through regional workshops. The four areas were:

- **Localisation.** The FoGG supported the endorsement of a strategic focus on gender-responsive localisation at the regional conferences on localisation organised by workstream 2, with priority actions agreed to improve tracking of funding to women's rights and women-led organisations.
- **Needs assessments.** The FoGG helped the workstream 5 co-conveners build on long-standing work to ensure a gender lens in data collection and analysis, including integrating gender in the various tools developed.
- **Participation.** The FoGG worked with the co-convenors of workstream 6 to encourage greater focus on promoting the leadership of women and girls in their communities and in aid decision-making.
- **Cash programming.** The FoGG supported advocacy by the co-chairs of the gender and cash sub-group of workstream 3, including on increased collection of evidence on the use of cash to address gender inequalities.

At its annual meeting in December 2019, the FoGG brought together its members and representatives from local NGOs (Nepal, South Sudan, Uganda, Nigeria, Yemen, Egypt, Liberia, Cameroon, Lebanon, Jordan, Turkey) to discuss progress in 2019 and identify action points for 2020. Priority issues identified during the discussions included recognition of improvements in the detail and breadth of reporting by signatories, the lack of adequate funding for women's rights and women-led organisations and the limited impact of commitments at country/crisis level. For 2020, the group agreed to focus engagement with donors and UN agencies on better tracking and increased provision of funding for women's rights and women-led organisations; on collating and presenting evidence of the efficiency gains to be achieved by a more gender-responsive approach to humanitarian action; and focusing on priority countries where Grand Bargain roadmaps are being developed, to ensure the integration of gender equality and women's empowerment.

1.5.2 Challenges to embedding a gender-responsive approach

The availability of consistent and quality data on funding to support gender equality and women's empowerment was a major factor in determining where progress is being made. Although some positive examples were reported (as noted above), only 2% of signatories reported against the core commitment indicator on capacity-building support for local women's rights and women-led organisations. Similarly, tracking of the volume of funds directed to these organisations was very limited: only 4% of signatories reported against this indicator, and efforts to institute more detailed tracking of funding for local women's organisations across the system (e.g. via OCHA's Financial Tracking Service (OCHA FTS)) were not concluded by end-2019.

Second, although there is clearly a wide variety of activities by signatories on gender equality and women's empowerment, how this is translating into actual investments at programme level is unclear. Preliminary data from a joint study by UNFPA and UN Women suggests that funding for projects/programmes targeting women and girls has increased, though not as an overall percentage of global humanitarian funds (UNFPA et al., 2020). Third, as was the case in the annual reporting process for 2018, the vast majority of references by signatories in self-reports for 2019 were to efforts to support women and girls specifically, not the wider concept of gender equality in humanitarian action that has been adopted by the IASC and OECD-DAC, namely the differentiated impact of crises on men and boys, and women and girls. However, reporting and interviews for 2019 did indicate broader acceptance (compared to 2018) that all signatories have signed up to commitments on gender equality and women's empowerment in one form or another, so the Grand Bargain can legitimately be used as a lever for change on this issue.

Overall, the focus and energy created by the FoGG among signatories remains impressive. Gender equality and women's empowerment has become a key element of the Grand Bargain, with the vast majority of signatories reporting some data on how they are advancing gender in their efforts to implement the commitments. There is strong engagement and collaboration with the co-conveners of various workstreams, with a clear focus on integrating gender from the four workstreams prioritised by the FoGG for its support. The gender-related activities and investments reported by signatories are broad and, for the most part, substantial. The efforts the FoGG, and particularly its chair (UN Women), have made in using the Grand Bargain as a vehicle to drive forward gender equality and women's empowerment in humanitarian action are bringing tangible results. These results are unlikely to be sustainable without ongoing and adequate funding for this coordination effort.

Section 2

Workstream-level analysis: progress achieved, challenges outstanding

This section presents in more detail the analysis of progress achieved and challenges remaining within or related to each of the workstreams. It also includes detailed analysis of progress against each of the 11 core commitments.

2.1   Workstream 1: Greater transparency

2.1.1   Workstream summary

Progress continued to be made within this workstream, particularly in increasing the number of signatories publishing to the IATI Standard, increasing examples of how signatories can and are using the data published to IATI and a reiteration by many signatories of their strong commitment to the concept of transparency in their funding and activity data. However, the quality of the data published to the IATI Standard remains poor, incomplete and inconsistent, progress on technical issues such as interoperability with OCHA FTS was slow, there remains a gap between what most signatories expect of IATI in terms of its 'use' and what this publishing framework was designed to deliver, and incentives for investing in the

framework remain inadequate. Few donors use it for decision-making or require their partners to publish to this Standard.

Analysis by DI demonstrates that the number of signatories publishing data on their funding and activities to the IATI Standard has steadily increased since 2017, with many also publishing data in more detail and more regularly (DI, 2020) (commitment 1.1 – *publish timely, transparent, harmonised and open high-quality data on humanitarian funding within two years of the World Humanitarian Summit in Istanbul. We consider IATI to provide a basis for the purpose of a common standard*). By 1 January 2020, 52 out of 61 signatories (85% of the total on 31 December 2019) or one or more of their members/affiliates were publishing some data (development and/or humanitarian) to the Standard, compared with 44 (75%) signatories in May 2018 and 37 signatories (73%) in June 2017; 48 signatories (79%) were publishing on their humanitarian activities specifically, compared to 36 (61%) in May 2018 and 31 (60%) in June 2017. Many signatories also reported on efforts to improve the quality of their data, through upgrading to version 2.02 (46 signatories were using version 2.02 or later by 1 January 2020, compared to 31 in

May 2018).[9] Several were publishing data more regularly: ECHO indicated that it was publishing data daily to IATI and OCHA FTS, and the Netherlands, the US and UNICEF were reporting monthly. In respect of core commitment 1.2 (*make use of appropriate data analysis, explaining the distinctiveness of activities, organisations, environments and circumstances (for example, protection, conflict-zones)*), DI analysis indicates that 45% of signatories who submitted self-reports for 2019 were 'using' IATI data in some way in 2019, according to the definition of data 'use' developed by DI (direct use via d-portal, the IATI datastore or the IATI registry; indirectly, via a tool, visualisation, platform or service; by creating a tool, visualisation, platform or service; use of data for analysis and/or decision-making).

In 2019, the workstream co-conveners (the World Bank and the Netherlands), through members and partners (including DI, Publish What You Fund, OCHA's Centre for Humanitarian Data and OCHA FTS), focused on activities to support increased publication to the IATI Standard, demonstrating how the data published to the Standard can be used and providing ad hoc technical support to individual signatories on request. Key activities and outputs reported included:

- DI developed the IATI Humanitarian Data Portal, which will replace the Transparency Dashboard. The portal was launched as a pilot version with 10 signatories at end-2019, and aims to support signatories to monitor their progress against commitment 1.1, and support users in understanding how organisations are publishing their data. The portal was expected to go live in April 2020.
- DI's prototyping work aims to show the value of data being published via IATI, provided it is complete and timely.
- Research on data users' needs in Bangladesh and Iraq by DI and Publish What You Fund was completed, and the findings, due to be published in June 2020, are expected to inform the digital platform the workstream

is developing in consultation with signatories and platform owners, by providing more information on designing data platforms to enable decision-making.

- The Centre for Humanitarian Data drafted data responsibility guidelines and shared them with workstream participants at the annual workshop in May 2019. The guidance is intended to support IATI publishers to ensure the 'safe, ethical and effective management of data in humanitarian response' (Grand Bargain workstream on Transparency, 2019: 2).

Beyond publishing to the IATI Standard, the self-reports also indicate a wider commitment to increasing the transparency of data on funding and activities, with many signatories reiterating their commitment to the concept and reporting on the tools and mechanisms they have developed or enhanced in order to present more detailed, updated and useable data on their humanitarian work (*commitment 1.3 – signatories improve the digital platform and engage with the open-data community. Donors accept common standard data for some reporting purposes*). OCHA reported on efforts by FTS to present updated information on funding flows for over 130 countries/crises, including detailed tracking of funding against 32 response plans; tracking of multi-year and cash programming; a new feature that enables identification of the level of earmarking of each contribution reported; and improvements to the tracking of funding of local and national actors (see section 2.2 for more details). OCHA also reported on the Humanitarian Insight online platform, which consolidates information on needs, response and funding gaps for all major humanitarian operations. It also hosts the Global Humanitarian Overview (GHO), providing historical trend data on funding requirements, coverage and people in need for all plans included in the GHO 2020 (to be continuously updated as more HNOs/HRPs are finalised and published). Signatories also provided examples of systems and publication formats they use to present

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9   Data is drawn from www.humportal.org/signatory-progress.

financial and programmatic data for public and partner use. Spain, for example, reported on its updating of the info@od website, and the 2019–26 Strategy for Humanitarian Aid restates its commitment to increasing transparency. Christian Aid is co-chair of a Working Group on Transparency of the UK INGO coordination network BOND, which focuses on enhancing open data on humanitarian aid. WFP reported on its portal for member states and donors, which includes programme, financial and performance-related information for its Country Strategic Plans, and which aims to provide greater transparency on planning and results, strengthen governance and oversight and enable more informed funding decisions. WFP believes that this approach to transparency is building donor confidence, which could enable more quality funding. The workstream also began discussions at its annual meeting in May on the wider concept of transparency, going beyond transparency of funding and activity data to, for example, include transparency on the criteria and processes for internal decision-making and allocations. Further progress on this is expected in 2020. However, progress against commitment 1.4 (*support the capacity of all partners to access and publish data*) remained static. Respondents to the NEAR survey indicated that few national or local organisations had heard of or were familiar with the IATI Standard, with 75% of respondents stating that they had never used or accessed IATI data (see section 2.2 for more details).

In respect of gender equality and women's empowerment, the co-conveners commissioned an analysis to evaluate options for and the feasibility of integrating gender-disaggregated data into the Grand Bargain transparency commitments, and how to better align with the IASC's GAM (Gender with Age Marker) and OECD's GEPM (Gender Equality Policy Marker). OCHA reports that integration of the GAM in HPC tools at the planning phase means that FTS can now monitor funding levels for HRP projects that have applied gender and age considerations in their design. The workstream co-conveners also held preliminary discussions with workstream 2 on integrating transparency in efforts to localise responses.

It is evident from the reporting and interviews that, despite the progress outlined above, long-standing and overlapping technical and political challenges remain. First, the quality of the data published to the IATI Standard by signatories is still inconsistent, with much of it incomplete or insufficiently detailed or updated. In interviews with signatories and other stakeholders, this was repeatedly highlighted as the key barrier to greater 'use' of IATI data in humanitarian action. Several signatories asserted that, in their view, this was related to insufficiently clear guidelines to publishers on ensuring the consistency, quality and completeness of the data they publish. Second, signatories (particularly aid organisations) questioned whether – from a technical perspective – IATI is an appropriate tool for humanitarian funding and activity: several UN, NGO and RCRCM signatories explained during interviews that they were not convinced that IATI was the most effective, cost-efficient or useful tool for humanitarian aid because the guidance for the Standard allows too much flexibility in the data published (this was intended to ease or incentivise publication), resulting in data that is too inconsistent to be comparable. Third, the interoperability process, which is intended to ensure that signatories can 'publish once and use often', has made slow progress, meaning, in effect, that signatories are having to publish their data in multiple formats manually (to OCHA FTS, the European Disaster Response Information Management System (EDRIS) and IATI and – for some aid organisations – also bilaterally to donors with their own standards/classifications). In 2019, the interoperability process with OCHA FTS continued, with testing on data ingestion providing insight into the adjustments required. But progress was slow due to technical and capacity issues, and because of the inconsistent nature of the data provided by publishers, including gaps in the data required for OCHA FTS analysis. Similarly, interoperability between IATI and EDRIS was hampered mainly by the poor quality, consistency, timeliness and completeness of data published to the IATI Standard. Automating data-sharing between these platforms is crucial to ensuring that IATI is not an additional reporting burden,

but discussions at the May 2019 workshop indicated that, because of differences in the level and quality of data published by signatories, it 'seems unrealistic to envisage automating IATI completely' (Grand Bargain Workstream on Greater Transparency, 2019: 4).

Fourth, there was limited coherence among donors on the requirement for aid organisations to publish more and better-quality data to the IATI Standard and limited incentives to encourage this practice. Many aid organisations (UN and non-UN) explained in interviews that they were investing institutional resources to begin or expand their publication of data to the IATI Standard primarily because this was required by certain donors (e.g. the US, UK, Netherlands, Denmark), not because they felt this was the best tool to enhance the transparency of their data on financing flows, results and activities. Many aid organisations also explained that the lack of a coherent approach from donors, and the fact that even those donors who require publishing to the Standard seldom made reference to or commented on aid organisations' efforts in this regard, were acting as disincentives to invest the necessary resources to publish to the IATI Standard. Several also said that they had expected reduced donor reporting requirements and/or more or better-quality funding in return for their investments in the IATI process, but that this had not materialised.

The issues outlined above have contributed to an ongoing divergence of views among signatories on the added value of IATI as the common standard for publishing open data on humanitarian funding and activities. Interviews with signatories suggest that many who were previously using IATI to publish data on their development funding and activities tend to consider that the Standard is adequate, and were more convinced that it is of use in relation to their humanitarian portfolios. In contrast, signatories whose portfolios are predominantly or only humanitarian in nature, and who had not previously used the Standard, were not yet persuaded that the benefits outweigh the investments required of them.

There is a general expectation among most signatories that, if more of them published more consistent, better-quality and more timely data, then IATI would be more useful and useable for system-wide analysis – and there is certainly a greater sense of this than in past years. But there is also still a mismatch between what many signatories think they will be able to 'use' IATI for (e.g. as a tool for streamlined reporting and analysis) and what it was actually designed to deliver (i.e. a standard which has evolved to comprise rules and guidance that can enable transparent publication of quality and useful data on development and humanitarian funding and results). Further communication is clearly required to ensure that all signatories understand what the IATI Standard was designed to do, and its added value over other data mechanisms. Although nascent at the time of writing, the Covid-19 response appears to be providing an opportunity to clarify for signatories what the IATI Standard can deliver, and how it can do so in complement to other funding data management platforms, including OCHA FTS and their own reporting tools. This could potentially alter the discussions on this Standard as a tool for transparency of funding and activity data.

Overall, it is clear from the reporting and interviews that the Grand Bargain has driven much greater use of and investment in the IATI Standard since 2016, but some signatories – from all constituent groups – are yet to be convinced that it will work for them. Aside from technical questions, the principal problem seems to lie in the poor quality and inconsistency of data published by signatories – views on the reasons for this differ between the different stakeholders. A second issue is the gap between the investments required of those signatories who were not previously publishing to the Standard and the returns they expect, and what IATI was designed to actually deliver as a publishing framework.

Cognisant of the challenges outlined above, urgent actions are needed to accelerate progress in the coming 12 months against the commitments under this workstream. First, signatories should collectively reiterate their political commitment, not just to the broader concept of transparency, but also specifically to consistently publishing high-quality, open

data on their funding activities to a common standard in a timely, transparent and harmonised way. Second, IATI publishers should agree on a revised guidance note to provide greater clarity on how to ensure consistency in the data published. Third, continued support from the IATI Secretariat and other partners is necessary to enable signatories, particularly NGOs, to adjust their internal systems to publish more consistently based on the revised guidance. Fourth, more coordinated incentives are needed from institutional donors and aid organisations to encourage publication to a common standard by their downstream partners. These four actions are a prerequisite to ensure that signatories realise the ambition of the core commitment – to use a common data standard that enables them to 'publish once and use often'.

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

All signatories – Individual action – No deadline

Key

- 🔵 Overall progress
- 🔴 No significant progress
- ⚫ Little progress
- ⚪ Some progress
- 🟢 Good progress
- 🟠 Excellent progress
- 🔴 Activities planned

84% overall progress

3% · 2% · 14% · 26% · 31% · 24%
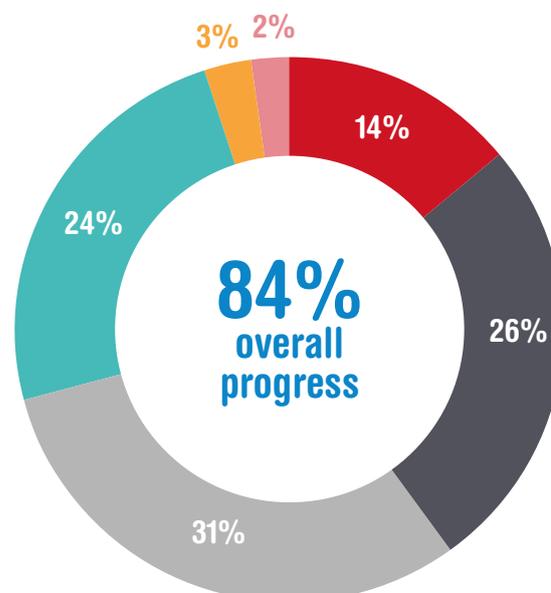
For the 2019 annual reporting process, the co-conveners included a specific indicator against this core commitment in the self-reporting template, requiring all signatories to provide data. While this data is not entirely comparable with the analysis conducted by DI for 2018, it does provide greater clarity on the extent to which signatories are 'using' IATI data, and can serve as a benchmark for subsequent annual reporting. For 2019, 45% of signatories reported (either against the indicator or in other sections of their self-report) that they 'used' IATI data in some way (though the extent to which the data they were using was predominantly

humanitarian rather than development-related was not clear in all cases). The majority of the examples in the reports focused on publication of IATI data via their institutional open-data platforms for public access. Canada, for example, reported on its Global Affairs Canada Project Browser, which provides access to project data published in accordance with the IATI Standard, including humanitarian projects, and provides visualisations of the data in the form of maps and graphs. Similarly, the Netherlands' METIS Platform enables users to visualise and analyse the government's and partners' IATI data. NGO members of the Dutch Relief Alliance, including ZOA International and Care Netherlands, have developed a related dashboard using their IATI data. Oxfam International has upgraded its ATLAS platform with IATI data from seven of its largest affiliates now visualised on this platform. The organisation also noted that the IATI process has been useful in ensuring a common approach to data publication among its affiliated members.

The majority of signatories are still not using IATI data at all – 54% either explicitly reported that they did not use IATI data (22/58) or did not report at all in the spreadsheet. Only nine signatories (six donors and three aid organisations) reported using IATI data specifically for decision-making. Key barriers to use of the data for decision-making identified in the self-reports and interviews include: the lack of complete, high-quality and timely data being published by signatories, and the as yet limited progress in interoperability between IATI and other data platforms including OCHA FTS and EDRIS; the limited usability of and confidence in available data for comparative analysis; the need for improved platforms to enable greater use of IATI data; and, for many aid organisations, a lack of confidence in the technical specification of the current IATI Standard to support the kind of data reporting that humanitarian aid organisations require, and that can therefore be used by their donors, partners, the public and themselves to gain an accurate picture of their funding and activities.

Scorecard Workstream 1

Donor activity	★★★☆
Aid organisation activity	★★★☆
Activity on joint commitments	★★★☆
Links to other workstreams	★☆☆☆
Links to other existing processes	★★★☆

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

2.2.1 Workstream summary

Most aid organisations (UN agencies, INGOs, the RCRCM) and a number of donors highlighted workstream 2 as an area of substantial progress, noting that the Grand Bargain, together with complementary efforts under the Charter for Change and the Core Humanitarian Standard (CHS) Alliance, is driving system-wide progress on this issue. But most signatories also acknowledged that progress remains at the normative level – there is as yet no system-wide shift in practice.

The workstream co-conveners (the IFRC and Switzerland) have remained active, engaging, with support from ECHO, in a range of activities over 2019, including three multi-stakeholder regional meetings (Addis Abba, Amman and Jakarta) and a third demonstrator mission, working with the FoGG on a gender-responsive approach to localisation, and hosting a global meeting to draw together the learning from activities undertaken during the year as the basis for six guidance notes, and to identify priorities for 2020.

Reporting by signatories also indicates an array of activities on localisation and a broad-based commitment to advancing this area of work. Several aid organisations, including Save the Children, Oxfam International and DanChurchAid, outlined the whole-of-organisation strategies or frameworks they have adopted to consolidate their long-standing partnership approaches. DanChurchAid established a cross-functional/cross-sectional team at headquarters to assess the practice of localisation throughout the organisation. The team monitors localisation indicators in country office reports to track how much money is disbursed to local actors, the funding allocated to support the organisational development of partners, and implementation modalities for this. Agreement from headquarters is required before direct delivery of any programme can go ahead, and all humanitarian partner agreements are now two-year frameworks. The World Health Organization (WHO) highlighted the comprehensive analysis it undertook in 2019 of its local partnerships (government and non-governmental) across its global operations, in an effort to assess its overall performance in relation to localisation commitments across the breadth of its humanitarian and development programming.

There was also increasing evidence of a shift towards more and better-quality partnerships with local actors from some aid organisation signatories who were previously focused more on direct delivery or on sub-contracting. There has also been increased dialogue on the importance of risk-sharing and improved risk management as it relates to local partnering (commitment 2.2 – *understand better and work to remove or reduce barriers that prevent organisations and donors from partnering with local and national responders in order to lessen their administrative burden*). Some participants in a 2018 InterAction risk study began actioning recommendations included in that report to better share risk and ensure appropriate cost coverage for local partners, particularly those operating in high-risk settings. NGO forums in South Sudan, Somalia and Nigeria facilitated increased dialogue on this issue at country level.

As reported by donors and some aid organisations, there was an increase in the provision of funding more directly to local actors through CBPFs, other pooled funds and bilaterally (core commitment 2.4 – see below for more analysis). Ten signatories (compared to seven in 2018) reported reaching or exceeding the 25% target for funding to local actors. Evidence from the reporting and interviews indicates that CBPFs are playing an intermediary role between donor and local organisations, offering flexible and accountable systems that shoulder much of the administrative burden and support capacity strengthening and collaboration with local responders (see also Barbelet, 2019; ICVA and HLA, 2019). OCHA reported that 26% of global funds available through CBPFs ($253 million) were allocated to local and national NGOs in 2019 (compared to 25% ($207 million) in 2018). Other pooled funds are also proving valuable tools for localisation. The

IFRC's Disaster Relief Emergency Fund (DREF) disbursed CHF 29.8 million to National Societies in 2019. The START Fund was also highlighted as a key tool providing rapid funding in support of localisation by several signatories who are donors to or one of the 41 NGOs involved in managing the fund. The Start Network has expanded its membership among national NGOs (now a quarter of the membership), is piloting a local rapid response fund in Bangladesh and is developing decentralised local/regional hubs in DRC, Guatemala, India, the Pacific and Pakistan.

There has not, however, been a discernible comparable increase in investments in local actors' capacities, including to enable them to absorb more international funds (core commitment 2.1 – see below for more analysis). UNHCR decided in 2019 to begin allocating a standard 4% of grants to its local NGO partners as indirect support costs and, with UNDP, has advocated for a similar approach from donors to organisations in the Syria response, irrespective of type (UNHCR and UNDP, 2019). This aside, investments by signatories in strengthening the capacities of local partners remained largely static, with the same core group of aid organisations (including DanChurchAid, CRS, Christian Aid, Catholic Agency for Overseas Development (CAFOD), Oxfam International, UNFPA, UNDP, ILO, IFRC and ICRC) continuing their work in this area, but with no, or only limited, increase in support from donors.

Interviews and available literature indicate that there is still a lack of consistent understanding among international aid actors of the nature of local actors' capacities, their capacity gaps or weaknesses and how to address these (see for example Barbelet, 2019). Some interviewees suggested that local responders have still been too rarely involved in decision-making on localisation – including in terms of defining what a local actor is, and what localising responses involves in practice (see for example ICVA and HLA, 2019).

For their part, local and national NGOs have indicated a keen interest in the Grand Bargain. Preliminary analysis from the recent survey by NEAR of its members and partners indicates that 65% of respondents were familiar with the Grand Bargain and 50% use it as a framework, mainly to negotiate agreements with upstream partners based on the commitments agreed as Grand Bargain signatories, and as an advocacy tool to promote localisation; 50% engage in the workstreams of the Grand Bargain in one form or another (though this is mostly through NEAR).[10] The majority of respondents (68%) indicated that workstream 2 was the most relevant thematic area for them.

There have been important efforts in 2019 by the workstream, supported by the FoGG, to advance a gender-responsive approach to localisation. This has involved including local women-led or women's rights organisations in the workstream itself (three of the 10 local organisations invited to join the workstream were women-led or focused on women's rights). There was a specific focus on gender in various workstream activities, including the inter-agency mission to Nigeria and the regional and global conferences, and in the development of the guidance notes. Outputs for the workstream delivered by the FoGG included a guidance note on gender and localisation, as well as bespoke consultations with women-led/women's rights organisations in preparation for each of the regional conferences. A number of signatories reported on efforts to support gender equality and women's empowerment as part of their institutional localisation strategies, including providing funding and/or capacity support to local women-led and women's rights organisations, and empowering women and girls to take up leadership roles in their communities. Some signatories asserted that far greater emphasis is required to ensure that gender is appropriately embedded in localisation

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10   The survey was developed by NEAR, with inputs from HPG/ODI researchers. The survey was disseminated among NEAR's members and partners in March 2020 and results were analysed in April 2020. There were 93 responses to the survey, 92% of them from local and national NGOs from 28 countries in Africa, Latin America, the Middle East and Asia. NEAR used the following definition of local and national NGOs: 'Civil society organisations or citizens' groups who are locally rooted, founded, and headquartered in a country that is not a member of the OECD-DAC (except for Chile, Korea, Mexico and Turkey); carrying out operations at national, sub-national or community level and NOT affiliated to any international NGO'. The data presented in this report is based on a rapid and preliminary analysis of the responses. More detailed analysis and follow-up with respondents may be required.

efforts, including through expanded outreach to women-led and women's rights organisations at country level, better tracking of funding to these organisations and better understanding of, and communication to, stakeholders on the benefits of a gender-responsive approach.

Engagement with other workstreams continued: a joint sub-group with workstream 3 was established in late 2019 to consolidate links between localisation and cash programming, though activity by the new group was still limited by year-end, and technical discussions were held with workstream 1 (*greater transparency*) on how IATI data could be modelled for localisation. There was some discussion with workstream 7+8 (*enhance quality funding*) on pass-down of funding to local and national responders.

A number of barriers to change remained. Principal among these was the lack of appropriate funding to enable more effective local partnerships. There was no significant increase in predictable and flexible funding for capacity strengthening, preventing the scaling up of initiatives that are showing results (see below). Despite ongoing discussions on the issue, most signatories remained wary of the risks inherent in more localised responses, including financial, reputational and operational risks. Although it appears to be decreasing, there is still concern among some INGOs about the impact of localisation on their market share, with several interviewees highlighting to HPG/ODI researchers that this was holding back collective progress.

Evidence for this review indicates that there is still a significant degree of scepticism from various stakeholders that the international humanitarian community will be able to make the substantive shift to localisation in practice – that accountability is still 'one directional', not mutual (Degnan and Kattakuzhy, 2019: 30), with local responders being held to international standards/processes, and international actors competing with local responders for international funding, including in these responders' own countries (A4EP, 2019; ActionAid, 2019; OECD, 2019). Certainly, the incentives for international organisations to meet the commitments they have made to localise responses – and holding them to account for fulfilling these commitments – have not yet been sufficient to bring about a system-wide change in practice. The lack of a coherent strategy from donors is a key obstacle in this respect: this area of commitments requires a multi-stakeholder approach that includes coordinated donor support to scale up the positive practice that many aid organisations are already demonstrating, *and* to encourage other aid organisations to shift to working in greater complementarity with local responders as a default approach. With so much expectation around localisation in recent years, further delays in fully embedding more localised approaches in international responses, with due regard for different contextual dynamics, pose a risk to the reputation of the Grand Bargain and the international humanitarian community more broadly.

2.2.2 Progress reported against 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

Key

- ● Overall progress
- ● No significant progress
- ● Little progress
- ● Some progress
- ● Good progress
- ● Excellent progress
- ● N/A

86% overall progress

2% — 12% — 10% — 22% — 29% — 24%
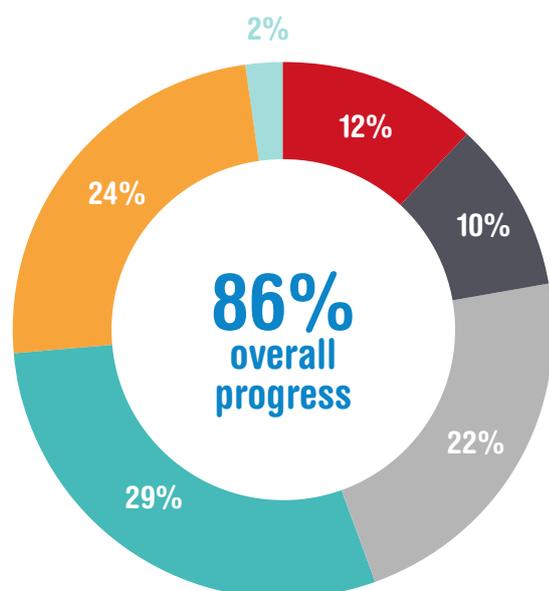
In total, 23 signatories reported data against the indicator for this core commitment (*% of partnership or funding agreements that incorporate multi-year institutional capacity strengthening support for local and national responders*), out of 52 signatories that could report against it.[11] Twelve other signatories indicated in their self-reports that they do not have or could not collate the data required because their systems do not currently record this level of detail. Only one signatory – Australia

– reported any data against the optional indicator for this core commitment (*the % of partnership agreements that include multi-year institutional capacity strengthening support for women-led and women's rights organisations*). Looking at all information reported against this core commitment, it is clear that a range of efforts are being undertaken by aid organisations, including integrating capacity-building elements into wider project partnerships and stand-alone capacity-building projects or programmes. Médicins du Monde and UNDP reported that all their partnerships with local responders include an element of institution-strengthening as a default, and Care International reported that 44% of its humanitarian projects include some degree of capacity-building for local partners. OCHA reported on its continued support to local responders to help them access CBPFs, with important results (see core commitment 2.4 below). The same core group of aid organisations reported on their targeted capacity-strengthening programmes, with several reporting measurable results. CRS' ongoing EMPOWER and Response programmes provide 52 organisations in 11 countries with institutional and emergency response capacity support, enabling 11 local organisations in Latin America to pass the Office of US Foreign Disaster Assistance (OFDA) Pre-Award Survey. Ten have been able to register in the grants.gov system for US government funding, and other CRS partners have won $7 million in emergency response funding, including $5 million in direct awards. Similarly, CAFOD has supported 13 partners to secure a total of over £3.9 million in direct funding since 2016–2017 for their humanitarian and development work. Mercy Corps' 4.5-year Investing in Syrian Humanitarian Action (ISHA) pilot project expanded localisation to include robust capacity strengthening through partnerships with 22 Syrian organisations. The project provided online learning opportunities via DisasterReady.org, reaching 19,000 individuals with learning programmes on humanitarian principles and practice. The external evaluation of the project in 2019 concluded that this approach, which

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11 Those signatories that do not pass down funds by nature of their mandates were not included in this calculation. They include OECD, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), SCHR, NEAR, ICVA and InterAction.

Box 2: Mercy Corps Investing in Syrian Humanitarian Action (ISHA) project

The external evaluation of this project, conducted in 2019, found that it had helped in the development of Syrian humanitarian organisations through building the skills of individual staff members and volunteers, and changing organisational processes and informal norms and values. The evaluation concluded that the project had influenced aid organisations' behaviour in four key ways:

1. It shifted perceptions of the challenges facing humanitarian delivery, increasing understanding of INGOs as potential partners in pursuing direct funding from institutional donors.
2. It altered the balance of accountability towards donors and communities.
3. It shaped their decision-making on risk management through institutionalisation of humanitarian values.
4. It helped organisations resist pressures for mandate drift by empowering them to advocate to and engage with donors more strategically.

Source: Mercy Corps, 2019.

also includes advice, support and coaching, offers proof of concept for a holistic partnership strategy, using multiple modalities, even in the most challenging contexts (Mercy Corps, 2019). The ICRC and IFRC continued to roll out their National Societies Investment Alliance (NSIA) fund, which includes both a short- (12-month) and longer-term (3–5-year) funding window for grants to strengthen National Societies' organisational capacity to deliver core services. The fund is intended to complement other support, including partnership framework agreements, and strengthen coordination mechanisms between National Societies, the ICRC and the IFRC in emergencies, including the deployment of Movement Coordination Officers.

Progress was also reported by other organisations whose main modality had previously been direct implementation or sub-contracting. NRC, for example, reported on its Lake Chad basin project, which includes a

package of support (including in-house training, coaching and mentoring) on organisational development, monitoring and evaluation, financial management and gender and GBV.

There was also some positive practice among donor signatories. Denmark reported that its INGO partners are required to support capacity-building of communities, national and local organisations, local authorities and/or civil society actors; Switzerland reported that its multi-year support for local and national actors has risen gradually since 2016, and in 2019 about 20% of its direct funding to local actors and national responders was multi-year. Over 10% of funding to local and national actors was marked for 'Institutional Development'. Luxembourg reported that approximately 50% of its funding agreements with downstream partners incorporate multi-year institutional capacity-strengthening support for local and national responders. Norway has included a budget line for capacity strengthening of local NGOs, twinning with Norwegian NGOs for long-term development, while also directly benefiting local partners in humanitarian contexts. These examples aside, many donors seemed unclear as to what actions this commitment required of them, with most reporting broadly on their multi-year funding to any downstream partner or on the volume of funds they provide to local actors, rather than specifically how these funds support long-term capacity strengthening. The information presented suggests that many donors continue to rely on CBPFs or the IFRC's DREF to enable investments in capacity strengthening of local actors. Such investments are important, but the lack of diversity in approaches has limited the kind of institutional strengthening programmes that can be undertaken, and those international aid organisations that have engaged in targeted capacity-strengthening programmes report no increase in funding from institutional donors for this work – despite this issue being highlighted in the AIR 2019. In the absence of donor funding, the six members of the Accelerating Localisation Through Partnerships (ALTP) programme (Christian Aid, CAFOD, ActionAid, Care,

Oxfam and Tearfund) agreed in October 2019 to self-fund the continuation of the programme for a further six months.

It is unclear from the evidence available for this review what factors are impeding greater donor investment in capacity strengthening of local responders since there are adequate examples of positive practice and tangible results. The IFRC and ICRC reported that, in 2019, the NSIA fund had received support from just three institutional donors – the US, Switzerland and Canada – and was consequently able to respond to only 10 of the 49 requests from National Societies for support. Some INGOs reported that certain donors are still pushing them to directly implement programmes even where there is a good track record of local partner implementation.

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

Key

- 🔵 Overall progress
- 🟢 Good progress
- 🔴 No significant progress
- 🟠 Excellent progress
- ⚫ Little progress
- 🟦 N/A
- ⚪ Some progress
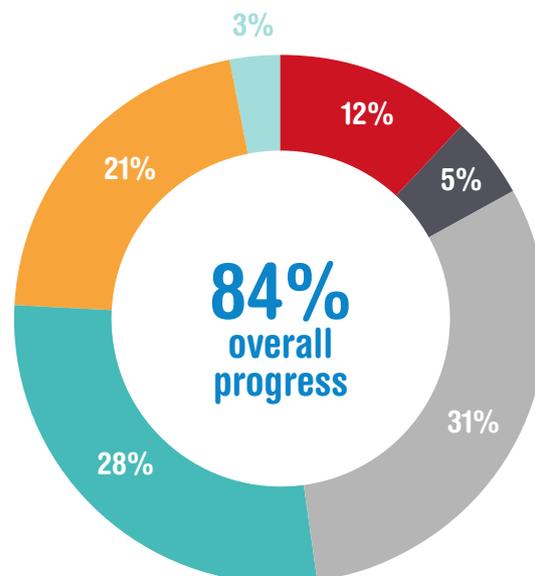
In total, 32 signatories reported some information or quantitative data against the indicator for this core commitment *(% of humanitarian funding awarded as directly as possible to local and national responders)*, out of 52 signatories that could report against it.[12] Ten of those signatories reported meeting or exceeding the 25% target, compared to seven in 2018 (see Figure 3), though it is important to note that not all data reported was comparable.

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12 Those signatories that do not pass down funds by nature of their mandates were not included in this calculation. This includes OECD, UNRWA, SCHR, NEAR, ICVA, InterAction.

Data from OCHA FTS indicates that, in 2019, over $898 million was *directly* allocated to national and local responders, including national and local government, national, local and affiliate NGOs, national and local private foundations/individuals and the National Societies of the RCRCM. This constitutes 3.7% of the total ($24.25 million) allocated as humanitarian funding in 2019, as reported to OCHA FTS – a decrease from 3.92% in 2018, though data for 2019 is still being reported and this figure may change.[13]

Many donors reported on their provision of funds through CBPFs as a way to reach local responders, and the data available on CBPFs from OCHA and UNDP indicates that there was an incremental increase in 2019, with 26% of all CBPF grants allocated to local and national actors, compared to 25% in 2018, and that 12 out of 18 CBPFs individually met the 25% target. Clearly, CBPFs are proving valuable in enabling local responders to access international funding in many contexts (see Figure 4 for a breakdown of the top five CBPFs in terms of the funds allocated to local responders). At least four signatories – the International Organization for Migration (IOM), WHO, Spain and Switzerland – reported increases in funding to local responders, even if they had yet to reach the 25% target. The CERF Secretariat reported that 79% of non-UN partners involved in implementation of CERF grants in 2018 were national and local responders, receiving a total of $73 million – representing 15% of CERF funds in 2018.[14]

Tracking of funds to local actors is also improving: OCHA FTS reviewed 8,000 organisations to categorise them according to the definition developed by workstream 2 in order to offer funding reports by organisation sub-type. The review focused on 26 HRPs/appeals from 2016 to 2018, to enable FTS to generate aggregated reports. The same review was undertaken for five prioritised HRPs in 2019.

Reporting against this core commitment also indicated a number of challenges. First, many signatories still said that they were unable to calculate the volume of funds they transfer to local actors – eight indicated this in their spreadsheets, and others explained during interviews that the process could be done manually, but would be time-consuming and was not a priority. Second, several signatories highlighted that the volume of financial contributions to local actors varies significantly according to the context and local actors' capacity, a nuance not reflected in the 25% target. Oxfam International, for example, reported that approximately 13% of its global humanitarian funding was passed to local partners, but that the figure in Myanmar was 52%. Third, at least one UN signatory pointed out that there are differences in how signatories record funding to local responders, with some working on the same programme recording such funds as 'development', and therefore not including it in their reporting under the Grand Bargain, and others recording it as 'humanitarian', and therefore including it.

Only two signatories reported on their allocations to women-led or women's rights organisations (the optional indicator for this core commitment). Oxfam International reported that 27% of funding in its 30 largest humanitarian operations was allocated to local women-led or women's rights organisations. ActionAid reported that, out of 32 local partners and community-based organisations in 15 countries to which it allocated funding, 22 were local women-led or women's rights organisations.

While the reporting suggests that more funds are reaching local responders, how directly that funding is provided is not clear because comprehensive data is not available. Data from those signatories that did break down their figures tentatively suggests that the vast majority of funding to local responders

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13 Source: OCHA FTS. Data was downloaded from fts.unocha.org and compiled on 2 June 2020. This download was aggregated by 'organisation subtype' based on the OCHA FTS categorisation of recipient organisations. Local and national actors includes the following categories: national government, local government, national NGO, local NGO, affiliated NGO, (5.6%) uncategorised NGO, local/national organisation/foundation/individual, RCRC national society.

14 There is a lag time in collating data on CERF allocations so figures for 2019 allocations will only be available at the end of 2020.

Figure 6: Signatories reporting having met or exceeded the 25% target for funding to local responders as directly as possible in 2019

CAFOD: 65%

Action Aid: 62%

Christian Aid: 55%

UNFPA: 38.6%

UNICEF: 33.9%

Germany, UNDP & OCHA: approx. 26.7%

IFRC, UNHCR & Slovenia: 25%
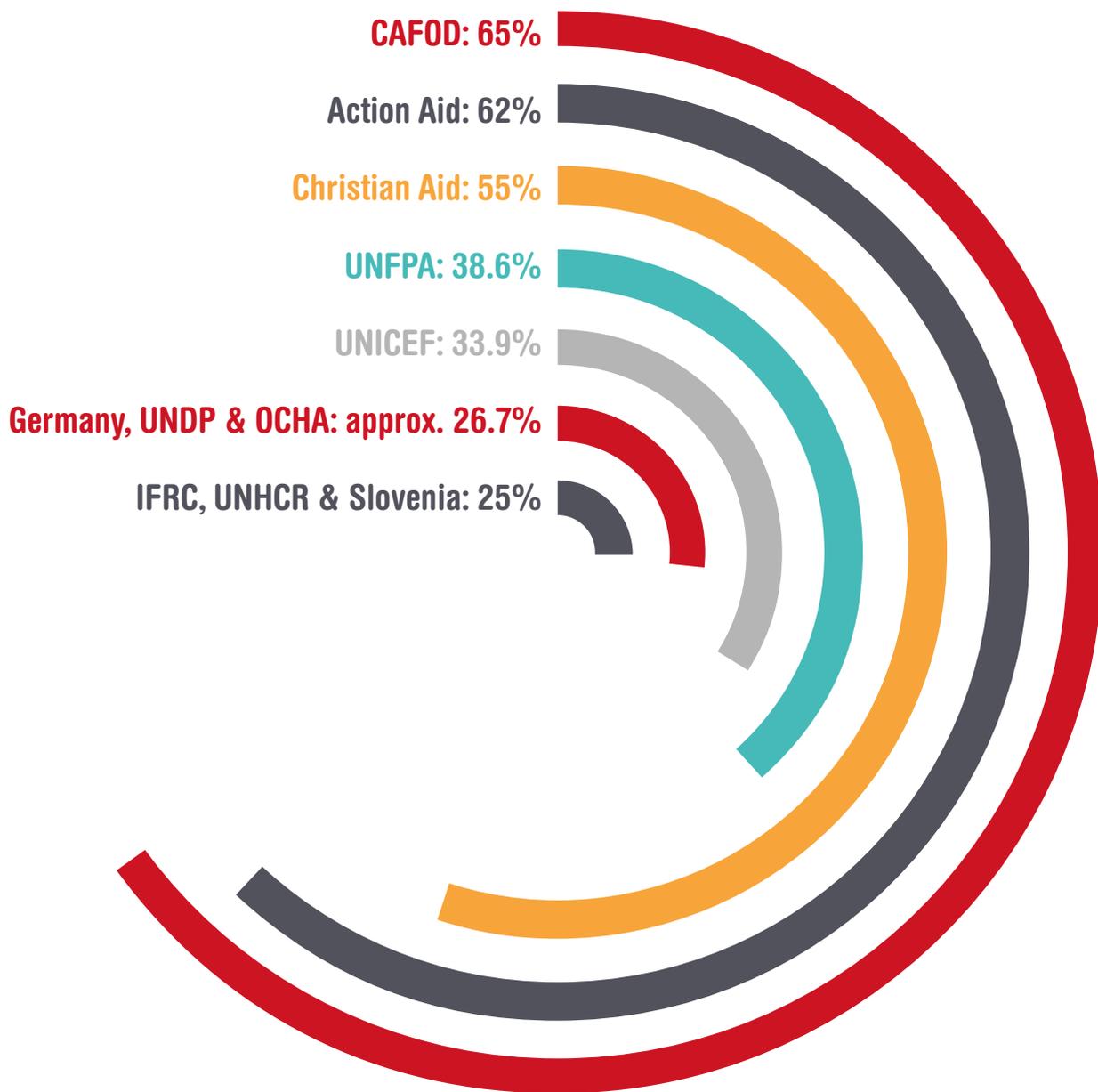
Source: data from signatory self-reports for 2019.

Figure 7: Top five CBPFs allocating funds to local responders in 2019

Ukraine
- 45% allocated to local/national responders
- $1.4 million

Syria cross-border
- 58% allocated to local/national responders
- $115.8 million

Pakistan
- 37% allocated to local/national responders
- $3.3 million

South Sudan
- 39% allocated to local/national responders
- $50.9 million

Somalia
- 48% allocated to local/national responders
- $50.5 million
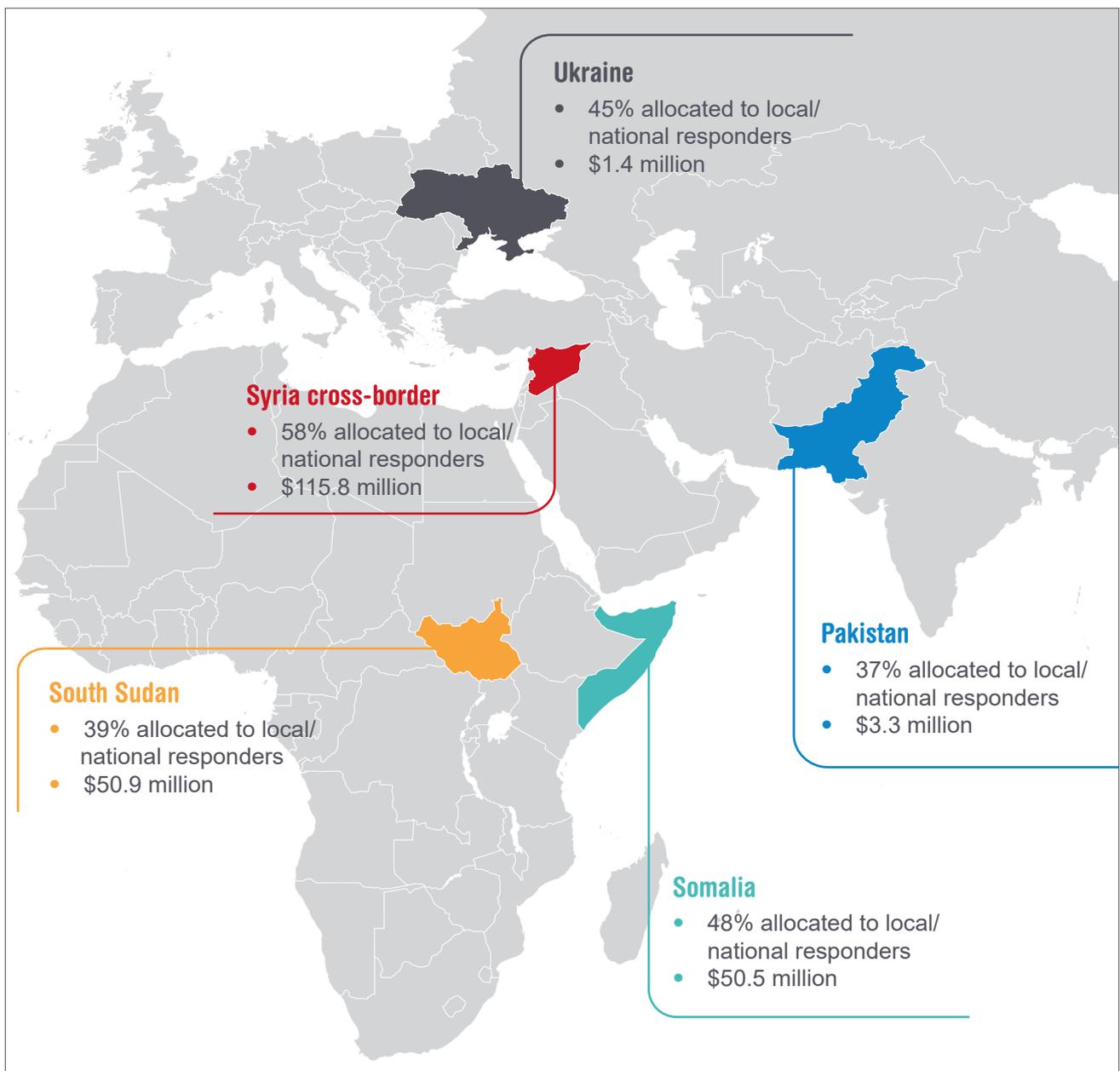
Source: data from OCHA CBPF Business Intelligence Portal.

is still via one intermediary – whether pooled funds or an international aid organisation. For example, Germany reported that, out of the 26.7% of its funding that went to local actors, only 0.02% is provided directly. Further investigation is needed to understand the benefits and disadvantages related to different channels, and whether substantially increasing the direct allocation of funds from donors is feasible and therefore worthy of more sustained advocacy. Furthermore, funding statistics alone are not an accurate indicator of progress in this respect. This data needs to be read in conjunction with efforts reported under core commitment 2.1 to increase local responders' capacities to effectively manage and use any increased international funding. The responses to the NEAR survey are instructive: 73% of national and local NGOs that responded stated that they had not seen any increase in multi-year funds.

Scorecard Workstream 2

Donor activity	★★★☆
Aid organisation activity	★★★☆
Activity on joint commitments	★★★★
Links to other workstreams	★★☆☆
Links to other existing processes	★★★☆

2.3 Workstream 3: Increase the use and coordination of cash

2.3.1 Workstream summary

There was continuing and impressive growth in the use of cash programming in humanitarian settings, with a substantial increase in the volume of cash and voucher assistance (CVA), to $5.6 billion in 2019, according to provisional figures provided by CaLP and DI,[15] compared to $2.8 billion in 2016. The effectiveness and efficiency of different modalities also improved. As acknowledged in previous AIRs, this progress is not driven by the Grand Bargain itself, though it is a contributing factor, with signatories repeatedly saying during interviews that the workstream remains a useful and inclusive forum for coordination on cash among donors, the UN, NGOs and RCRCM, and that the commitments have given greater impetus to pledges made elsewhere.

Leadership of the workstream has remained strong, with the UK and WFP continuing their investments in their convening role, and active participation from individual signatories, many of which have taken a lead on specific tasks, issues or sub-groups. In 2019, the workstream focused its activities around efficiency and effectiveness and value for money, social protection and humanitarian cash, coordinated donor responses, cash and gender, cash and localisation, political obstacles and risk management – with corresponding sub-groups leading in these thematic areas. Reporting by the workstream and individual signatories indicates an impressive array of activities and results in many of these areas.

The sub-group on efficiency and effectiveness and value for money developed guidance on tracking cash and vouchers based on the minimum standards agreed in 2018, and this was due to be issued in 2020. Further progress under this theme included enhancements to the SCAN tool (see section 2.4 for more details) and improved guidance developed by IRC and the US Agency for International Development (USAID)

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15 More detailed breakdown and analysis will be available in the forthcoming CaLP publication *The state of the world's cash* and DI's forthcoming 2020 *Global humanitarian assistance report*.

on harmonising cost-efficiency methodologies (commitments 3.3 – *build an evidence base to assess the costs, benefits, impacts, and risks of cash (including on protection) relative to in-kind assistance, service delivery interventions and vouchers, and combinations thereof* – and 3.4 – *collaborate, share information and develop standards and guidelines for cash programming in order to better understand its risks and benefits*). These initiatives will help build evidence on the characteristics of different modalities, but will need to be complemented with data on outcomes to assess cost-effectiveness and value for money to more accurately inform future funding and design decisions. The workstream agreed on a set of outcome indicators for multi-purpose cash which will enable signatories to monitor whether cash has met basic needs in a way that cuts across different sectors. The process of developing the indicators was highly inclusive, and they are now being tested and integrated into the guidance of several donors, including the US and ECHO.

There was also increased focus on finding ways to better address data risks and enhance data protection in relation to cash programming (such as ICRC's new biometric policy), in response to growing concerns around the large-scale use of biometric registration systems and scaled up partnerships with private sector financial service providers (commitments 3.2 – *invest in new delivery models which can be increased in scale while identifying best practice and mitigating risks in each context. Employ markers to track their evolution* – and 3.4). There were also efforts to enhance the use of cash and vouchers in specific programme areas: WHO reported on the work of the Global Health Cluster to improve guidance on the use of cash and vouchers in health programming, including the development of a dedicated module for the learning platform, the inclusion of sections on cash programming in the revised guidelines and the development of technical guidance on a minimum expenditure basket for cash programming in health. IRC developed the 'Safer Cash Toolkit' to help organisations make informed decisions on how to design, implement and adjust CVA programmes to prevent and minimise harm; Care International produced a

compendium on integrating GBV risk mitigation and prevention efforts in cash programming, to accompany the 2015 IASC Guidelines for integrating GBV interventions in humanitarian action.

With respect to commitment 3.5 (*ensure that coordination, delivery, and monitoring and evaluation mechanisms are put in place for cash transfers*), progress remained mixed. In terms of existing operational coordination, OCHA provided guidance, tools and technical support on integrating cash into country coordination structures and the HPC, HNO and HRPs, with functional links established between country-level Inter-Cluster Coordination Groups (ICCGs) and Cash Working Groups (CWGs) in 88% of HCTs. The standardised terms of reference for ICCGs, including articulation of the role of CWGs, were finalised, and agreement was reached to include an optional separate section on multi-purpose cash in HRPs. This latter action had been a sticking point as cluster lead agencies were reluctant to have cash dealt with outside their mechanisms. Of the 20 HRPs for 2020 that were available by 1 June 2020, 16 (80%) included a separate section on multi-purpose cash programming, according to data from OCHA. Draft standardised terms of reference for CWGs were developed by the Global Cluster Coordination Group (GCCG) and subsequently amended by CaLP, but were not endorsed by end-2019 due to lack of agreement on a number of issues, including whether they should have a 'strategic' as well as a technical role.

There was also collaboration within constituent groups, providing further support for more coordinated efforts at global and country levels. The CEOs of the 15 NGO members of the CCD network issued a formal Letter of Intent in June 2019 reiterating a commitment to collaboration in 10 countries by June 2020. The network members focused on piloting country-level coordinated platforms for delivery of cash at scale in Colombia, Ethiopia, Ecuador, Nigeria and Uganda, and as at end-2019 were undertaking scoping work for similar platforms in 14 other countries. The UN signatories to the UN Common Cash Statement (issued in December 2018) – OCHA, UNHCR, WFP and

UNICEF – made progress under three of its themes, namely procurement, interoperability and programming. At country level, key deliverables included the use of common transfer mechanisms in more than 20 countries and progressive implementation of workplans in seven priority countries (Afghanistan, Bangladesh, the Central African Republic (CAR), DRC, Ecuador, Niger and Yemen). Activities included joint feasibility and risk assessments, harmonised targeting approaches, harmonised post-distribution monitoring and complaints and feedback mechanisms. These activities were undertaken through or in close coordination with country-level CWGs, in which UN Common Cash Statement (UNCCS) signatories actively engage. At global level, UNCCS signatories also issued joint guidance on collaborative procurement for humanitarian cash transfers and developed a minimum core data set for cash assistance, which was endorsed by partners beyond these four UN entities. There was also regular engagement between UNCCS signatories and the CCD network at global level, and in Colombia and Ecuador. Ten institutional donors that are signatories to the Grand Bargain issued a joint statement setting out 'a shared vision for use of cash in humanitarian action', and which was intended to provide guidance for funding decisions (Government of Australia et al., 2019: 1).[16] They also sought to pilot this approach in Bangladesh and Nigeria but were hampered by government restrictions on the use of cash in the former, and in the latter by insecurity and government concerns about the expansion of cash programming.

Despite this progress, there is still no clear global-level agreement on the operational coordination of cash programming and, given the widespread and rapid scaling up of CVA, this remains a key impediment to realising the full potential of cash programming, as also indicated in the forthcoming *State of the world's cash* report by CaLP. Although there are issues still to be resolved in terms of

enhanced risk management and synthesising financial and administrative systems, as well as challenges around the varied objectives that cash programming is being used to achieve, the research for this AIR indicates that the key obstacle to a global coordination mechanism or agreement is still inter-agency politics. Signatories and other stakeholders interviewed highlighted that operational agencies are still reluctant to sanction a coordination role for OCHA; that many global cluster lead agencies are reluctant to see cash removed from their cluster processes; and that OCHA had not dedicated sufficient capacity to this area of work. Many signatories and other stakeholders were sceptical that this issue would be resolved in the near future.

A number of other issues and challenges around cash programming were raised by signatories and other stakeholders during interviews. These included concerns that the progress being made at headquarters on technical issues, standard-setting and building the evidence base was not reaching country or crisis level to inform operations; that the workstream (and other cash coordination mechanisms including CaLP) were too exclusive and still not making sufficient strategic and operational links with local responders, despite the important role that many play in cash programming;[17] and that the increasing push from donors for large-scale cash programmes risked marginalising local responders. The workstream recognised the need for a greater diversity of voices in policy debates and in the coordination of cash programming, but efforts to address this, such as holding the annual workshop in the global South and inviting more Southern participants to meetings, are hampered by the lack of budget for the workstream. At country level, the increasing use of shock-responsive social protection mechanisms to deliver emergency cash support is seen by some signatories as one potential way to ensure that local responders remain at

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16   The 10 donor signatories to the Grand Bargain were Australia, Canada, Denmark, EU/DG ECHO, Germany, Norway, Sweden, Switzerland, the UK and the US.

17   In the NEAR survey, 62% of local and national NGO respondents stated that they ran cash programmes in 2019.

the forefront (as evidenced in UNICEF's links with the Social Welfare Fund in Yemen – see below for more details). Some signatories, and research conducted by CaLP, also raised concerns that the risks of CVA were amplified by states' counter-terrorism policies, resulting in lower tolerance of cash compared to in-kind assistance among some donors.

The workstream has continued to build momentum on gender-responsive cash programming through its related sub-group. The group produced further evidence of and guidance on gender and cash in 2019, including Care International's participatory research on gender-sensitive CVA in five countries and a related learning event, and UN Women's publication of a discussion paper on the effects of cash-based interventions on gender outcomes, and a guidance note on promoting gender equality in humanitarian CVA. Links with other workstreams focused on the establishment of the new sub-group on cash and localisation, in collaboration with workstream 2, as reported in section 2.2. Coordination with CaLP and other mechanisms related to cash programming continued, with a clear division of labour and complementary efforts to address key challenges.

Overall, the workstream continued to outperform all the others. Under strong leadership from the co-conveners and with substantive investments from a large number of signatories, the workstream has made important progress in key areas – as per their planning for 2019. This notwithstanding, there remains a glaring gap in relation to the establishment of a global agreement on the operational coordination of cash programming. That this objective is being thwarted mainly by inter-agency politics rather than technical issues is widely acknowledged by signatories, but there was insufficient strategic-level engagement to resolve it in 2019. The workstream set this objective aside in late 2018 on the assumption that it was being dealt with in the IASC, but given the lack of subsequent progress, signatories should now focus on using the Grand Bargain to move it forward. Specifically, capitalising on the Grand Bargain's more inclusive and objective nature, the Sherpas should be mobilised, through the new sub-group on political obstacles if appropriate, to exert pressure on the IASC Principals to agree on and institute a mechanism for providing predictable leadership for the coordination of cash programming.

2.3.2 Progress reported against core commitments

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 deadline

Key

- 🔵 Overall progress
- 🔴 No significant progress
- ⬛ Little progress
- ⬜ Some progress
- 🟢 Good progress
- 🟠 Excellent progress
- 🟦 N/A

90% overall progress

- 2%
- 9%
- 9%
- 24%
- 34%
- 22%
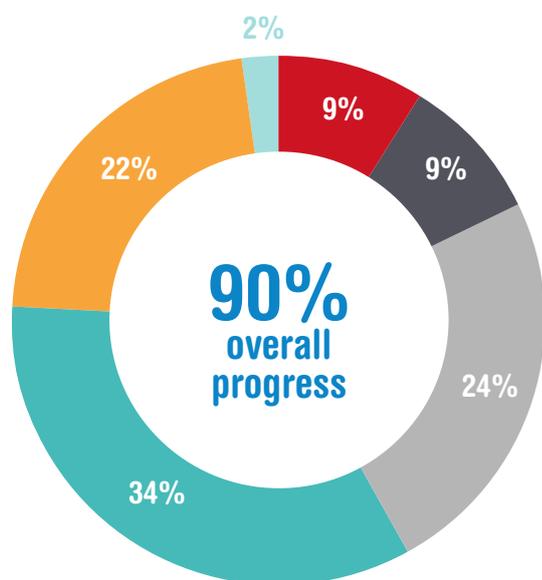
Twenty-seven signatories reported quantitative data against the indicator for this core commitment, out of 53 who, by virtue of their mandates, could potentially report on it.[18] Six donors either deferred to their implementing partners for statistics on how much of their funding was disbursed as cash and vouchers or explained that they were unable to collate this data themselves.
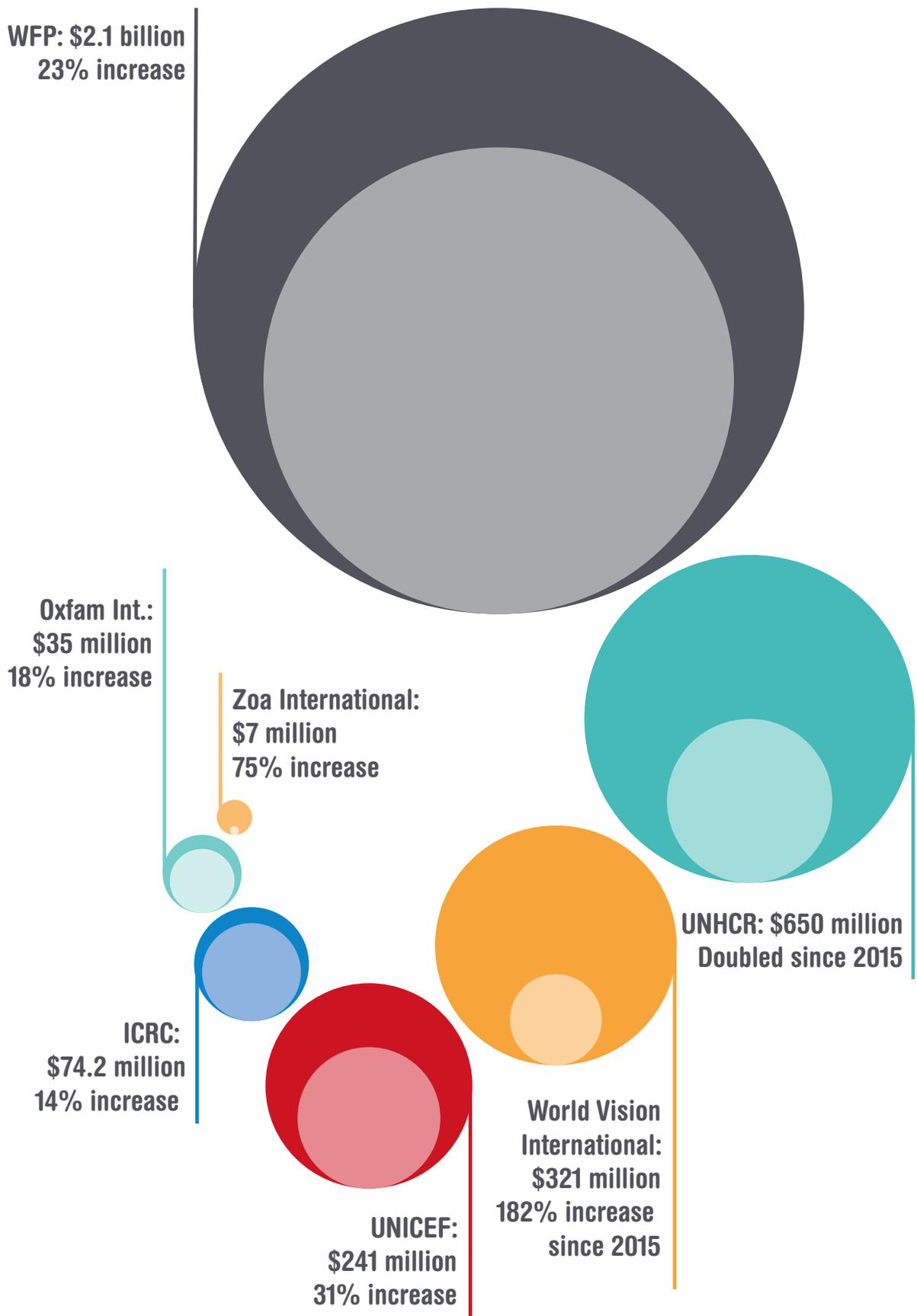
From the data presented in the self-reports, it is clear that cash, and to a lesser extent vouchers, is increasingly being routinely considered and embedded within individual signatories' operations and in inter-agency processes. Many aid organisations reported on their ongoing investments in internal capacities to scale up their use of cash assistance through dedicating teams at headquarters, enhancing financial and administrative systems, and building country office staff capacities to design and implement effective cash programmes. The IFRC and ICRC intensified their coordination and collaboration through the interoperability of respective systems and developing common tools to make delivery more effective and reduce costs. NRC has stepped up investments in its institutional use of cash programming and supported inter-agency processes: it conducted a global evaluation of its cash programming in 2019 to collate lessons and inform its responses, deployed 30 experts from its CashCAP roster to 20 countries to support inter-agency cash programming, including providing capacity-building, training and advice, and was an active member of the CCD network, co-leading technical coordination groups in several countries.

As a result of these investments, aid organisations individually and collectively have increased the volume of cash being programmed (see Figure 5). The World Bank remained the largest programming agency in relation to cash, providing $2.7 billion for social safety net programmes in fragile and conflict-affected states in 2019. The three largest UN humanitarian agencies all reported significant increases in the use of cash programming: WFP reported programming $2.1 billion in cash and vouchers (60% in cash and 38% in vouchers), a 23% increase over 2018; UNHCR provided $650 million in cash and voucher programmes, including $617.5 million (95%) as unrestricted cash and $30.5 million in vouchers in 2019 - constituting over 25% of UNHCR's overall programme expenditure in 2019, thereby meeting its own target to double the use of cash programming compared to 2015 (11%); and UNICEF increased its cash programming (not including vouchers) to $241 million in 2019, compared to $184 million in 2018, across

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18 Signatories who are coordination rather than operational bodies and who do not provide assistance were not included – i.e. OECD, SCHR, ICVA, InterAction and NEAR. OCHA was included because of the use of the CERF and CBPFs for cash programming.

Figure 8: Signatories reporting increases in the use of cash programming in 2019

WFP: $2.1 billion
23% increase

Oxfam Int.:
$35 million
18% increase

Zoa International:
$7 million
75% increase

ICRC:
$74.2 million
14% increase

UNHCR: $650 million
Doubled since 2015

UNICEF:
$241 million
31% increase

World Vision
International:
$321 million
182% increase
since 2015

Source: data from signatory self-reports for 2019.

30 countries, against 26 in 2018. The ICRC reported a 14% increase in the volume of cash it programmed, to CHF 72 million in 2019 (94% in cash and 6% in vouchers). Continuing its 'cash first' approach, Oxfam International increased its volume of cash programming by 18% to $35 million in 2019; ZOA International reported a 75% increase in the volume of cash it programmed – from $4 million in 2018 to over $7 million in 2019 (83% cash and 17% vouchers); and World Vision International reported that it had increased its use of cash and voucher programming by 182% between 2015 and 2019, to $321 million (52% cash, 22% vouchers and the remainder a mixture of modalities). Cash and vouchers now represent 35% of its total humanitarian assistance portfolio. At collective level, 16 out of 25 HRPs in 2019 included specific plans for the use of multi-purpose cash, according to preliminary analysis by OCHA.

Donors too have increased their support for cash programming, with ECHO reporting that, according to provisional figures, 37% of the humanitarian assistance it funds is in the form of cash transfers, compared to 35% in 2018. In 2019, the CERF enabled the provision of CVA to 2.6 million people in 32 countries, with a total value of $48.7 million. Although slightly lower than the overall total in 2018 ($50.4 million), the proportion of this that was programmed as unrestricted CVA increased significantly, from 45% in 2018 to 79% in 2019.

Individual signatories also explained how they are using cash in more strategic ways to advance other objectives. CRS reported on its focus in 2019 on promoting cash programming through its local NGO partners. Several signatories reported on their use of national social assistance programmes to help deliver cash at scale in emergencies: in Yemen, UNICEF and the World Bank, with support from the UK through the Yemen Emergency Multi-Donor Trust Fund, has capitalised on the existing Social Welfare Fund – a long-term social assistance programme

– to deliver emergency cash support at scale. The project has delivered five rounds of emergency cash to 1.5 million vulnerable households (around 9 million people). Responding to the risks involved in scaling up emergency cash assistance in a highly dynamic conflict environment, the programme embedded a strong risk mitigation focus including establishing a dedicated project management unit in UNICEF.

Most donors once again found it difficult to report against this indicator because they and their partners are not systematically tracking how much funding is transferred as CVA. Some reported that they are investing in systems to better track this: Germany indicated that this will become more feasible through its adoption of the 8+3 reporting template, and USAID has improved its tracking systems. At least six donors reported that they specifically encourage their partners to use cash assistance where appropriate, and several indicated that they provide flexible funds to enable this.

Scorecard Workstream 3

Donor activity	★★★★
Aid organisation activity	★★★★
Activity on joint commitments	★★★★
Links to other workstreams	★★★☆
Links to other existing processes	★★★★

2.4 Workstream 4: Reduce duplication and management costs with periodic functional review

2.4.1 Workstream summary

Interviews with signatories (donors and aid organisations) indicated that the majority regard this workstream as key to achieving the overarching goals of the Grand Bargain, but also one where limited collective efforts have been invested, and limited progress made as a result. There were calls from many signatories for greater focus and more ambition for this workstream as a coordinating body, including initiating substantive collaboration with workstreams 1 (*greater transparency*) and 9 (*harmonise and simplify reporting requirements*). As in previous years, there was limited reporting by signatories across constituent groups against all the commitments under this workstream, and it was therefore difficult to assess what overall progress had been made. As noted in AIR 2019, commitments under this workstream are broad and lacking in detail, hampering both reporting by signatories and analysis for this review.

The workstream (under the leadership of UNHCR and Japan) maintained its focus on ensuring links with the UN Reform process to secure progress against corresponding commitments on cost-efficiencies under the Grand Bargain – which they explained was based on their assessment of where most progress could be made, and in an effort to ensure appropriate synergies between efforts to reduce costs between the humanitarian and development pillars of the UN system. As part of this strategy, UNHCR continued to contribute to the UN Business Innovations Group (BIG). The BIG has completed the revision of its Business Operations Strategy (BOS) and is rolling this out to 131 countries to expand and capture collaborative activities, joint actions and cost savings. Nearly 20% of UN operations now share premises (2,500), and six country consultations on the implementation of shared back offices were conducted. In the second half of 2019, the co-conveners turned their attention to the core commitment, beginning

work on terms of reference for a study on donor assessments (see below) but the study was expected to be conducted only later in 2020.

The main areas of collective progress by aid organisations were in relation to 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 end of 2018, in order to save time and avoid duplication in operations*) and commitment 4.3 (*provide transparency and comparable cost structures by the end of 2017*). Under commitment 4.2, the UN partner portal continued to be rolled out in 2019, with one additional agency – UNFPA – becoming a member. Although there has been no substantial increase in the number of UN agencies using the portal, the number of INGOs and national non-governmental organisations (NNGOs) registered on it is substantial due to the size of the original three agencies' partnership base. As at end-2019, 9,248 organisations were registered, 6,225 of which are national and local organisations, including approximately 87% of UNHCR's and over 50% of UNICEF's partners in 2019. French- and Spanish-language versions of the portal were developed in 2019, with a view to expanding access to this tool, especially for local partners. Feedback from INGO signatories to the Grand Bargain and NNGO users suggests that the portal is proving valuable, in particular for streamlining tendering processes and reducing duplicative applications and reporting. Efficiency savings being made by the UN agencies have yet to be fully assessed, but UNICEF reports that it saved $500,000 in 2019 by using the portal to automatically screen partners, rather than searching manually. The four agencies also indicated that the portal is helping them identify new partners in new emergencies more quickly. They believe it is affording more equal access to tendering processes for local actors and is enabling harmonisation of due diligence procedures. At least two of the UN agencies involved also hoped that their investments in the portal would be recognised as a statement that they are committed to harmonising and simplifying procedures for their downstream partners – international and local/national.

Progress on instituting transparent cost structures (commitment 4.3) continued in 2019. The standard for UN agencies agreed in late 2018 as part of the UN Data Cube, on spending against the four functional areas of the UN, was rolled out in 2019, enabling consistent reporting by UN entities of their expenditures on humanitarian assistance, as well as 'development assistance, peace operations, global agenda and specialized assistance'.[19] Progress against this commitment also continued in the NGO group, with two important initiatives: the Money Where It Counts project and the SCAN tool. For the former, NRC and its partners developed a protocol to operationalise the tool and presented this to donors and other aid organisations to encourage their engagement. Piloting of the roll-out of this protocol was being planned at end-2019. The SCAN tool developed by IRC and other partners was used in more than 12 countries to analyse and improve cost-effectiveness of specific programmes, including cash programming. Signatories acknowledged the risk that donors would use the tool to identify which organisations are cheaper, rather than which programmes are most effective, but enhancements are being made to mitigate this. Both NRC and IRC noted that, in 2019, they received limited support or interest from donors for their respective initiatives, which hampered their roll-out and consequently reduced the benefits they could achieve in terms of efficiency savings.

Reporting by aid organisations also indicated investments in new technology to support humanitarian operations (commitment 4.1 – *reduce the costs and measure the gained efficiencies of delivering assistance with technology (including green) and innovation*): Mercy Corps reported that its investments in technology in cash programming had reduced the start-up time for new e-voucher programmes from two years to two months; the Food and Agriculture Organization (FAO) reported on its increased use of drones to assess the impact of disasters, resulting in quicker assessments of agricultural damage and therefore faster mobilisation of responses; UNHCR increased the use of biometric registration to 69 refugee operations worldwide, up from 62 in 2018, with 8.7 million individual refugees now registered through these systems; and WFP's continued use of blockchain technology in cash programmes in Jordan generated $1.2 million in savings, with plans in train to replicate the system in Bangladesh and Palestine.

Some aid organisations also reported efficiency savings through common procurement and quality control processes (commitment 4.4 – *reduce duplication of management and other costs through maximising efficiencies in procurement and logistics for commonly required goods and services*). The ICRC reported on its continued role in the Quality Social and Environmental inter-agency group, through which it shared audit outcomes for eight manufacturers, which in turn helped reduce the frequency of distributions by improving the quality of goods supplied (i.e. longer shelf-life or durability). WFP enhanced its Humanitarian Booking Hub to simplify service provision among UN agencies, bringing together 320 humanitarian partners in more than 50 countries. The hub was used by 35,000 WFP passengers to book 23,000 trips, and car-pooling cut individual journeys by 3,200.

Donor activity under this workstream was limited and largely uncoordinated – in large part due to a lack of investment by and interest from donors, but also due to the lack of a more inclusive and comprehensive approach by the co-conveners. Donor reporting focused primarily on core commitment 4.5 (see below for more analysis), highlighting their steps to reduce individual performance assessments and reviews, but as evidenced in the reports from and interviews with aid organisations, these efforts have had only limited impact in reducing

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19   UN agencies agreed in late 2018 that reporting on financial flows would be in accordance with the UN Data Cube standard. The standard, rolled out in 2019, established a UN-wide framework for reporting financial data across all UN entities. The standard enables reporting of expenditure by geographic location of beneficiary, by SDGs and by UN Grant Financing Instruments and by type of contributor, and aims to align with OECD and IATI reporting as far as possible.

the reporting burden on and supporting reduced costs among downstream partners. Some donors reported on their investments in innovation and technology (commitment 4.1): Belgium held a humanitarian 'hackathon' bringing together technology and innovation companies with international humanitarian organisations, donors and academics to debate possible technology solutions to humanitarian challenges; Germany and the Netherlands invested in WFP's Innovation Accelerator; the UK, US and ECHO reported on their investments in technology to support more efficient cash programming, such as the EU-funded Emergency Social Safety Net (ESSN) electronic debit card, and the US also reported on its investments in WFP's biometric registration system; and the UK and Norway reported on their investments in green technology to support humanitarian operations, with the latter financing 16 deployments of green experts to UN and other humanitarian agencies. However, these efforts were uncoordinated and their overall added value is unclear. The evident lack of interest and investment in this set of commitments from donors is at odds with their original goal to use the Grand Bargain process to realise substantial efficiency savings. It was not clear from the evidence available for this review why donors are not engaging more substantively in this workstream or in relation to the specific commitments or initiatives being undertaken by aid organisations, such as Money Where It Counts and the SCAN tool.

As in the past, reporting on gender was limited under this workstream. The co-conveners reiterated that gender has little relevance to these commitments, and this was reflected in the self-reports from signatories. Engagement with workstreams 1 (*transparency*) and 9 (*harmonised reporting*) was limited, but connections with workstream 7+8 (*enhance quality funding*) have been established, with the co-conveners engaged on the steering group for the donor assessment study (see below).

The workstream co-conveners retained their focus on the UN system, making links with the UN Reform process in order to push forward on cost savings relating to UN procurement and shared premises and on transparent cost

structures. This is having some impact, and some data is available on efficiency savings. But several donors questioned the extent to which the co-conveners' focus on the UN group was a duplication of effort since these actions would have been undertaken anyway as part of the UN Reform process. Many more signatories raised concerns at the lack of engagement in 2019 by the co-conveners with other constituent groups and on other commitments under this workstream.

Notwithstanding progress in respect of the UN group, the lack of a more comprehensive and inclusive approach to reducing management costs – across the scope of commitments under this workstream – has meant that, four years on, there has been little collective effort to reduce donor assessments – one of the major goals of the Grand Bargain; that initiatives to make efficiency savings across the wider group of aid organisations have not been maximised or scaled up; and that a coherent approach to determining what efficiency gains can and should be made is lacking – with signatories largely focusing on how to reduce their own management costs, rather than how to do so across the humanitarian system. Achieving system-wide efficiencies would require both institutional and system-wide efforts, but reporting and interviews indicate that efforts have mostly focused on the former. Several aid organisation signatories raised concerns that this single-track approach – adopted by default – has had the effect of transferring some management costs down the chain: they cited, for example, that the push from donors for aid organisations to operate at much greater scale can bring increased management costs given the (at least initial) investments required in financial, administrative and logistics systems to manage larger programmes. At present, there is a lack of concrete data available to determine to what extent management costs are being passed down the chain, and more in-depth analysis by the workstream is recommended to better understand the scale of this problem and find ways to address it.

It is clear that a more ambitious, inclusive and comprehensive approach is needed from the co-conveners and signatories in order to deliver

against the commitments under this workstream. Although the study on donor assessments will hopefully generate important data, concrete efforts are urgently required from donors to consolidate their assessments and reviews, and thereby reduce the overall burden on aid organisations. Much greater collaboration is needed between donors and aid organisations to understand what donors expect in terms of efficiency gains, where and how these can be achieved down the transaction chain and how existing positive practice (including the use of technology) can be scaled up to maximise savings while ensuring greater effectiveness of programmes. Without a clearer strategy on reducing costs and much greater investment from all signatories in this workstream in the coming months, it is hard to see how measurable gains in efficiencies can be made across the humanitarian system by the end of 2021.

Core commitment 4.1: Make joint regular functional monitoring and performance reviews and reduce individual donor assessments, evaluations, verifications, risk management and oversight processes

All signatories – Individual action – No deadline

Key

- 🔵 Overall progress
- 🔴 No significant progress
- ⚫ Little progress
- ⚪ Some progress
- 🟢 Good progress
- 🟠 Excellent progress

53% overall progress

3%
7%
31%
12%
47%
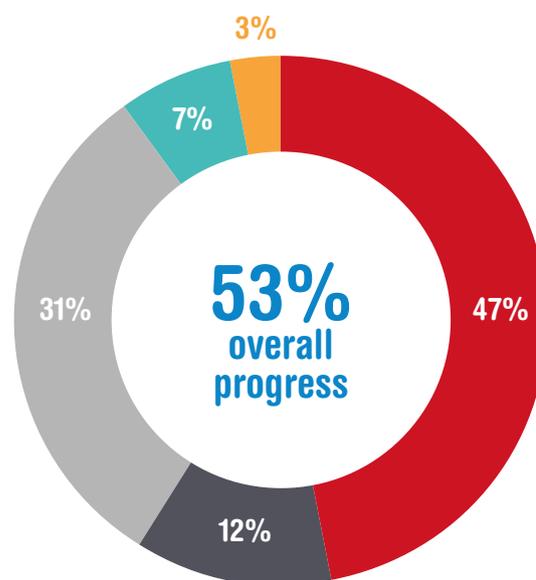
As noted above, there was increased focus from the co-conveners on this core commitment in the latter part of 2019. Japan is financing an independent study on individual donor assessments. The terms of reference for the study were finalised in close consultation with OCHA, UNICEF, WFP, ICRC and InterAction, and the tendering process began in December 2019. The study aims to capture the extent to which individual donor assessments, evaluations, verifications and risk management and oversight processes are being used in humanitarian operations, and the impact on institutional performance, resources and operational delivery,

including through UN agency partnerships. It will focus on the largest UN humanitarian agencies (OCHA, UNHCR, UNICEF, WFP) and ICRC, and draw on NGO data from selected countries. Results are expected to be presented at the 2020 Annual Meeting.

Reporting from signatories against this core commitment was limited and only 17% reported actions that were rated as 'good progress' by the research team. Some donors had made efforts to coordinate institutional assessments and other requirements: the UK and Australia reported that they have agreed to undertake joint Central Assurance Assessments (CAAs) of humanitarian partners, where there is a common interest. Denmark, Canada and Sweden each reported that they use Multilateral Organisation Performance Assessment Network (MOPAN) assessments of UN partners, and Ireland reported that it used its position as chair of the OCHA Donor Support Group (ODSG) to promote harmonised partnership agreements and encourage sharing of data between donors. However, these actions were not part of a coordinated strategy, and it is unlikely that, on their own, they will have a substantial impact on aid organisations.

Scorecard Workstream 4

Donor activity ★★☆☆

Aid organisation activity ★★★☆

Activity on joint commitments ★☆☆☆

Links to other workstreams ★☆☆☆

Links to other existing processes ★★★☆

2.5 Workstream 5: Improve joint and impartial needs assessments

2.5.1 Workstream summary

Positive progress by the workstream continued in 2019, with measurable results in relation to the quality of joint intersectoral needs analysis at country level. But overall progress was still constrained by a lack of political investment and resources from UN agencies, NGOs and donors to address long-standing challenges and bring about a system-wide shift in practice on joint assessments and analysis.

The workstream, under the continued leadership of OCHA and ECHO, focused on finalising the main elements of a package of tools and guidance to support country-level joint intersectoral analysis. In an effort to move beyond piloting to more consistent application of the tools, it sought to embed them in the roll-out of the enhanced HPC process. Building on efforts in 2018, the co-conveners also continued advocacy with IASC members, with support from the EP, to garner their support to institutionalise the commitments under this workstream and ensure allocation of appropriate resources. However, the finalisation of the Joint Intersectoral Analysis Framework (JIAF) was stalled by technical challenges, as well as by political issues related to different agency mandates and positions, and by constraints on staff time to engage in this process. There was limited progress within the workstream on joint risk and vulnerability analyses with development partners (commitment 5.7), and the collaboration initiated with the World Bank in 2018 gathered no particular momentum in 2019. OCHA reported that discussions were taking place in other forums, including the UN Joint Steering Committee to Advance Humanitarian and Development Collaboration (UN JSC), but as other signatories pointed out, this mechanism does not formally include NGOs or donors.

Similar to previous years, signatory reporting under this workstream was varied. Most aid organisations that did report focused on their efforts to enhance institutional assessments/ analysis, share needs assessment data in a timely way (commitment 5.3a – *signatories share*

needs assessment data in a timely manner, with appropriate mitigation of protection and privacy risks) and on enhancing capacities within their institutions and confederated structures or within their clusters/sectors (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*). The UN group indicated the most interest in this workstream, with 77% of UN signatories (10/13) reporting activities under it. WFP and FAO reported on their efforts to enhance assessment capacities and methodologies in the global food security cluster and the Integrated Food Security Phase Classification (IPC). IOM reported that its Displacement Tracking Matrix (DTM) provided data to support 81% of HNOs/HRPs in 2019. UNICEF and FAO both allocated dedicated staff time to support the development of the JIAF, and WHO reported on its efforts to increase information management capacities in the global health cluster.

Eighty-seven per cent of donors reported some information under this workstream, but on closer analysis it is evident that substantive activity was from the same small group of donors as last year – ECHO, the UK and the US. These donors sought to maintain focus and pressure on aid organisations to make further progress under this workstream, and have tried to bring other donors on board. The UK organised a joint donor letter (Australia, ECHO, Germany, Ireland and the US) in June 2019 to the Emergency Relief Coordinator (ERC) and the IASC Principals putting forward seven recommendations to improve data, joint intersectoral needs analysis, prioritisation and accountability to affected populations within the HPC process. Several donor meetings were convened to encourage support for the workstream's activities, although no coordinated funding plan was developed. Most donors explained in interviews that they appreciated the efforts being made by the co-conveners to drive this workstream forward, and recognised that progress had been made in recent years, which they felt had increased their confidence in HNOs

and HRPs as tools to support their funding decisions. However, although the co-conveners felt that donor interest has increased, the self-reports indicate that most donors remained distanced from the workstream, with limited reporting on their actions to support joint needs assessments and analysis. In consequence, aid organisations tend to still perceive this as a UK-ECHO-US agenda, rather than a coherent donor approach.

NGO engagement in this workstream has remained limited, with only 50% of NGO signatories (10 out of 20) reporting against it in their self-reports. At the Grand Bargain Annual Meeting in 2019, NGOs proposed holding a workshop with OCHA to better understand activities under this workstream and their relation to the enhanced HPC process. This was held in October 2019, hosted by Save the Children and InterAction, and facilitated by OCHA. However, the majority still reported no engagement in the activities led by the workstream in their self-reports. During interviews, several NGO signatories indicated that this is because they lack capacity at headquarters to follow the workstream, but also because their interest in such UN-led joint processes at country level is limited, either because they are concerned that the analytical narrative would be dominated by larger agencies or because their funding is not related to participation in these mechanisms. Some have adopted a more strategic approach: Save the Children conducted an organisation-wide review of technical, operational and field-level capabilities to conduct needs assessments, and on this basis has strengthened its engagement with the workstream, including dedicating a staff member to participate in the JIAF steering group. Mercy Corps reported on its efforts to enhance its institutional capacities on context analysis and its engagement with HCTs and OCHA. The Assessment Capacities Project (ACAPS) (a project of NRC and Save the Children) remains a key partner in the workstream, including on efforts to build inter-agency capacities on needs assessment and analysis. As well as supporting the workshop in October, InterAction has increased its staffing capacity to enable greater engagement in the workstream at headquarters.

Although not a signatory to the Grand Bargain, REACH has been actively engaged in the workstream at headquarters and led multi-sectoral needs assessments at country level in support of HCT processes. Several NGOs, including Relief International and Syria Relief, reported that they have engaged in inter-agency multisectoral needs assessments in some countries.

Gender has been mainstreamed within the various activities of the workstream, ensuring that gender is included in the disaggregation of data and analysis. There is also reference to the importance of gender considerations in the Ethos principles, in the draft JIAF and in training packages. The development and roll-out of the 2020 enhanced HPC and the elements of the draft JIAF that were applied to HNOs also included particular focus on how crises affected women and girls. Most signatories reported on their efforts to integrate gender markers in their assessment and analysis methodologies. Some, including IRC, Care International and UN Women, also reported on their efforts to support inclusion of gender considerations in system-wide assessments and analysis.

Although there has been important progress under this workstream, it has remained at the technical level and there is as yet no transformative move to joint intersectoral analysis. The key barriers to a systemic shift remain political, with some UN agencies and many NGOs simply not buying into the concept due to concerns regarding the impact on their own mandates or market share, or have simply failed to make this issue a priority and have not dedicated institutional resources accordingly. The limited investment from many aid organisations and donors was raised by the co-conveners with HPG/ODI researchers, but it is also evident in signatories' reports, with many making little or no mention of their engagement in the workstream's activities. Several donors highlighted that certain UN agencies still seek to use their donor relationships to maintain a focus on their own assessments/analyses, rather than inter-agency multisectoral ones, and acknowledged that competitive funding processes discourage change. Some also accepted that their funding for NGOs is often not related

to such inter-agency processes. It is clear that there remain inadequate incentives for and pressure on aid organisations to deliver against the commitments under this workstream.

While the co-convenors have continued to battle on, there remains a lack of political investment and inadequate funding and staff resources from signatories to make *joint* intersectoral analyses the default approach. Without more coherent incentives from donors and much greater investment in coordinated assessments and joint analysis by aid organisations, particularly at country level, it is hard to see how a transformative, system-wide shift will happen in the next 12 months. In part this is also due to divergent views on what 'joint' assessments and analysis actually means, related to the original wording of the commitments under this workstream. More broadly, and as highlighted in the AIR 2019, it is a function of the lack of political will to translate these commitments into consistent, system-wide practice.

2.5.2   Progress reported against core commitments

Core commitment 5.1: Provide a single, 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
Workstream efforts against this core commitment focused on finalising tools to support improved needs analyses through joint approaches that look at the intersectoral nature of needs and their immediate and proximate causes. The package included the Ethos document (UNHCR and IOM co-led its development), which was officially endorsed in June 2019 and will be incorporated in the forthcoming revision of the 2012 IASC *Operational guidance on coordinated assessments in humanitarian crises*; the quality criteria for HNOs and for multi-sectoral needs assessments developed in 2018; and further

enhancements to and roll-out of the Data Entry and Exploration Platform (DEEP), a tool for data management and analysis in 35 countries and 25 crises. Although the JIAF was not finalised or officially endorsed in time for the HPC 2020 process, OCHA reported that preliminary elements were used in most HNOs, enabling identification of priority geographic areas or population groups based on a joint intersectoral analysis of needs.

Following these investments, the quality of the 2020 HNOs was rated positively against the HNO Quality Criteria in an assessment in early 2020 by the workstream, working with the DFID PbR group and the IASC's HPC steering group. Of the 16 HNOs assessed, 75% were awarded a quality score of 75% or above – reaching the target agreed by the workstream during its workshop in early 2019. Six scored between 80% and 89% and three scored between 90% and 100%.[20] The top three HNOs were by the HCTs in Libya (93%), Somalia (92%) and CAR (90%). The assessment indicated that 100% of HNOs incorporated explanation of the differentiated impact of the crisis on women and girls. The assessment used nine criteria, including analysis of the capacities of women and girls and a description of the underlying factors affecting their vulnerabilities and exposure to risk. The quality scoring for the 2020 HNOs is not comparable with past quality scoring due to amendments to the criteria. But the 2020 HPC MPR (conducted by a sub-group of the HPC Steering Group under Results Group 2 of the IASC) suggests that the quality of the 2020 HNOs had improved compared to past years, with several respondents to a survey conducted as part of the review asserting that 'the quality of analysis, accuracy, and streamlining of the HNO/HRP process' was improved due to implementation of the JIAF and the enhanced HPC process (HPC Steering Committee, 2020: 3).

In 2019, eight multisectoral needs assessments were undertaken by REACH at the request of HCTs. These were used to inform HNO processes in those countries,[21] including the HNOs in Libya, Somalia and CAR. Several signatories highlighted their engagement in such multisectoral assessment processes: UNHCR reported that it led or co-led 59% of joint multi-sectoral needs assessments in displacement crises in 2019, compared to 46% in 2018; UNICEF reported that, as lead for the Child Protection AOR under the Global Protection Cluster and global cluster lead for nutrition and water, sanitation and hygiene (WASH) and co-lead for education, it provided support to country-based assessments via helpdesks at headquarters and through its rapid response teams.

Reporting against the two indicators for this core commitment was limited, and the information provided was not always consistent with that requested, limiting its value in this analysis. Twenty-six signatories reported substantive data against the first indicator (*which challenges have you identified and which actions have you been taking over the past year to strengthen humanitarian needs assessments and needs analysis in field locations and at headquarters? To what extent are these actions contributing to better joint (multi-stakeholders) inter-sectoral needs analysis in the field?*), out of 56 signatories that could report under this workstream.[22] Based on analysis of the data reported, signatories indicated that key challenges to strengthening needs assessments and analysis included a lack of presence at field level, limited sharing of data among stakeholders, lack of engagement with local actors, institutional barriers in aid organisations, and lack of capacity. Insufficient information was provided in response to the second part of this indicator to enable useful analysis. Only 22 signatories reported against the second indicator (*on a scale of 1–10, with 10 being the highest, please identify at what level of priority within*

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20 The approach to scoring the 2020 HNOs was revised to ensure alignment with the enhanced 2020 HPC process and to expand the scoring team to include members of other DFID PbR UN agencies, as well as donors.

21 Afghanistan, CAR, Iraq, Libya, Nigeria, Somalia, South Sudan, Ukraine.

22 The ICRC and IFRC have derogated from reporting under workstream 5.

your organisation you consider the work to support coordinated needs assessments and analysis? What steps has your organisation taken over the past year, if any, to ensure the requisite capacity is available to undertake this work?), but the data provided does concur in some respects with the qualitative analysis outlined above: the average level of priority that NGOs afforded to this issue was 5.2 out of 10, compared with 7.4 reported by UN agencies and 9.25 reported by donors. Overall, 61% of signatories did not report any level of priority to needs assessment/analysis, which chimes with the analysis above that this issue is still not a priority for the majority of signatories.

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Scorecard Workstream 5

Donor activity　★★☆☆

Aid organisation activity　★★★☆

Activity on joint commitments　★★★☆

Links to other workstreams　★★★☆

Links to other existing processes　★★☆☆

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2.6 Workstream 6: A participation revolution

2.6.1 Workstream summary

The workstream gained new momentum in the latter part of 2019, with a change in the focal points from the co-convening institutions, the US and SCHR. The focus remained on AAP and on enhancing technical-level engagement with beneficiaries, particularly during monitoring and evaluation processes. But there remained no evidence of a system-wide move towards a transformative approach that affords affected populations strategic influence over the aid they receive and how they receive it. This is confirmed by the CHS Alliance (CHS, 2019).

The workstream undertook a range of activities, many of which will only start to show results in 2020. The co-conveners conducted a stakeholder analysis which concluded that there were high levels of ownership of participatory approaches, and therefore no high-level political engagement was required – though the analysis for this AIR does not entirely support this conclusion. The co-conveners also published a set of good practice and success indicators for donors and aid organisations in June 2019, for signatories to use in measuring their performance against this set of commitments, although there is little evidence of these being used in the 2019 self-reports. The workstream also agreed a new workplan for 2019–2020 in consultation with participating signatories that focuses on pushing for changes in practice at country level. The co-conveners prioritised close coordination with IASC Results Group 2 on Accountability and Inclusion in an effort to avoid duplication and minimise gaps between the two mechanisms. Together the two bodies agreed on a common set of indicators for individual aid organisations and collective responses to measure the extent to which affected populations are participating in responses to their needs (commitment 6.2 – *develop common standards and a coordinated approach for 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, accountability and limit duplication); developed workplans to facilitate complementary reporting by aid organisations who are members of both the IASC and signatories to the Grand Bargain; and convened donor discussions on the importance of flexible funding in ensuring meaningful participation (commitments 6.5 – fund flexibly to facilitate programme adaptation in response to community feedback – and 6.6 – invest time and resources to fund these activities).

Further collective efforts under this workstream included strengthening the HNO and HRP process to include greater consideration of the views and priorities of affected populations, with some important results, as discussed below (core commitment 6.1). In relation to commitment 6.2 (*develop common standards and a coordinated approach for 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, accountability and limit duplication*), UNICEF reported on its collaboration with key partners in IASC Results Group 2 to establish the Common Service for Community Engagement Initiative, with standard terms of reference for community engagement and for AAP inter-agency coordinators developed. A training package for surge deployments of such coordinators was also developed, and a study undertaken in CAR and Yemen to examine coordinated approaches to community engagement.

There was a slight increase in the number of signatories reporting activity and results against commitment 6.4 (*build systematic links between feedback and corrective action to adjust programming*) (see Figure 1). CRS reported on its *Feedback and Response Mechanisms (FRM) guide*, which was developed and rolled out in five countries including Niger, where the CRS team allocated daily time to discussing non-sensitive feedback from beneficiaries, taking corrective action and documenting this in monthly and quarterly reports. CRS teams in Indonesia conducted community consultations with women and

men on their preferred FRM channels for reporting sexual exploitation or abuse concerns and adapted their systems accordingly. World Vision International reported that feedback from beneficiaries in 2019 was used to make a range of programmatic adjustments, including to beneficiary selection for non-food items, the modalities used (e.g. combining cash support with food distribution), an increased focus on financial inclusion and support through Community Savings Groups, and livelihood opportunities and support, such as the provision of loans, adjustments to the quality, quantity and type of cash support, including referral pathways to government social protection transfers, and greater use of mobile money. The IFRC reported that its community feedback system in the DRC Ebola response captured that affected communities were concerned that their loved ones were not receiving dignified burials because the organisation had been using opaque body bags, obscuring their view of the bodies. In light of this, IFRC switched to using transparent bags, which assuaged community fear, increased trust and, importantly, saved lives by ensuring that the community allowed safe burials.

The evidence presented indicates how signatories' approaches to participation varied, including according to mandate. UN Women, UNDP and ILO, for example, adopted a strategic, longer-term approach, with programmes targeted at building the capacities of affected populations, including women, to take greater control of their lives and play a leadership role in their communities, including in engaging with government and international actors on what aid and services they require. In Kenya, UN Women's programme targeted efforts to strengthen the capacity of women affected by disasters and emergencies – as rights-holders – to demand accountability and inclusion in disaster risk governance, both at national and county levels. This resulted in the increased participation of women and youth (approximately 40%) in the National Platform for Disaster Risk Reduction (NPfDRR), as well as in County DRR Committees and/or County Steering Groups at devolved levels.

Other aid organisation signatories focused on integrating participation in existing programmes to ensure that programme objectives and modalities are informed by affected populations. The RCRCM's 'Commitments on community engagement and accountability' were adopted as a resolution at the 2019 Council of Delegates, ensuring a common and coordinated approach for the Movement. In Mozambique, this approach enabled a community-led recovery to Cyclone Idai, where communities decided on priority interventions.

These two approaches – longer-term empowerment and technical engagement – are both valid, but the evidence available for this annual review indicates that they are not commonly combined in a strategic approach at country or regional level. Certainly, breaking down participation into more measurable aspects – accountability, safe programming and safeguarding or prevention of sexual exploitation and abuse (PSEA) makes it easier and quicker to measure results, compared to assessing the extent to which people have been able to influence the aid response strategy overall. But the failure to adopt a multi-track approach means that the potential to effect a real transformation in the way affected populations influence the aid they receive is still not being realised.

The extent to which current efforts are enabling meaningful participation is indicated in the latest results from the GTS and OECD perception surveys conducted as part of their 'Lives in crisis' project. In 2019, further rounds of surveys of affected populations were conducted in Bangladesh (Rohingya refugees), CAR, Chad, Iraq, Somalia and Uganda. The summary findings from this latest round indicate both positive and negative trends:

- *Most respondents (between 67% and 80%) felt that they were respected by aid providers* (with a slight increase in Chad and Iraq, and a slight decrease in Somalia and Bangladesh).
- *Most respondents (average over 50%) stated that they had knowledge of the aid services available to them* – a 10% increase in Iraq, though a slight decrease in Chad, Uganda and Somalia.

- *Knowledge of available complaints and suggestion mechanisms remained limited* – Rohingya in Bangladesh were most knowledgeable (64%), but in CAR the figure was 18%, and in Uganda and Iraq 10% fewer responders were aware of these mechanisms than in the previous round of surveys.
- *Many felt that they still did not have sufficient or indeed any influence over the aid they receive* – in Chad only 7% felt that they had influence and 10% fewer respondents in Iraq felt this way than in the last round. However, the figures for Somalia increased by 10% over the last round of surveys (reaching 75% of respondents).
- *Few respondents felt that the aid they received supported their self-reliance* – from 5% in Chad to 39% in Somalia. Rohingya in Bangladesh were the most positive on this question – over 50% felt that aid supported their self-reliance, a slight increase over the last round of surveys.

A more targeted survey in Borno State, Nigeria, of recipients of cash programming also elicited some interesting findings. Most were positive overall about the cash and voucher support they received. A majority knew who was providing this assistance, and felt that the cash support was reaching those who needed it most (60%). But many found the beginning of the process (i.e. registration and distribution) challenging, and very few understood why they were receiving cash and vouchers (11%) or how long the support would last (12%).

While perceptions are highly subjective and influenced by multiple factors that change over time and context, the GTS/OECD findings are indicative that there is as yet no major uplift in the perception among affected populations that they are able to influence the aid they receive, or that aid supports their self-reliance. Particularly worrying is the consistent finding that few people are aware of *how* they can complain when they have concerns about aid services. This suggests a disconnect between the efforts that signatories report making to reach out to affected people, and the degree to which this outreach is effective.

Some aid organisations reported efforts to institute or strengthen internal accountability mechanisms for delivering on participation across their global operations. UNHCR has made the integration of community feedback mechanisms in all programmes a mandatory requirement against which country operations are required to report year-round. The IRC reported on its 'Good' and 'Great' Standards for Client Responsiveness, which provide a framework for effective collection and use of client feedback and closing the feedback loop. In 2019, 19 out of 30 IRC country operations reported that they had met or almost met the 'Good Standard' (which is aligned with Grand Bargain and CHS commitments). Many other aid organisations reported on their efforts to integrate participatory approaches throughout their operations, building staff capacity and developing tools and systems to support this approach.

During interviews, aid organisations also acknowledged that they still struggle to instil participatory approaches consistently and coherently across their global operations – particularly in responding to feedback and adjusting programmes accordingly. Barriers to change include a lack of prioritisation by country-based staff, a lack of accountability, lack of flexibility in funding, lack of time to engage populations in the design of emergency responses, and in some cases limited access to populations due to security or bureaucratic constraints.

Reporting indicates some progress by some donors in providing incentives for more consistent participatory approaches, such as increasing the flexibility of funding (commitment

Box 3: HCT Chad – tracking affected populations' perceptions of the aid response

Since 2017, the HCT in Chad has worked with GTS and the CHS Alliance, supported by Sweden, to design indicators to track perceptions of affected populations of the humanitarian aid they receive. These indicators were developed to support monitoring of progress against the three strategic objectives of the Chad HRP 2017–2019:

1. To save and preserve the lives and dignity of affected populations.
2. To reduce the vulnerability of affected populations by building resilience.
3. To contribute to the protection of vulnerable populations and strengthen accountability.

Data is collected by GTS staff through surveys in three provinces, using a consistent sample of the populations in each. There have been four rounds of surveys since 2018, with the last conducted in October 2019 in order to feed into the development of the HRP for 2020. The findings have been used to inform strategic and programmatic discussions among HCT member agencies and clusters, with a number making adjustments to programme design or approaches. For example, the consistently low scores in relation to awareness of complaints mechanisms has led to a greater emphasis on ensuring more effective outreach to affected populations, using different modalities, on the mechanisms they can use to raise concerns or complaints or to ask for more information. The scores for people who think the aid they receive empowers them have been consistently low, and this has added impetus to HCT advocacy for increased engagement from development partners. There have also been challenges, both in ensuring consistent sampling for surveys due to the forced movement of affected populations, and in ensuring sustainable funding for the project.

Similar approaches have been adopted by HCTs in Bangladesh, CAR, Iraq and Somalia, where the indicators have been expanded to include people's perceptions of the strategic objectives of the response. Signatories and stakeholders at headquarters and in the field indicate that tracking perceptions in this way is useful in informing humanitarian response strategies and participatory approaches, and offers at least a minimum level of AAP. Scaling this initiative up across multiple HCTs is feasible but would require more sustainable funding to ensure a consistent approach that tracks perceptions over the longer term.

Source: GTS and OCHA Chad.

6.5) and including indicators on participation in reporting frameworks (commitment 6.6), but there has been no coherent approach. Denmark highlighted that CHS compliance remains a mandatory requirement for all its partner organisations, and the Netherlands included a new indicator in its 2019 Dutch Relief Alliance framework requiring reporting on beneficiary participation at all stages of the programme cycle, including reporting on the number of corrections made to programme design following beneficiary feedback. In terms of financial support, Ireland reports that its flexible funding facilitates adaptive programming, with partners receiving multi-year funding able to adjust their targets to reflect feedback from beneficiaries, and the Netherlands allocates 25% budget flexibility in its grant to the Dutch Relief Alliance specifically to enable adaptations in response to contextual changes or beneficiary feedback. DFID's funding guidelines emphasise the need for flexibility and adaptation in programming in response to feedback.

In terms of gender, the success indicators disseminated by the workstream in 2019 highlight the importance of tracking 'programmatic and cluster level initiatives targeted at supporting participation of … women and local women's organisations in decision-making, monitoring and accountability of humanitarian response'. The FoGG has been closely involved in this workstream, providing leadership and support on integrating gender throughout the workstream's activities. Many individual signatories reported on their institutional approaches to integrating gender as a key element in effective participatory approaches. CAFOD reported that its new corporate strategy includes metrics on women's participation in all levels of decision-making. Links with other workstreams were limited: the co-conveners attended the annual workshop organised by workstream 7+8 (*enhanced quality funding*) and there are specific plans for outreach to workstream 2 (*localisation*). However, there was strong engagement with the FoGG and positive collaboration with the IASC Results Group 2, as noted above.

There was a marked increase in leadership by the new co-conveners of this workstream

in 2019 and increased collective activity as a result. Important functional connections have been made with the IASC, and there has also been an incremental increase in efforts to ensure more consistent and coherent approaches to participation across global operations by individual signatories, with more demonstrating how they are trying to institutionalise approaches and adjust programmes and strategies in response to feedback from beneficiaries at different stages of the programme cycle. However, the gap between how well aid organisations think they are doing and how their performance is perceived by affected populations is still substantial, and any transformative shift towards giving affected populations strategic influence over how aid responses are designed and implemented remains far off. A higher level of ambition from the workstream, stronger institutional accountability, the allocation of requisite resources by heads of aid organisations and far greater incentives from donors are all required to bring about such a shift.

2.6.2 Progress reported against core commitments

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
An analysis of 21 of 25 HRPs for 2020 indicates that HCTs are rolling out a coordinated approach to engagement with/accountability to affected populations. Data reported by OCHA indicated that, of the 21 HRPs for 2020 reviewed as part of the DFID PbR Framework, 19 (90%) included a joint approach to accountability, communication and feedback systems, and narrative reporting on the effectiveness of these approaches. There was therefore a 50% increase in the number of HRPs articulating a joint approach in 2019, compared to 2018.

Although there was some variation in the quality of HRPs that include a joint approach
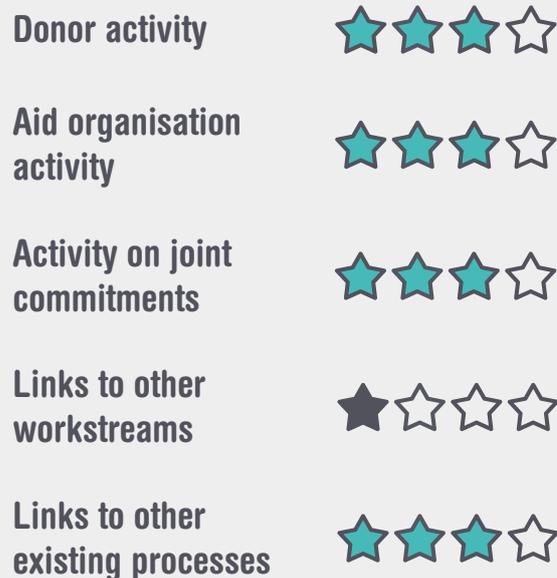
to accountability, communication and feedback systems, overall there was a positive trend. Fourteen of 21 HRPs (67%) described all or most of the key elements that support collective accountability, including joined-up community consultations in planning, and coordinated engagement, including for community feedback and how it informs decision-making. Another five HRPs (24%) included a moderate level of detail, while only two (9%) included none, or very little explanation of how the response would meet its collective accountability commitments.

These improvements may be attributed to a number of factors, including the increased general awareness of collective AAP and its relevance to country-wide planning, technical support from OCHA and the roll-out of the enhanced HPC.

These results were supported by the NEAR survey, in which 71% of the local and national NGOs that responded stated that they considered that the HRPs in their countries were informed by the views of affected populations. OCHA supported a workshop in 2019 where HCs, Deputy HCs and OCHA Heads of Offices from 10 operations came together to discuss how to strengthen humanitarian leadership and coordinated approaches to community engagement and participation. Joined by colleagues from the IASC Results Group 2, participants developed a draft Collective AAP Framework to be further refined by HCTs as a precursor to establishing or further supporting existing country-specific adaptations. This framework will also be presented during the 2020 HC Retreat, to be discussed and endorsed as a global AAP framework for consideration by the IASC Principals.

However, it was unclear from the information available for this review what specific progress has been made in terms of the leadership role of HCs or specific cluster leads at country level in ensuring engagement with and accountability to affected people. For HCs there is no specific performance indicator on participation, though OCHA explained that, in practice, participation is considered in the assessment of performance against indicators on localisation.

Scorecard Workstream 6

Donor activity	★★★☆
Aid organisation activity	★★★☆
Activity on joint commitments	★★★☆
Links to other workstreams	★☆☆☆
Links to other existing processes	★★★☆

2.7 Workstream 7+8: Enhanced quality funding through reduced earmarking and multi-year planning and funding

2.7.1 Workstream summary

Responding to concerns raised in the AIR 2019, and following discussions at the 2019 Grand Bargain Annual Meeting, the co-conveners of this workstream (Canada, Sweden, ICRC, UNICEF, NRC and OCHA) acted swiftly to finalise leadership arrangements and move forward with concrete activities aimed at supporting signatories to deliver against the commitments under this workstream. More donors reported increased provision of multi-year and flexible funding, but the *predictability* of that funding remained a challenge, and aid organisations reported no increase in the unearmarked funding they received in 2019.

The co-conveners stepped up action in the latter part of 2019, formulating a revised priority action plan for 2019–21, including identification of specific deliverables and building the evidence base on quality funding; clarifying definitions to improve reporting on quality funding; and identifying institutional constraints to tracking and passing on quality funding. In September, they co-hosted a Progress Acceleration Workshop with participation from co-conveners from other workstreams, donors, the UN, NGOs, RCRCM and field reps from Jordan, Lebanon and Afghanistan. These discussions were used to inform the action plan. The co-conveners led specific activities under that plan: the ICRC worked with the FG to improve the section on enhanced quality funding in the self-report template and started research to build the evidence and narrative around the benefits of flexible funding, to be published in 2020; Canada and Sweden developed a Definitions Guidance Summary to clarify the definition of quality funding, which was distributed as part of the self-reporting process for 2019; UNICEF began preparations for an internal scoping exercise to obtain more data on and understanding of the bottlenecks to cascading quality funding beyond first-level

recipients to local and national responders (as per the definition agreed by workstream 2); and NRC led a study with DI on the benefits of multi-year funding (Rieger, 2019), and has led the development of a 'basket' of best practices, workable solutions and ways to increase quality funding beyond the Grand Bargain commitments. The co-conveners also worked with the EP and her team to inform high-level political dialogues with key donors and NGOs.

Reporting against the two core commitments (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* – and 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*) increased slightly in relation to both donors and aid organisations (see section 2.7.2). The reporting also demonstrates that the differences in perceptions identified in last year's AIR persist: donors highlighted multi-year and flexible funding as an area where they had made good progress, with 11 donors (compared to seven in 2018) – Belgium, Bulgaria, Denmark, Finland, France, Ireland, the Netherlands, Slovenia, Sweden, Switzerland and the UK – reporting that 30% or more of their humanitarian funding is unearmarked or softly earmarked. Most aid organisations asserted that there is as yet no major increase in the volume of multi-year or flexible funds they receive (UNICEF reported a decrease in 2019), and few provided data on how much of this funding they pass down the chain.

Analysis of the evidence presented in reports and via interviews suggests a complex picture: the way in which much of the multi-year funding reported by donors is given (i.e. multi-year framework agreements with staggered annual release of funds on the basis of an annual performance assessment) may not be considered 'predictable', in the sense that it does not offer aid organisations sufficient guarantees to make

the longer-term institutional, programmatic or partnership investments required to support multi-year planning. There are related tensions between constituent groups of aid organisations, with some INGOs expressing concern that UN agencies have received multi-year funding (since this was reported by donors), but that this has not been passed on to them (see Miliband, 2019). This frustration extends further down the chain: the vast majority (73%) of national and local NGOs that responded to the NEAR survey said that they had not seen any increase in multi-year funding opportunities, and of the 27% that had received some multi-year funding, almost half said that it accounted for up to just 10% of their annual budget.

In terms of flexible funding, insufficient data was reported to identify what proportion of overall donor funds are unearmarked or softly earmarked, and how much was allocated bilaterally or via the CERF or CBPF or other pooled funds. Where unearmarked or softly earmarked funds are allocated 'bilaterally' to aid organisations, they are – according to those organisations – not in sufficient volume to be passed down the chain. Aid organisations also explained that the majority of funds have to be earmarked at a certain point as they are targeted at specific objectives to be achieved by the implementing partner (whether local or international), so there is a limit to how far down the chain the original flexibility can be passed. Certainly, the large majority (83%) of local and national NGO respondents in the NEAR survey indicated that they saw no increase in unearmarked funds in 2019. One signatory international aid organisation also explained that the flexibility of the unearmarked funding they receive is often countered by highly specific reporting requirements or other pressure exerted informally by donors to ensure the funds are allocated towards the donor's, not the organisation's, priorities. For some signatory aid organisations, including IOM, UNFPA and UNDP, the funding pattern has not changed at all – it remains highly earmarked, projectised and short-term. In IOM's case, despite some increase in unearmarked contributions, it is still difficult to make the institutional changes required to support delivery against a number

of Grand Bargain commitments because they do not have sufficient flexible and predictable core funding to enable such investments.

There was a statistical increase in the number of aid organisations reporting against commitments 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*) and 8.4 (*increase the visibility of unearmarked and softly earmarked funding, thereby recognising the contribution made by donors*). ICRC has sought to further enhance its reporting to donors of unearmarked funds by explaining the process and criteria for allocating unearmarked funds and presenting case examples of how this happens in practice. UNFPA conducts regular structured funding dialogues with its donors, where it discusses the parameters for reporting on flexible funds, solicits feedback and adjusts its approach accordingly. The agency also reported on its visibility strategy for such funds, including publicly presenting stories from the field describing donor contributions and results achieved. But many aid organisations explained during interviews that it was not clear what donors were expecting in terms of reporting on flexible funds received or what kind of visibility they wanted for these grants.

Some activity was reported by aid organisations under commitment 7.1b (*signatories document the impact of multi-year, collaborative and flexible planning and multi-year funding instruments on programme efficiency and effectiveness*), with studies and research undertaken to build the evidence base for multi-year approaches: DanChurchAid and other partners in the ACT Alliance conducted a 'triple nexus' study in South Sudan, which concluded that local actors' sustainability is impacted by short-term funding. NRC field research in Lebanon and Jordan (conducted in partnership with DI) concluded that multi-year funding could support organisational capacity for gender-sensitive programming. But it is not clear whether or to what extent evidence is being collated and presented coherently to donor representatives to support decision-making,

including their lobbying of ministers, treasury departments and parliamentary bodies.

Reflecting on 2019 and past self-reporting, it is clear that there is a core group of donors committed to enhancing the quality of their funding, with several reporting a holistic approach to providing more predictable and flexible funding, with positive impacts on their partners' programming. Ireland's Humanitarian Programme Plan (HPP), which funds INGOs for programmatic responses in humanitarian contexts, moved from a two-year to a three-year cycle in 2019, in line with its development funding in fragile contexts, with plans in place to increase to a five-year duration from 2022. In addition, 20% of the funds allocated can be re-targeted without seeking donor approval. One partner, Christian Aid, explained that Ireland's funding strategy has enabled them to take a more participatory approach driven by and adaptive to community-identified needs, rather than donor reporting cycles. Ireland's approach has also encouraged more strategic partnerships between international and local and national NGOs in fragile contexts, with local partners more involved in long-term planning. Denmark has instituted a similar strategy, with four-year partnership agreements with 17 of its NGO partners and a number of UN agencies (five new agreements recently signed), and 30% of NGO funds are unearmarked. One of its partners, DanChurchAid, explained that this has enabled them to pass quality funding down the chain to their local partners, and enabled more sustainable investments. They noted that this strategic approach was based on a high degree of mutual trust and confidence framed around a set of outcome indicators. Developed by the NGO and agreed between the two institutions, these are used to benchmark progress each year before the next payment is released. Sweden reported on its Programme Based Approach (PBA), which is applied to three INGO strategic partners, affording them the flexibility and capacity to quickly adapt to new or escalating humanitarian needs. This funding is labelled as earmarked but offers a large degree of freedom for SIDA's partners. Partners have reported that the PBA has enabled them to respond flexibly to new or changing needs. ECHO reported that

it is exploring the potential for programmatic partnerships with its major NGO partners to consolidate multiple grant agreements into a single worldwide agreement per NGO, which could include more predictability and flexibility. If this proposal moves forward, it would signify a major shift in approach and could potentially have system-wide impact. These approaches are supported by the revision of the OECD-DAC peer review process in 2019. The DAC peer review reference guide now includes the following criteria: 'The member improves the predictability, timeliness and flexibility of humanitarian funding'. Starting in 2020, donor reporting will be measured against this new language, and as such is an important incentive for change.

The refocused efforts of the co-conveners in the latter part of 2019 were clearly visible to and appreciated by signatories. But there are still tensions between UN agencies and NGOs, as noted earlier, and aid organisations argue that there is a gap between donor expectations of what and how quality funding can be passed down the chain and what is actually feasible. More evidence is required to inform these discussions, and the scoping exercise by UNICEF and the NRC study on different types of quality funding instruments are positive steps towards gathering evidence to ensure more informed discussions on the challenges and possible solutions or mitigating measures. More broadly, all constituent groups need to share responsibility for delivering on the commitments under this workstream and identifying and addressing barriers to change. To date, there has been a tendency for aid organisations to see workstream 7+8 as a 'donor workstream', but this is not accurate given the need for collaboration among and between constituent groups. Certainly, donors need to be clearer on the specific barriers to increasing the flexibility and predictability of their funding, the risks they are prepared to tolerate and the evidence or arguments they need to make the case internally for this kind of funding, what type of data they want in reporting and what kind of visibility they need to support their efforts. For their part, aid organisations need to present clearer and more coherent analysis

of the impact of different types of funding, drawing on evidence already available from specific initiatives, pilots and approaches, and presenting this in an accessible and digestible format. They also need to find ways to better support their downstream partners with more long-term and flexible partnerships.

On gender, the co-conveners are working with the FoGG to understand how to integrate gender considerations in their activities. The FoGG supported the joint NRC/DI field research on the impacts of multi-year funding in Lebanon and Jordan, which included consideration of this type of funding in terms of gender equality and women's empowerment. Outreach to other workstreams during 2019 was limited: the co-conveners are part of the steering group for the study on donor assessments being conducted by workstream 4. But the co-convenors did use the Grand Bargain Secretariat to solicit feedback from all signatories on the workstream's research initiatives. Engagement with other forums included collaboration with the IASC Results Group 5 on Humanitarian Financing, to produce a short paper on a quality funding package.

This is a complex workstream with a range of challenging commitments, but it is clear from the research for this review that signatories consider this one of the most important areas of the Grand Bargain and remain committed to delivering on its ambitions. There has been important progress in increasing the number of donors scaling up their multi-year and flexible funding and, crucially, in efforts by the co-conveners to develop a more nuanced understanding of the issues and challenges involved. The examples noted above indicate that it is possible to introduce funding partnerships that provide a degree of predictability and flexibility in a way that works for both donors and aid organisations. But the momentum generated in late 2019 now needs to shift up a gear to institute a more strategic approach – one that includes scaling up positive practices, adapting current modalities for multi-year frameworks to ensure they offer greater predictability of funding, and ensuring flexibility at different points along the funding chain. Redefining quality funding in this way – as an integrated approach that combines predictable and flexible funding – is essential to make better use of current funding, and to find ways to address longer-term challenges. Rapid progress on quality funding is now critical not just to deliver on this set of commitments, but also to unlock progress in other areas, enabling systemic shifts in relation to localisation, participation and humanitarian–development programming.

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
Reporting against this core commitment indicates a similar picture to 2018, with substantial increases in multi-year funding reported by donors, but little evidence of how or whether this is resulting in more *predictable* funding for humanitarian programmes at implementation level.
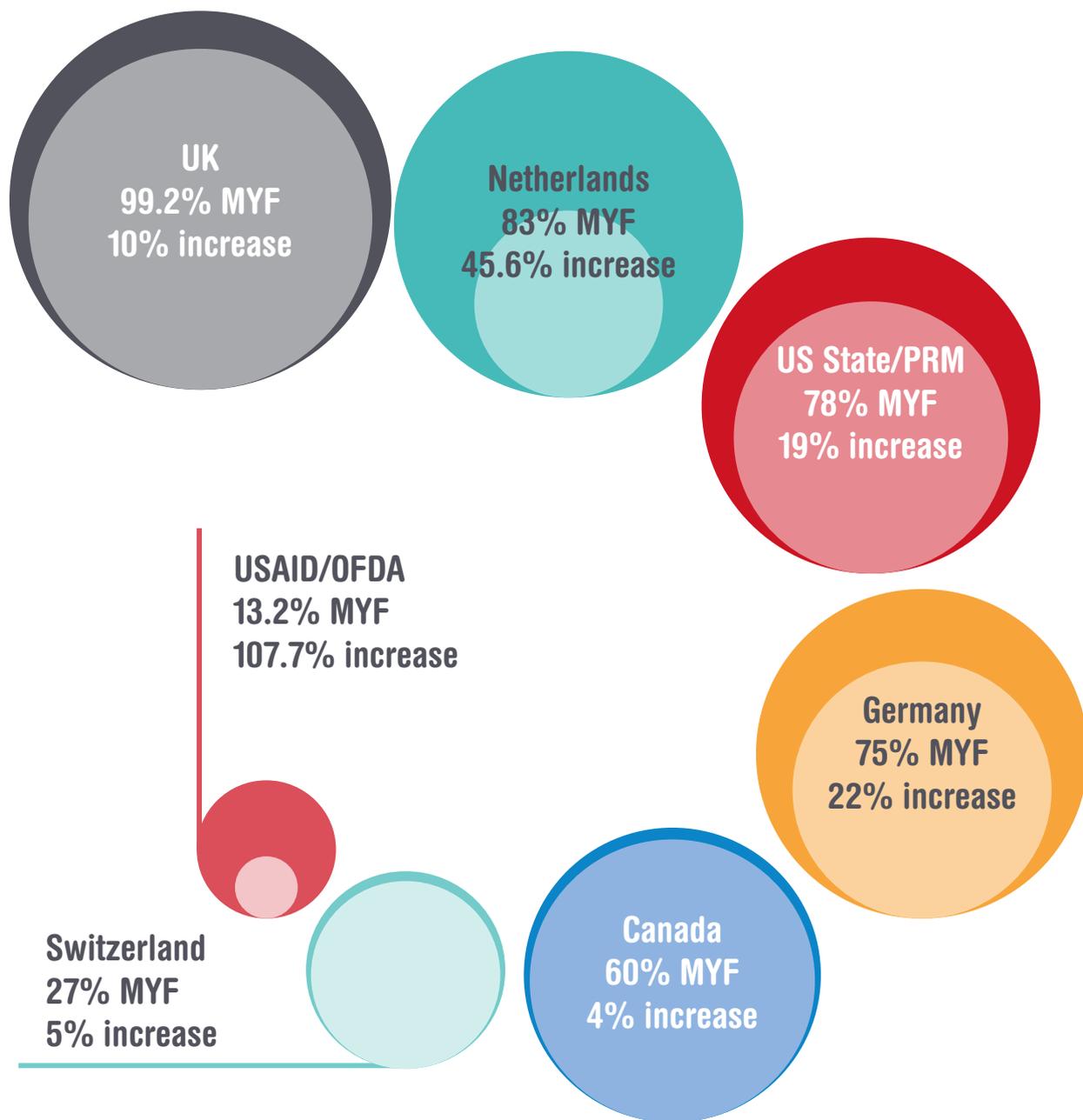
Donors only

Key

- ● Overall progress
- ● Good progress
- ● Little progress
- ● Excellent progress
- ● Some progress
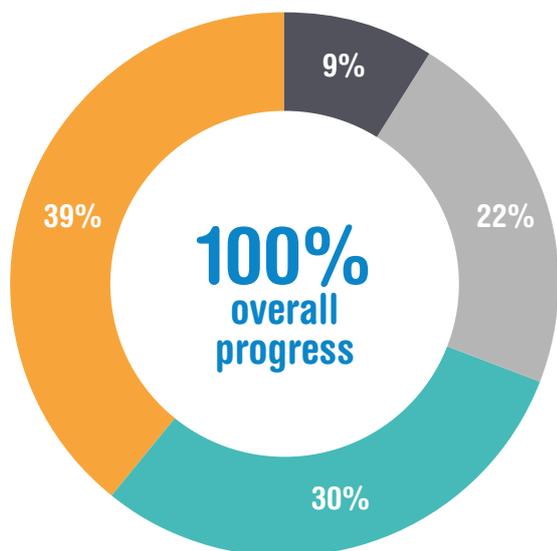
Seven donors reported increases in the volume of their multi-year funding (see Figure 6): Canada, ECHO, Germany, Switzerland, the UK and the US. Sweden reported a slight decline of 1.7%, but explained that this related to the stage of their multi-year frameworks and did not represent an actual decline in the volume being programmed as multi-year. Both Ireland (46%) and Estonia (18%) reported stable levels of multi-year funding.

It was not possible to assess the impact of this funding on recipients because this level of detail was not requested or provided during the self-reporting process. However, several UN agencies reported that they received less multi-year funding in 2019: WHO reported a 10% reduction in the multi-year funding it received between its biannual budgets in 2016–2017 and 2018–2019; UNICEF reported a 9% decrease between 2019 and 2018 ($51 million); and UNHCR reported an increase of 5% between 2018 and 2019, but a 2% decrease overall between 2019 and 2017. Further investigation is required to understand to what degree the multi-year funding donors reported providing is predictable in the sense that it allows recipient organisations to either pass it down the chain or make their own longer-term institutional investments in contracting staff, in procurement and in programme plans.

Figure 9: Donors reporting annual increases in multi-year funds (MYF) in 2019

UK
99.2% MYF
10% increase

Netherlands
83% MYF
45.6% increase

US State/PRM
78% MYF
19% increase

USAID/OFDA
13.2% MYF
107.7% increase

Germany
75% MYF
22% increase

Switzerland
27% MYF
5% increase

Canada
60% MYF
4% increase

Source: data from signatory self-reports for 2019.

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

Aid organisations only

Key

- 🔵 Overall progress
- ⚪ Some progress
- 🔴 No significant progress
- 🟢 Good progress
- ⚫ Little progress
- 🟠 Excellent progress

69% overall progress

31% / 11% / 26% / 29% / 3%
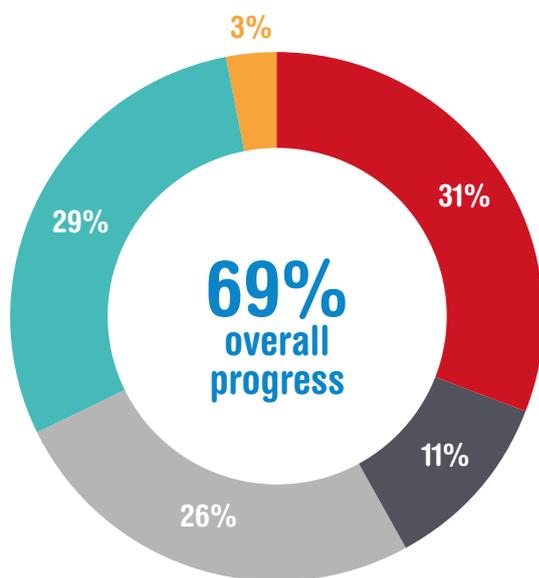
There was an increase in the number of aid organisations reporting quantitative data against the indicator for this core commitment – four for 2019, compared with one for 2018: DanChurchAid reported that it passed down approximately 63% of the multi-year funding it received to local partners; UNICEF reported that 30% of its multi-year funding was transferred to implementing partners in 2019, including 15% passed down to partners as multi-year funding; ZOA International reported that it passed down 2% of its multi-year funding; and NRC channelled 5% of its multi-year funding to implementing partners (in line with the 5% of total budget provided to downstream partners). UNHCR reported that, since 2019, it has instituted two-year partnership agreements

with its downstream partners, and currently has 34 such partnerships in place. ILO reported that funding agreements with partners are usually for the duration of the funding they receive – so multi-year funding is generally passed on when it is received. Christian Aid reported that it does not track this, but its aim is to transfer as much of the multi-year funding it receives as possible to local partners.

Many aid organisations explained that they are limited in their ability to pass down multi-year funding because they do not receive it as a lump sum, but rather in staggered payments made on an annual basis over the course of a multi-year framework agreement. These allocations are confirmed and released only following a performance assessment against specific indicators or benchmarks (some more stringent than others). Most UN organisations and INGOs are only able to contract downstream partners in relation to funding they are guaranteed they will receive, or in some cases only once they actually receive it, because they do not have reserves to draw on, or their financial rules require the money to be in their account before it is committed onwards. As such, they can only pass down the funding they actually receive, not what is pledged. Only larger UN agencies may be in a position to pass down in such circumstances: UNHCR explained that, at the discretion of country representatives, two-year partnership agreements can now be instituted with downstream partners, regardless of the availability of multi-year funding for these operations. This has been possible because of the size of UNHCR's overall budget, the availability of flexible funding (although this is reportedly declining), the relatively flexible nature of the administrative rules set by their executive board, their long-standing programme rather than project-based approach, and due to the organisation's senior management taking a calculated risk to facilitate this approach. This is not replicable in all UN agencies without substantial changes from donors and the member states that sit on agencies' executive boards (which include many states who are not signatories to the Grand Bargain). Detailed discussion between UN agencies and their

executive boards would be useful to promote such approaches.

Progress was reported in relation to multi-year funding from CBPFs. There were three pilots for multi-year grants in 2019: DRC, Somalia and Yemen. Projects in Yemen were given a three-month extension to a total of 15 months in order to adapt to challenges in the operating context. One 24-month project involved an INGO building the capacity of a local civil society partner to enable them to directly receive CBPF funding in future. The recent global evaluation of CBPFs and the OCHA/NRC study recommended setting guidance to enable use of CBPFs for multi-year funding, where appropriate. Donors are reportedly split on this issue, with some supportive and some concerned at the risks this poses; evidently, different CBPFs would need to take slightly different approaches, with larger CBPFs more easily able to balance shorter- and longer-term allocations than smaller funds.

At collective level, 11 HCTs had multi-year humanitarian response plans or strategies in place in 2019, including four-year plans/strategies in Afghanistan and Cameroon, and three-year plans in the occupied Palestinian territories (oPt), CAR, Chad, Nigeria and Sudan (see Figure 2). This compared with 12/23 HCTs that had or were in the process of developing multi-year plans/strategies in 2018. Individual aid organisations reported increased multi-year planning: UNICEF increased the number of its country offices with multi-year plans, aligned with inter-agency multi-year plans, from 11 in 2018 to 18 in 2019. IFRC reported on its efforts to move from short-term appeals to multi-year plans, including undertaking an internal review of planning instruments to inform senior management decision-making. After eight consecutive annual appeals for Syria, IFRC is now transitioning to longer-term country planning focused on resilience. WFP has adopted a strategic planning framework that facilitates multi-year contributions from donors and multi-year planning and partnerships with NGOs.

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 to their partners.
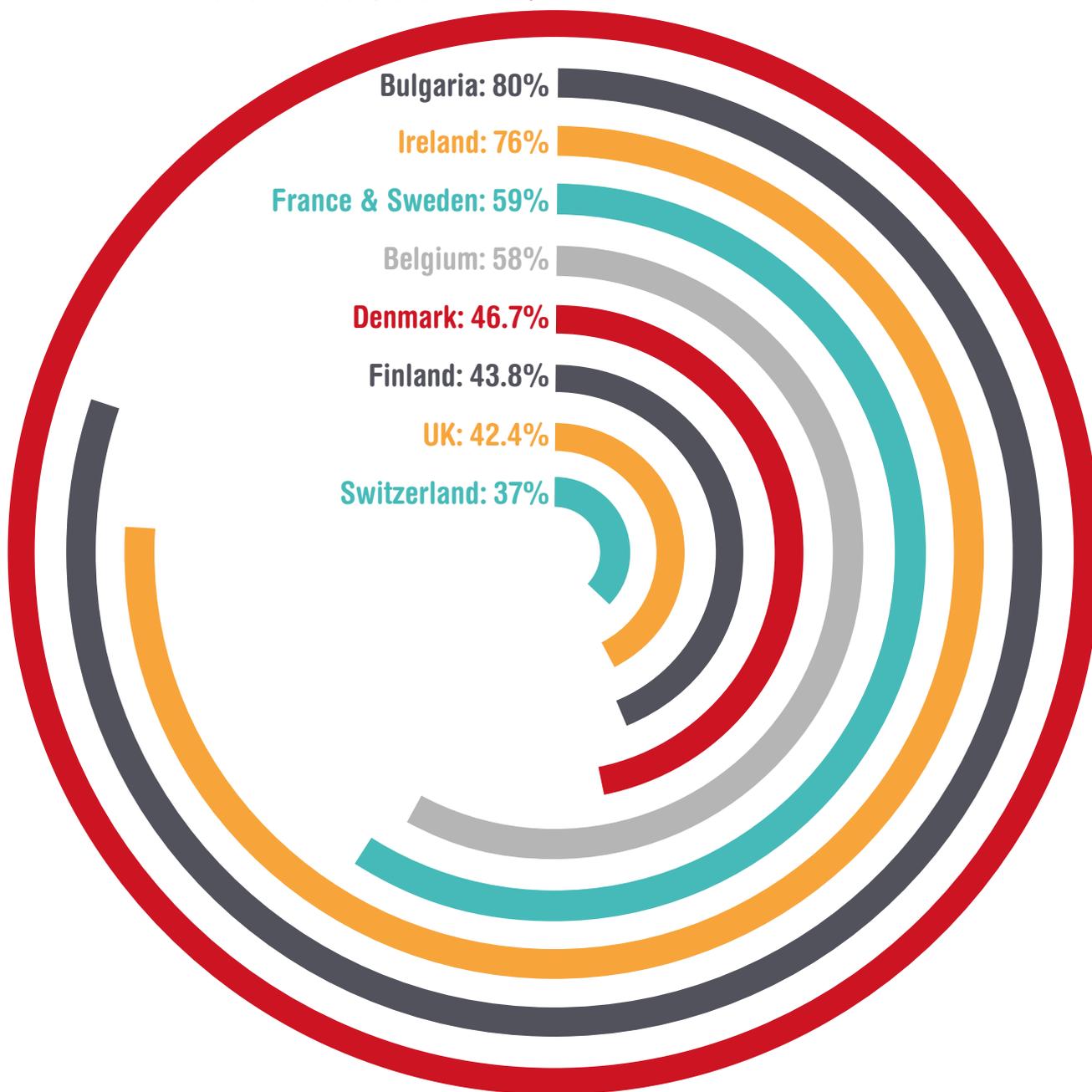
Donors only

Key

- 🔵 Overall progress
- 🟢 Good progress
- ⬛ Little progress
- 🟠 Excellent progress
- ⬜ Some progress
- 🟦 N/A

96% overall progress

4% | 4% | 17% | 22% | 52%
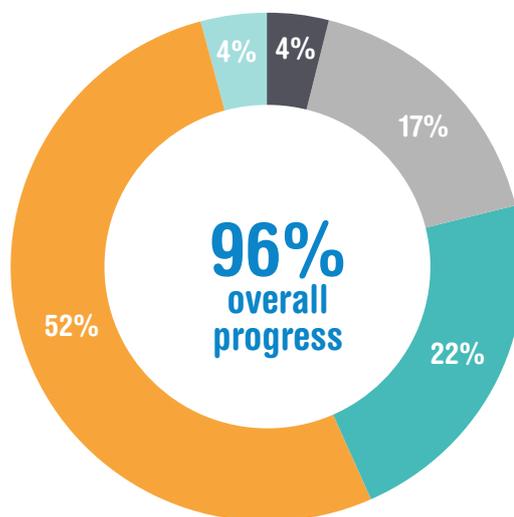
Guidance on definitions of unearmarked and softly earmarked funds was issued late in the process for the 2019 self-reports, and only 16 out of 22 donors provided useable data against the indicator for this core commitment. However, the data that was reported indicates substantial progress: 11 donors reported meeting or exceeding the target for unearmarked/softly earmarked funding. Netherlands was once again the top performer, along with Slovenia – each reporting that 100% of their respective funding was provided unearmarked or softly earmarked in 2019 (see Figure 7). Others also made good progress, though were yet to meet the target: Germany increased its flexible funding to 24%, compared to 11.2% in 2016, and Canada reached 27% in 2019.

Figure 10: Donors reporting that unearmarked and softly marked funding met or exceeded the target of 30% of their total humanitarian funding in 2019

Netherlands & Slovenia: 100%

Bulgaria: 80%

Ireland: 76%

France & Sweden: 59%

Belgium: 58%

Denmark: 46.7%

Finland: 43.8%

UK: 42.4%

Switzerland: 37%

Source: data from signatory self-reports for 2019.

Data from seven donors (Canada, Germany, France, the Netherlands, Sweden, Switzerland and the UK) that provided a breakdown of their allocations suggests a possible positive trend towards increased flexibility: on average, 28.8% of their funds were allocated as unearmarked, and an average of 19.9% softly earmarked. Netherlands provided the greatest percentage of unearmarked funds – 57.5% of its overall humanitarian funding

in 2019. These seven donors also provided a breakdown of allocations to the CERF and CBPFs, but the data was not comparable due to differences in terminology/approach.

The AIR 2019 suggested that, despite good progress by a core group of donors, a shift from ECHO and the US – the two largest humanitarian donor institutions – was needed to bring about a transformation of the funding

landscape. In 2019, the data suggests that, though there were signs that ECHO may be able to increase flexibility in strategic partnerships currently under discussion, these two donors still struggled to make tangible progress on this commitment. Consequently, a significant proportion of global humanitarian funding was still tightly earmarked. The three largest UN agencies (along with many other aid organisations) reported that earmarked funds still represent the vast bulk of their humanitarian funding from institutional donors: UNICEF reported that 93% of funding for humanitarian programmes in 2019 was earmarked; for WFP, the volume of unearmarked funding remained stable ($400 million), but has decreased as an overall percentage of their budget (12% in 2011 to 5% in 2019); and UNHCR saw a sharp increase in country-level earmarking – from 20% in 2012 to 45% in 2019 – though unearmarked funds remained stable at approximately 15% of total budget. Moreover, aid organisations also highlighted that, where funds are allocated as 'flexible' to CERF and/or CBPFs, limited flexibility is passed down through grants from these mechanisms.

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 to their partners.

Aid organisations only

Key

- ● Overall progress
- ● No significant progress
- ● Little progress
- ● Some progress
- ● Good progress
- ● N/A
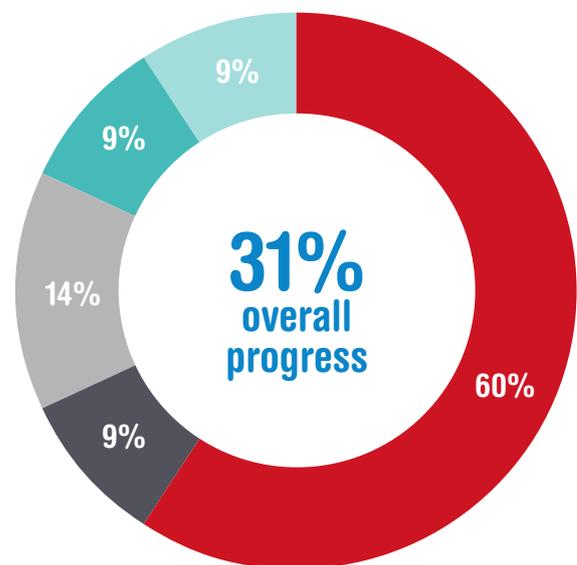
Reporting by aid organisations against the indicator for this core commitment remained static, with only five reporting quantitative data: ILO – 1%, FAO – 2%, NRC – 0% (no unearmarked or softly earmarked funding received), ZOA – 0%, and UNHCR reported that it provides 7% and 4% of grant amounts as indirect support costs for INGOs and NNGOs, respectively. Others reported qualitative information on their efforts to pass on predictable and flexible funding to local partners. InterAction reported on a two-year development grant approach with three L/NNGOs which includes the same overhead for core funds (8–10%) and the same level of flexibility they receive from their donor. Christian Aid and CAFOD both reported having multi-year, flexible
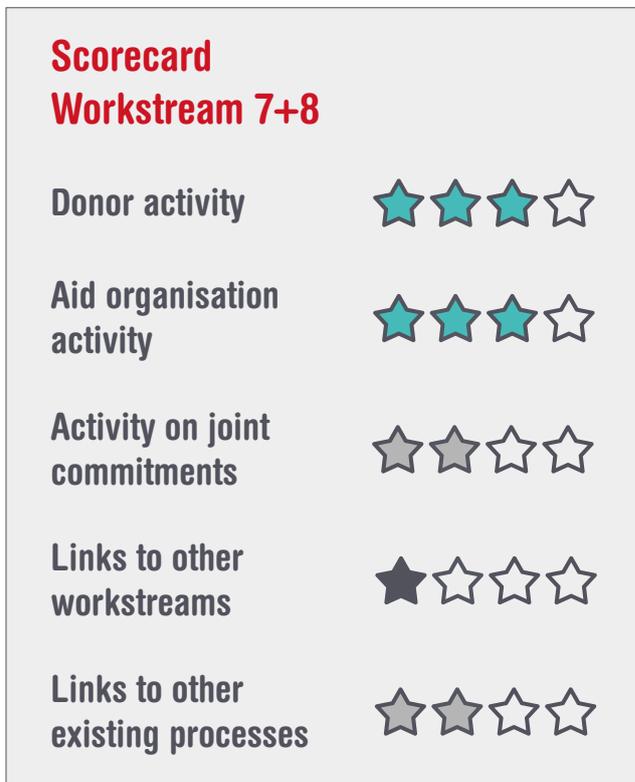
agreements with their downstream/local partners, but these are enabled by core funding from private donations, not grants from institutional donors. Although it does not track this data, CRS reports that, in most cases, it passes the same level of flexibility it receives from its donors down to its partners.

The majority of aid organisations explained in interviews with HPG/ODI researchers that they did not have sufficient levels of (or in some cases did not receive any) unearmarked or softly earmarked funding from institutional donors, and were therefore unable to pass any flexibility on to their partners. Many also explained that, even when they receive flexible funding, it is then allocated onwards as earmarked or softly earmarked towards specific programmes or projects, and that they cannot pass flexibility down beyond a certain point unless they adopt a wholly different programme approach that allocates funds against very broad outcomes to be achieved by local partners. Approaches of this kind, such as the Survivor and Community-led Response (SCLR) pursued by DanChurchAid, Christian Aid and other partners (see Metcalfe-Hough et al., 2019), necessitates a major withdrawal of control by the first-line recipient organisation over how money is spent. This may not be appropriate or possible in every context and is unlikely to receive widespread support from institutional donors.

Several aid organisations reported on how they have adapted their modalities to encourage more donors to provide more flexible funding: Save the Children (Children's Emergency Fund) and UNFPA (Humanitarian Action Thematic Fund) have created internal pooled funds that donors can contribute to, and which they can then allocate onwards against institutional priorities or, in the Save the Children case, towards early action or as a bridging fund before donor grants come online. The IFRC reported that it has maintained its minimum pledge earmarking threshold of CHF 100,000, which has, to an extent, reduced the number of highly earmarked pledges from donors. Recognising the challenges some donors face in providing

unearmarked or softly earmarked funds, several aid organisations suggested that flexibility could be considered in different ways and still have a positive impact on their programmes. For example, a reduction in procurement restrictions imposed by some donors (such as using only certain providers) could enable organisations to make significant cost savings by buying on more competitive terms. A clearer policy on whether/how organisations can adapt their programmes to respond to changes in context and/or feedback from beneficiaries would allow for more responsive programming, thereby increasing cost-efficiencies and effectiveness.

Some signatories also acknowledged the benefits of earmarking funding for certain activities, such as protection, gender and participation, and explained that there was a need for a pragmatic balance between earmarking to drive forward change, and more flexibility to enable dynamic approaches from aid organisations. However, it is unclear how far this debate can progress when earmarking is still seen as a key point of leverage for donors in shaping aid organisations' responses.

Scorecard Workstream 7+8

Donor activity	★★★☆
Aid organisation activity	★★★☆
Activity on joint commitments	★★☆☆
Links to other workstreams	★☆☆☆
Links to other existing processes	★★☆☆

2.8 Workstream 9: Harmonise and simplify reporting requirements

2.8.1 Workstream summary

In past years this workstream has made consistently good progress, but it essentially stalled in the latter part of 2019. There was limited uptake of the finalised harmonised narrative reporting template, despite successful work by the co-conveners and pilot participants in providing proof of concept for a harmonised narrative reporting format.

The co-conveners (ICVA and Germany) focused efforts in 2019 on concluding the evaluation of the pilot, revising the template and supporting signatories to roll it out globally to their downstream partners (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*). By the end of 2019 uptake remained low, with only six signatories (Canada, France, Germany, the Netherlands, OCHA (CERF and CBPFs) and UNHCR) reporting that they had already or were rolling this out globally for downstream partners (though the four donors indicated that UN agencies are not required to use this template – more details below) (see Figure 8). Eight other signatories were using the template partially by end-2019, mostly in the countries where the pilot was launched, or were using it for some but not all of their funding mechanisms. The UK is using the template for its institutional central emergency response funding allocations (including the current £20 million Covid-19 funding for NGOs), but had only piloted its use in bilateral country programmes in 2019. WFP has included the template in its guidance for country offices for their use as appropriate. Mercy Corps indicated that it expected to roll out the template in 2020, and Italy has incorporated the template in its Aid Effectiveness Action Plan, with a view to rolling it out across all humanitarian programming by its NGO partners.

Figure 11: Signatories that rolled out the harmonised reporting template globally to their downstream partners

Harmonised reporting template

- ✓ Canada
- ✓ Netherlands
- ✓ France
- ✓ OCHA
- ✓ Germany
- ✓ UNHCR

Source: data from signatory self-reports for 2019.

Several factors are inhibiting further take-up of the final template. First, interviews by HPG/ODI researchers evidenced a lack of awareness among a large number of aid organisation signatories that the pilot had been concluded and the template finalised, and that they were now expected, as per the commitments, to roll this out to their downstream partners. This is despite outreach and communication by the co-conveners. Second, few donors have adopted the template, and this in turn has limited the 'cascading' effect, with first-level funding recipients not encouraged to use it for their downstream partners. ILO is one exception, in that they have been proactively engaging with their upstream donors to use the template because they found it a helpful tool for their humanitarian and development reporting framework. Third, some donors (Denmark, Sweden, Switzerland) and at least one international aid organisation (DanChurchAid)

have long adopted a flexible approach to reporting, either using organisations' annual reports or allowing partners to report in whatever format they wish, and therefore saw the introduction of the template as an unnecessary requirement for their downstream partners. While this approach is well-intentioned, the co-conveners (and at least one NGO signatory) indicated that a lack of guidance on reporting can lead to over-reporting by partners, thereby increasing rather than reducing the burden, and also misses opportunities for downstream partners to build their capacity for better-quality reporting for all their donors. Fourth, two signatories – UNICEF (in respect of the Partner Reporting Portal: see www.partnerreportingportal.org) and the US – indicated that they had 'aligned' their reporting with the template but had not adopted it wholesale. Fifth, several signatories explained that their organisational structures are decentralised, making it difficult to require their country offices to utilise the template for all their downstream partners. Whatever the reasons, the failure of a critical mass of donors and international aid organisations to use this template for their downstream partners means that those partners will continue to expend unnecessary efforts providing the same information to donors in multiple reporting formats. As an illustration of this problem, IFRC reported that, in 2019, it was required to produce 1,670 reports for its multiple donors.

Signatory reporting on commitments 9.2 (*invest in technology and reporting systems to enable better access to information*) and 9.3 (*enhance the quality of reports to better capture results, enable learning and increase the efficiency of reporting*) was similar to previous years. In respect of the use of technology, many signatories reported on various online platforms they have developed to enable quicker and more standardised reporting from country offices and partners. UNICEF reported on its efforts to harmonise and simplify reporting via the Partner Reporting Portal by moving from a manual to an online reporting format. Feedback from partners indicated that 95% of those surveyed in three pilot countries considered the online reporting platform an improvement on the

previous manual system, and 100% reported that it saved them time. OCHA reported on efforts in 2019 to build a common Business Intelligence Portal for CERF and CBPF, which will allow users to search for specific data, create dashboards and conduct analysis. In respect of commitment 9.3, InterAction reported that it had instituted a more quantitative approach to tracking its programmes and levels of engagement, as well as piloting tools allowing for live feedback and inputs. The enhanced tools, though still being refined, have facilitated increased internal information exchange and learning to inform strategic priorities.

As reported in the AIR 2018, the 8+3 template specifically includes 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. It also asks partners to provide sex- and age-disaggregated data regarding project implementation and results. The template is designed in such a way that reporting will automatically reflect the degree to which cross-cutting themes, such as gender, are incorporated into the design and implementation of projects and programmes. Outreach to and collaboration with other workstreams, specifically workstreams 4 (*reduced management costs*) and 1 (*greater transparency*) remained limited in 2019, thereby missing opportunities to identify and exploit synergies of effort between these three thematic areas.

The lack of progress in terms of a global roll-out of the template for (primarily NGO) downstream partners is concerning: the co-conveners have invested significant effort in designing and piloting the template and have shown that harmonised reporting is feasible, but only six signatories were using the template globally with their downstream partners by the end of 2019. Interviews with signatories did not uncover any particular legal or administrative obstacles in the vast majority of cases, which leaves the authors to conclude that it is largely a matter of political will and prioritisation. Four years into the Grand Bargain, the lack of progress on this core commitment – in many ways one of the easiest to fulfil at this stage

– is rapidly becoming a reputational risk for the Grand Bargain as a whole. Addressing this will require concerted advocacy from the EP, FG members and the co-conveners together, to encourage those signatories who have not yet done so to adopt the template for all humanitarian funding for all NGO partners. Those donors that do not currently require a specific template could still offer their partners the option of using this template.

2.8.2   Progress reported 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

Key

- 🔵 Overall progress
- 🔴 No significant progress
- ⚫ Little progress
- ⚪ Some progress
- 🟢 Good progress
- 🟠 Excellent progress
- 🔴 Activities planned
- 🟢 N/A

2% 2%
10%
22%
28%
69% overall progress
14%
22%
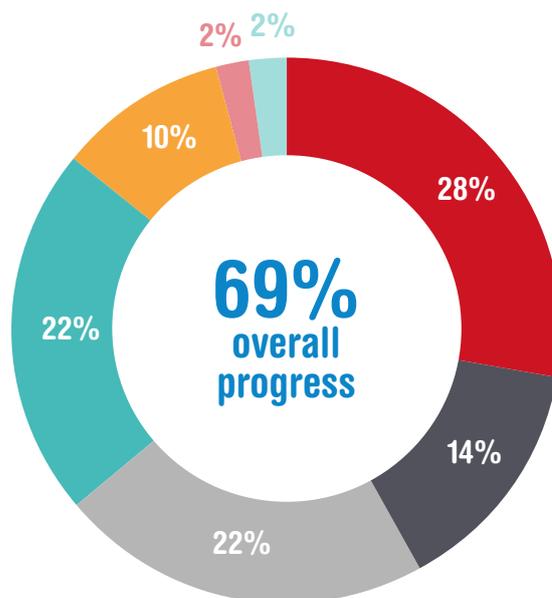
Thirty-one out of the 52 signatories (59.6%) that could report against the indicator for this core commitment did so, but information varied as discussed above.

The pilot ended on 31 May 2019 and the final review by GPPi of the pilot was concluded in June. This found that partners particularly valued the template's ease of use and its focus on impact, and how the harmonised approach to reporting advanced good practice in project implementation. All stakeholders (except one)

interviewed by the GPPi review team rated the template as better than those it was intended to replace (Gaus, 2019). Additional benefits of the harmonised approach noted by aid organisations participating in the pilot included 'a much more predictable reporting process, easier capacity building due to far fewer specialised trainings, and improved internal learning because it can be analysed systematically' (Gaus, 2019: 3). Nine out of 11 donors who used the template during the pilot rated it as 'positive', with six noting that the quality of their partners' reporting had improved (Gaus, 2019: 4).

The final review outlined nine action points for moving forward to full roll-out of the final template, but signatories' self-reporting indicates that there has been limited movement in some of these areas, including increased advocacy by users to encourage their peers to take this up, and a strategic discussion among donors on what other efforts are required to reduce the reporting burden on partners.

The co-conveners stepped up their communication with signatories in an effort to raise awareness that the template has been successfully tested and is ready for full roll-out: Germany in particular focused on communicating this to key donor signatories, and ICVA led engagement with aid organisations. There was also further discussion with UN agencies during 2019 on the appropriateness of the template for upstream reporting to donors, and whether or how the template could be expanded or complemented to enable them to use it. Some UN agencies asserted that the template is not a good fit for their humanitarian programming because donors expect them to provide more detailed evidence of activities. But they also acknowledged that the template is proving useful for INGOs and NNGOs that do not generally have the same capacity for reporting, and for whom a simplified, harmonised template is more appropriate.

Interviews and consultations for this AIR suggest that some donors are adopting a 'wait and see' approach – i.e. to see how many of their peers adopt it and roll it out globally, before they decide to proceed themselves. However, there is already enough evidence from the pilot that this system works without downgrading the type of data they need for their own reporting.

The focus to date has been on harmonising narrative reporting, but the co-conveners indicated that this approach could be expanded to reporting throughout the programme cycle: from partnership capacity assessment and cost classification to project design/proposal formulation and narrative and financial reporting. The narrative reporting pilot has shown that harmonisation is possible – though certainly not easy – but there is clearly no political will currently to make this leap.

Scorecard Workstream 9

Donor activity	★★☆☆
Aid organisation activity	★★☆☆
Activity on joint commitments	★★☆☆
Links to other workstreams	★☆☆☆
Links to other existing processes	★☆☆☆

2.9 Workstream 10: Enhance engagement between humanitarian and development actors

2.9.1 Workstream summary

Signatories reported an impressive range of actions and some results against the commitments under this workstream, including at country level. But it remains unclear what this activity amounts to in terms of a system-wide shift in practice. It is hard to develop a coherent picture from the data reported, or to understand the extent to which these activities are strategically connected. This is largely because, although important work was being undertaken under the auspices of the IASC, the UN and OECD-DAC, there was limited coordination across constituent groups. It is also in part because the scope of the commitments under this workstream is broad, and the wording of several too vague and lacking in specificity or targets, resulting in varying content and quality of information reported.

The workstream closed as a coordination body in March 2018, and there is therefore no collective reporting on the commitments under it. However, it is evident from the reporting for this AIR and in past years that there has been substantial normative progress at global level, with comprehensive policies developed by different constituent groups and by individual signatories. The UN has continued to roll out the New Way of Working, under the leadership of the UN JSC, with some key progress in pilot countries (see section 2.9.2). The IASC has refocused its efforts towards a more results-oriented approach to humanitarian–development collaboration and humanitarian financing, producing new guidance on country-level collaboration around nexus strategies and programmes. The OECD-DAC issued a new recommendation on the nexus in 2019, which was highlighted by many donor signatories as a major achievement, signifying a strong collective commitment to deliver better-quality funding and support for nexus programming by aid organisation partners. However, several signatories cautioned that the recommendation is – by nature of being a multilateral effort – not

the most ambitious, and overlaps with other pre-existing commitments. It represents progress and is a positive political sign, but is not, on its own, likely to deliver a major shift in practice.

There were a number of common themes in reporting by signatories, including support for disaster risk reduction (DRR) and the use of early/anticipatory financing mechanisms (commitment 10.1 – *use existing resources and capabilities better to shrink humanitarian needs over the long term with the view of 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*); participation in and pledges made at the 2019 Global Refugee Forum (commitment 10.2 – *invest in durable solutions for refugees, internally displaced people and sustainable support to migrants, returnees and host/receiving communities, as well as for other situations of recurring vulnerabilities*); supporting national social safety nets and/or integrating humanitarian cash programmes in existing systems (commitment 10.3 – *increase social protection programmes and strengthen national and local systems and coping mechanisms in order to build resilience in fragile contexts*); and efforts to collaborate with development banks and the private sector (commitment 10.5 – *galvanise new partnerships that bring additional capabilities and resources to crisis affected states through Multilateral Development Banks within their mandate and foster innovative partnerships with the private sector*).

In respect of commitment 10.1, Belgium, Canada and Norway reported on their support to the IFRC's DREF and its Forecast Based-Action window; Ireland used its position as chair of the CERF Advisory Group in 2019 to advocate for increased anticipatory action; Australia reported on its Humanitarian Partnerships Disaster READY programme in Pacific Island countries, which is building community-based preparedness and strengthening participation of national NGOs, faith-based organisations and governments in response coordination; and Japan reported on its Sendai Cooperation Initiative for Disaster Risk Reduction Phase 2, through which it has

committed to support 80 countries to formulate DRR plans, and provide flood prevention assistance to at least 5 million people and training for 85,000 government officials, local leaders and youth. The IFRC reported the allocation of specific funds by regional governments in the Philippines to a Preparedness Fund based on the Early Action Protocol developed by the Philippines Red Cross, and its work with the World Bank Disaster Risk Financing and Insurance Programme (DRFIP) to test the viability, efficacy and sustainability of a new financing mechanism attached to the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), a sovereign risk pool. The collaboration is intended to strengthen cooperation and encourage stronger and more coordinated pre-event planning, facilitating faster and more effective responses by National Societies and governments in the region. UNICEF reported on its First Action Initiative pilot, which is being tested in five countries/areas (Afghanistan, Haiti, the Pacific Islands, Palestine and Zimbabwe) identified as at high risk. Preliminary data indicates that targeted funding for preparedness work in these countries (totalling $2.3 million in 2019) improved UNICEF's speed of delivery in emergencies by an average of 42 days, enabled approximately 57% in savings per investment (meaning that every $1 spent was worth $1.57 in emergency response) and reduced UNICEF's carbon footprint by more than 1,000 tons. FAO reported that its investments in anticipatory action in Colombia (forced displacement) and the Philippines (drought) generated household returns for each $1 invested of $2.6 and $4.4 respectively in terms of avoided losses and increased agricultural production.

For commitment 10.2, UNHCR reported that 840 pledges were made by governments and aid organisations at the 2019 Global Refugee Forum, with 400 examples of good practice shared and new funding announced, including a World Bank funding window of $2.2 billion for refugees and host communities, $1 billion in financing from the Inter-American Development Bank, $250 million from the private sector and over $2 billion of bilateral funding from governments. Many of these pledges were reiterated in the signatory self-reports. Other examples of support to durable solutions for displaced populations include SIDA's funding for a Refugee Financial Inclusion programme, which is intended to increase access to credit for income-generating activities for refugees in Uganda, and Switzerland's support for the Durable Solutions Initiative in Somalia, which aims to strengthen coordination among stakeholders, promotes an area-based approach and supports the government in formulating policies to achieve durable solutions for displaced populations. The World Bank's focus on advancing policy and institutional reform to improve the management of refugee situations continued under its IDA18 Refugee Sub-Window (RSW) for refugees and host communities in low-income countries, and under its Global Concessional Financing Facility for middle-income countries: at the end of 2019, 32 projects were being implemented under these mechanisms in 13 countries, totalling $1.5 billion, with another $1 billion in the pipeline for 2020. UNHCR and the World Bank launched a Joint Data Centre in Copenhagen in 2019 to enhance the quantity and quality of socio-economic data on forcibly displaced populations. The Centre provides dedicated capacity to help country teams and governments address gaps in data on populations affected by forced displacement in protracted contexts. Reporting against commitment 10.3 was dominated by the sheer volume of the World Bank's investments in this area: it allocated $2.7 billion to social safety net programmes in 26 programmes in 21 fragile and conflict-affected states in 2019. The Bank also reported on its efforts to strengthen the gender dimension of social protection programmes, and has developed a tool to minimise the risks of GBV in social protection interventions and maximise their positive potential for women's empowerment.

Reporting also evidenced progress in collaborations with private sector actors and international development banks (commitment 10.5). The EP became co-chair of the World Economic Forum (WEF) Humanitarian Investing initiative in 2019, along with Peter Maurer (ICRC), Borge Brende (WEF) and

senior representatives from Credit Suisse and the World Bank. Launched at the WEF Annual Meeting in Davos in January 2019, the initiative aims to increase the flow of investment capital and investable projects in fragile contexts, for example through impact bonds and investment in clean energy for refugee camps, or water infrastructure in protracted crises. UNICEF reported on its new partnership arrangement with KOIS Invest to pursue blended financing of WASH infrastructure projects in fragile contexts. Under the new agreement, the two entities will work together on a feasibility study for a global financing facility that leverages donor funds and impact investor funds to enable more sustainable WASH interventions. The long-term aim is to address the lack of capital to build more cost-effective and environmentally sustainable WASH infrastructure by offering impact investors opportunities to invest in a pool of vetted WASH infrastructure and solar energy projects in emergency markets and guaranteeing their investments with commitments from donors who stand to save significant aid costs due to these investments.

Several signatories outlined a strategic approach to implementing the nexus. Finland reported that the 'triple nexus' is integrated in all new country strategies from its Ministry of Foreign Affairs (MFA); that funding regulations are being modified to enable flexible use of funds for nexus activities; that MFA-funded Finnish NGOs are required to explain the links with development programmes/objectives in their applications for humanitarian funds; and that they successfully advocated for the EU's Council Conclusions highlighting the importance of nexus approaches. Luxembourg is revising its humanitarian strategy to specifically integrate the humanitarian–development nexus, has been progressively changing its practices through deepened engagement between humanitarian and development actors, undertaking joint evaluations of its humanitarian and development programmes in Mali and Niger and commissioning research on nexus approaches.

Some aid organisations have sought to integrate objectives around localisation and participation in their nexus strategies and programmes. Care International reported on its Participatory Scenario Planning (PSP) approach, part of its Adaptation Learning Project supported by the UK, Denmark, Finland and Austria. Data collated in Kenya shows that, for every $1 invested in planning for climate emergencies, there was a $4 return. This prompted 17 African countries to adopt similar models to help respond to the impact of climate change, with $535 million in programming in these contexts reaching over 16 million people with new climate finance. CRS reported on a 46-month multi-regional programme to reduce community-level risks to natural hazards: in this approach, community-led projects are designed to increase community and household capacities to reduce disaster losses and improve responses – including through climate-smart farming practices, community savings and investment schemes and community DRR planning. A recent review of implementation of the New Way of Working, funded by Norway and UNDP, found that UNDP and other UN agencies had been effective in supporting national governments to address humanitarian and peacebuilding issues as part of their strategies to meet the Sustainable Development Goals (SDGs) (CIC, 2019).

The research for this AIR also illustrates the different ways in which this set of commitments is affecting different types of signatories. For the many aid organisation signatories that were already 'dual-mandate', the commitments are proving useful in institutionalising nexus working at strategic and programme levels. Several organisations reported that the commitments have driven increased investments in analytical or predictive capacities that can inform and support a nexus approach. Mercy Corps has established a global team for Crisis Analytics, consolidated four established country-level platforms for such analysis and launched two additional platforms, and is scoping the potential for a regional analytical platform. These investments are intended to support enhanced analysis to inform nexus programmes, including early action. World Vision International developed 'WorldView' – a predictive analysis tool to increase understanding among humanitarian leaders and practitioners on growing risks

and probable disasters. Some dual-mandate signatories adjusted internal structures to enable greater institutional coordination and complementarity between humanitarian and development programmes. DanChurchAid combined management of humanitarian and development portfolios in its country manager roles where feasible; France created a new Centre for Humanitarian and Stabilisation Operations; and the US created a new Relief and Development Coherence Working Group and a Humanitarian-Development-Peace nexus working group to coordinate funding, policy and programming across the US government.

Signatories that are predominantly or exclusively humanitarian in focus have utilised the commitments under this workstream to strengthen their understanding of and contributions to nexus strategies. The ICRC reported that it had enhanced its institutional strategic frameworks to clarify its role in aspects of the humanitarian–development nexus, including supporting the resilience of affected populations through enhanced community engagement. The organisation also pursued further engagement with development actors through policy dialogue, operational collaboration and exchange of knowledge and expertise. For signatory aid organisations that are predominantly developmental in focus, with smaller humanitarian or crisis portfolios, the Grand Bargain is proving useful in pushing for increased internal recognition of and investment in their contributions to humanitarian contexts, expanding their relationships with key humanitarian partners and showcasing some of the important tools, strategies and approaches that they have adopted in crisis contexts – as noted by ILO, for example.

Challenges remain, however. Normative developments at global level have not been systematically translated into practice at country level and there is limited evidence of efforts to synchronise funding and programming for nexus approaches. The Norway- and UNDP-commissioned review of implementation of the New Way of Working concluded that UN agencies are still pushing their own planning frameworks, inhibiting the transition to collective or joint planning, and

that instituting adequate capacity to lead such approaches is a challenge in some contexts (CIC, 2019). Interviews and other available analysis, including a study on financing the nexus (FAO, NRC and UNDP, 2019), indicate that UNCT/HCTs that have developed Collective Outcomes have not articulated a set of costed activities required to deliver them; what quality funding is available from donors is not yet aligned with these Collective Outcomes and remains fragmented; and those UNCTs/HCTs that have formulated Collective Outcomes have only tentatively considered what new/alternative financing mechanisms would support their delivery (see Poole and Culbert, 2019; UN JSC, 2019b). Interviews with aid organisations for this review indicated widely held concerns that donors had not yet adopted consistent approaches to supporting nexus strategies and programmes. The self-reports highlight positive examples of new financing initiatives, including for early action, but it is not clear that these have yet reached a scale that would enable system-wide change.

Some signatories reiterated concerns expressed in the AIR 2019 that the continued lack of a coordination mechanism on the nexus within the Grand Bargain has meant that strategic opportunities to scale-up pilots and good practices and shift operational approaches, particularly at country level, are being missed. Several explained that they did not mean that the workstream itself needed to be reconstituted, and noted that technical work was ongoing in the IASC Results Groups 4, on humanitarian–development collaboration, and 5, on humanitarian financing, and in the UN JSC and the OECD-DAC INCAF. They also noted that there was some collaboration and engagement in 2019 between some of these groups, including with UNDP acting as a bridge between the IASC and UN JSC. But they felt that there was a need for more regular high-level and strategic discussion and collaboration between these different groups, and that the Grand Bargain could have added value in this respect since it already offered a relatively level playing field for debate between constituent groups. Several signatories also cautioned against relying on the IASC exclusively as the

forum for discussion among aid organisations because they felt it was dominated by UN-focused issues and did not engender more inclusive debate on nexus approaches.

Reporting on gender from individual signatories varied, but enhancing socio-economic opportunities for women and girls was a common theme. UNDP reported that 30% of all jobs created through its livelihoods work in Yemen were for women, that it launched its new toolkit on 'gender and recovery in advancing gender equality and women's empowerment in crisis and recovery settings' and that its communities of practice on gender equality, crisis prevention and resilience facilitated sharing of learning and skills, based on the toolkit, across four regions. The World Bank, together with the UK and the Bill and Melinda Gates Foundation, created a financing window focused on gender-smart social safety nets, social protection policies and delivery systems to improve socio-economic outcomes for women and girls and promote gender equality in fragile settings.

A great deal of activity is clearly being undertaken by Grand Bargain signatories under this workstream, with tangible results being reported for individual programmes and approaches. But this does not yet appear to signify a system-wide shift in practice, with particular challenges around securing appropriate funding for nexus programming. A more coherent and coordinated effort is required. Although coordination has been strengthened within constituent groups (within the IASC, the UN system and within the OECD-DAC), there are still calls from many signatories for a space within the Grand Bargain to debate key challenges and collaborate on possible solutions relating to the nexus. Any such mechanism would need to be clearly defined in terms of its added value and how it would work in complement to, rather than in competition with, existing platforms at global level.

2.9.2 Progress reported 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
While not driven by the Grand Bargain per se, there is evidence of progress towards this core commitment particularly in relation to the UN system and the implementation of the New Way of Working. The UN JSC has continued engagement with, and its support to, seven priority countries: Burkina Faso, Chad, Cameroon, Ethiopia, Somalia, Niger and Nigeria, with some important progress reported. In Ethiopia, the Common Country Analysis (CCA) included humanitarian considerations and informed the development of the new UN SDCF. In Burkina Faso, humanitarian, development and peace analyses have been integrated into the CCA process, informing development of five Collective Outcomes that are contributing to the National Development Plan. Donors have begun providing funding for nexus priorities identified through this process, and the government has begun to adjust its budget allocations to the Collective Outcomes. Due to the recent increase in instability and humanitarian needs, additional reprioritisation is required. In Cameroon, the results of the RPBA (UN, World Bank, EU, government) assessment were used extensively in the HNO and the CCA. The timeframes and geographic and thematic focus of the HRP, UNDAF and Recovery and Peace Consolidation Strategy for North and East Cameroon (RPCS) have all been aligned.

In these contexts, UNDP and OCHA are providing support to joint or joined-up analyses. This is being led by the RC/HC Office with the respective host government, to enable development of a shared understanding of the

context, vulnerabilities and risks. OCHA and UNDP have developed tools and guidance and collated lessons from UN JSC priority and other countries to support these processes. The lessons informed the development of a formal IASC Operational Guidance Note on Developing Collective Outcomes (led by WHO and UNHCR within IASC Results Group 4). The draft note is currently with the IASC for finalisation and endorsement. OCHA also helped its country offices and HCs in developing a draft guidance document on how OCHA can support the operationalisation of humanitarian–development collaboration at country level.

Although not UN JSC priority countries, the HCTs and UNCTs in Sudan and DRC both engaged in joint analysis in 2019. In Sudan, preparatory work was conducted to strengthen connections between the HNO and the CCA which is under development, and to identify links between the HRP and the indicators for the SDGs. In DRC, a joint analysis by the UN, the government and the OECD-DAC INCAF group led to a common understanding of the context and related vulnerabilities and needs and the articulation of Collective Outcomes between humanitarian, development and peace actors.

There is some evidence of donors using financing mechanisms to encourage and facilitate more joined-up humanitarian–development analyses: the UK PbR for UN agencies requires them to support joint humanitarian and development analyses and collective planning; Norway together with UNDP funded an operational review on implementing the nexus (CIC, 2019); SIDA deployed eight new nexus experts at embassies to support joint and shared risk analyses between humanitarian, development and peacebuilding partners at field level; and Switzerland has joint country strategies with integrated country teams in Afghanistan, Myanmar and other protracted crises.

Although there has been progress on this core commitment, reviews by the UN JSC

and interviews for this AIR highlight ongoing challenges. These include a lack of adequate capacity for nexus analysis and programming at country level and/or in RC offices; a lack of harmonisation of funding streams from donors; a lack of collective frameworks for monitoring progress/achievements; a lack of capacity at country level to ensure that analysis and planning keep pace with dynamic changes in context; and limited government capacities to lead the process in some contexts. UNCTs/HCTs are also struggling to make a substantive shift towards more collaboration: donors and some UN interviewees expressed concerns that the Collective Outcomes developed in several contexts were effectively humanitarian objectives dressed up in 'nexus language', and even those that are more representative of nexus strategies have not always been used to drive programming decisions. As a result, donors have been cautious in their allocation of funding for nexus approaches.

Scorecard Workstream 10	
Donor activity	★★★☆
Aid organisation activity	★★★☆
Activity on joint commitments	N/A (workstream closed in 2018)
Links to other workstreams	N/A (workstream closed in 2018)
Links to other existing processes	N/A (workstream closed in 2018)

Section 3

Conclusions and recommendations

3.1 Conclusions and recommendations

3.1.1 2019: a year of consolidation and new areas of progress, but also a continuing failure to address the key factors that have long inhibited change

In year four of the Grand Bargain, tangible progress continued to be made across a number of areas, workstreams and individual commitments. Cash programming continues to expand, with common standards and a strong evidence base attesting to efficiency and effectiveness gains against a range of programming objectives. Funding to local actors is slowly increasing, and targeted investments to strengthen the capacities of local partners are bringing measurable results. The quality of joint intersectoral analysis and related planning has improved. Greater strategic direction and focus has now been placed on addressing the barriers to quality funding and instituting more coherent and consistent approaches to participation. An impressive array of positive practice is emerging in many areas, including localisation, reducing management costs, quality funding, harmonised reporting and nexus programming.

Leadership and governance of the Grand Bargain was also enhanced in 2019. The new EP has brought fresh energy and impetus for change, with increased high-level engagement with signatories in key areas. The FG instituted a more action-oriented approach to the Annual Meeting, found ways to increase accountability and began to analyse key issues that cut across workstreams. The additional capacity in the Secretariat has facilitated a significant improvement in communication between signatories and between workstreams, as well as ensuring that other stakeholders can readily access information on the Grand Bargain, its activities and its achievements to date.

But many of the key challenges identified in the previous AIRs remain and continue to limit the potential of the Grand Bargain to bring about system-wide change. *Ownership and accountability for the transformation envisaged by the Grand Bargain remained variable.* Although the number of signatories reporting is high, the bulk of investments are being made by a core group of signatories, and it is hard to say that there is a truly 'collective' effort to achieve the Grand Bargain's overarching goals. *There is a lack of strategic focus on the three or four key areas in which all signatories have a vested interest and a contribution to make, and which could really help drive efficiencies and effectiveness within the international humanitarian system.* The identification of core commitments has brought some focus, but the vast majority of signatories continue to emphasise their own institutional priorities, with the result that investments are spread too thin

to achieve system-wide change. *And there has been a general failure to take emerging positive practice to scale.* There is a wealth of positive practice emerging across the thematic areas, with many initiatives bringing tangible results, but the evidence available indicates that these are not being taken to scale due to a sense of apathy, a lack of interest in changing established priorities and practices, a lack of appetite to take the risks inherent in doing so and insufficient capacity or financial resources.

3.1.2   Ramping up successes by June 2021? The means and the opportunity are there to achieve a step-change in four key areas – if sufficient political will can be harnessed

Despite signatories' efforts, the potential that the Grand Bargain offers in supporting reform of the international humanitarian system has not been realised. However, as signatories approach the five-year mark, there are at least four areas in which transformative change could reasonably be achieved within the next 12 months – but only with a major increase in collective investments, both financial and political.

As the AIRs have consistently demonstrated, there has been significant progress in scaling up cash programming since 2016, but realising its *full* potential requires more effective coordination, particularly of multi-purpose cash programming. This has been hampered by long-standing inter-agency competition and, to a lesser extent, by technical issues. In late 2018, workstream 3 set aside an objective to develop an agreement on a global mechanism for coordinating cash programming (commitment 3.5) on the understanding that this issue was being dealt with by the IASC, but progress since has been glacially slow. Increased use of cash, particularly multi-purpose cash, could effect a transformation, not just in efficiency terms but also in shifting power from international actors to affected populations – enabling them to use aid to address priorities they, not we, determine. To realise this ambition, signatories should build on the discussions in the Workstream 3 sub-group on political obstacles and use the more objective platform offered by the Grand Bargain to exert collective pressure on IASC Principals to finally agree and deliver a global

mechanism that provides predictable leadership and a clear division of labour and ensures common standards, including at country and crisis level.

Increasing access for local partners to international humanitarian funding has been a core element of the Grand Bargain since its inception. While much focus has been placed on attaining the target of 25% of global humanitarian funding provided to local actors as directly as possible, efforts to strengthen their capacity to absorb this additional funding have been constrained by a lack of appropriate investments and/or prioritisation of this issue. Long-standing practice by a number of aid organisations has clearly demonstrated the positive return on targeted investments in strengthening the capacities of local actors to absorb more funding, expand their programmes and minimise their and their upstream partners' risks. The evidence and the positive practice is there – a rapid increase in the volume of funding for mentoring, training and peer and other support for local actors, including overhead costs which allow for continuity of operations and institutional development, is now essential to enable a system-wide shift to localisation in practice – and all the benefits this would bring to the wider humanitarian response.

The harmonised reporting template created under workstream 9 has been tested, evaluated and finalised. The co-conveners have demonstrated that the concept of harmonised reporting can work: that a simplified, common template can satisfy donor requirements for information while reducing the staff hours required to provide it. It may not be perceived as the most transformative element of the Grand Bargain, but rolling out the 8+3 template globally for use by all downstream NGO partners could reap substantial savings in staff time and resources that could be dedicated elsewhere and – importantly – it can send a strong political message that signatories can work together to achieve success at scale. The hard work has already been done and the investments now required by signatories to fully deliver on commitment 9.1 by 2021 are minimal – but the practical and political benefits to be gained are substantial.

Finally, quality funding is the key enabler of progress in many other areas that the Grand Bargain sought to address: it facilitates more localised and participatory responses and more effective humanitarian–development programming, and can generate greater efficiencies through more responsive programmes and longer-term planning. There has been important progress so far by donors large and small in terms of the provision of more multi-year and less earmarked funding. But this has not yet achieved the results that were hoped for, with no clear increase in the *predictability* of funds committed through multi-year frameworks and divergent views over what level of flexibility is required, and whether and how it can be passed down the chain. A different approach is now required, where the nature of 'quality funding' is redefined and the complex challenges inherent in current humanitarian funding models are recognised and tackled in a more strategic way. Rather than seeing multi-year and unearmarked/softly earmarked funding as two separate but loosely connected elements, signatories should come together over the next 12 months to articulate a more comprehensive strategy for funding that combines different levels of flexibility with different levels of predictability. Reflecting on how the global funding landscape has changed since 2016, such an approach would ensure that, in the shorter term, signatories make smarter use of current models and scale up best practices to ensure funding is carefully calibrated to the specific response, context and programme, and that, over the medium term, they work together in a more collaborative way to design new approaches that address long-standing challenges.

3.1.3 Beyond 2021? Stripping away the bureaucracy, narrowing the focus to a handful of strategic objectives and instituting a nimbler, more innovative approach could enable the Grand Bargain to achieve beyond its original ambitions

Almost since it was established there has been debate on the 'future' of the Grand Bargain. Whether or how it should evolve or adapt, or be closed down, has been the subject of lengthy discussions among signatories, and many raised these issues with HPG/ODI during the current and previous AIR processes (2018 and 2019). There has been a strong desire among signatories for greater clarity on where their efforts are leading. Now, with the mechanism reaching its original five-year 'mandate', there is added impetus to reach agreement on 'what next'.

In 2018, the authors of this report argued that, to remain relevant and productive, the Grand Bargain needed to be nimbler, more focused, more pragmatic and more responsive to the global environment in which it is operating. This view remains unchanged in 2020. As interviews indicate, signatories' opinions on the future of the Grand Bargain are as divergent as ever. There is a minority view that the mechanism should be concluded in 2021, irrespective of what it has achieved by that point. The majority view is that it should be retained in some form: opinions vary on how it should be adapted, reformatted and refocused, but they coalesce around a recognition that, as a unique multi-stakeholder platform, it has acted and can continue to act as a lever for change.

If the Grand Bargain continues beyond 2021, what could be its function, focus and form? Some signatories suggest folding most of the workstreams back into the IASC or OECD-DAC, GHD or UN Reform mechanisms, most of which existed before the Grand Bargain was created in 2016. Others raised concerns that the Grand Bargain was created precisely because these mechanisms had not been effective in reforming the international humanitarian system, and thus returning to them now was unlikely to mean a greater chance of success. There are, however, arguments for shifting much of the technical work and the discussions within constituent groups back into these mechanisms. The IASC has undergone a reform process itself since 2016, with a stronger focus on delivering results in terms of improved operations. Workstreams 6 and 7+8 have been working with the corresponding IASC Results Groups to agree a division of labour, minimise duplication and synthesise efforts. Workstream 3 has long worked with CaLP to advance the cash programming agenda – with both involving donors as well as aid organisations.

In mandate terms, both the IASC and the OECD-DAC have formal mandates for decision-

making and delivery, backed up by obligatory reporting mechanisms, and these have an advantage in some respects over the informal mechanism that is the Grand Bargain, with its voluntary participation and voluntary reporting. But the Grand Bargain also has advantages: its voluntary nature means that it can evolve and adapt, that it can be creative and innovative, that it can move quicker than the formal mandates of the IASC and OECD-DAC allow and that it can be more ambitious – focused on the highest rather than the lowest common denominator among its constituencies. And it does provide a unique platform for collaboration and problem-solving among donors, the UN, NGOs and the RCRCM. It is the authors' continued view that the Grand Bargain could and should work in greater strategic coherence with the IASC, OECD-DAC and other multilateral aid mechanisms – their goals are largely in sync and each could use their respective comparative advantages to bring about the reform of the system that all actors desire.

3.2 The Covid-19 pandemic and the Grand Bargain

The 2019 annual reporting process was undertaken in the first half of 2020, as the Covid-19 pandemic – a crisis unprecedented in living memory – was unfolding. At the time of writing, the impact of the pandemic in countries and regions already blighted by years of conflict and instability was only starting to be understood. The international humanitarian community has already mobilised to support these countries in responding to the spread of the virus, with the development and launch of a Global Humanitarian Response Plan (GHRP): COVID-19 for April–December 2020. Debate has begun on the relevance of the Grand Bargain to a humanitarian crisis on this scale. The first iteration of the GHRP, which aggregates appeals from WFP, WHO, IOM, UNDP, UNFPA, UN Habitat, UNHCR, UNICEF and NGOs and complements appeals by the RCRCM, integrates and reiterates key commitments of the Grand Bargain, including on the role of local and community-based actors, flexible and 'reprogrammable' funds, community engagement and a simplified and harmonised approach to narrative reporting (UN, 2020). There are indications that both the mechanism itself and the progress made under the Grand Bargain offer a solid basis for a more effective and efficient response to this crisis. In addition, the sheer scale and extreme nature of the pandemic can also, potentially, act as a game-changer for the international humanitarian system, in the way that the 2004 tsunami, the 2004–2006 Darfur conflict and other catastrophic events have changed the system in the past.

A more detailed analysis of the manner in which the Grand Bargain can support the current response and how the pandemic may drive progress in areas that the Grand Bargain has sought to address is presented in a paper from HPG/ODI (Metcalfe-Hough, 2020).

Annex 1   Signatory self-reports received and signatories interviewed

	Signatory	Self-report submitted (by 1 March 2020)	Interview conducted
	Donors		
1	Australia	✓	✓
2	Belgium	✓	✓
3	Bulgaria	✓	✓
4	Canada	✓	✓
5	*Czech Republic*		
6	Denmark	✓	✓
7	European Civil Protection and Humanitarian Aid Operations (ECHO)	✓	✓
8	Estonia	✓	✓
9	Finland	✓	✓
10	*France*	✓	*
11	Germany	✓	✓
12	Ireland	✓	✓
13	Italy	✓	**
14	Japan	✓	✓
15	Luxembourg	✓	✓
16	Netherlands	✓	✓
17	*New Zealand*		
18	Norway	✓	✓
19	Organisation for Economic Cooperation and Development (OECD)	✓	✓
20	*Slovenia*	✓	*
21	South Korea	***	***
22	Spain	✓	✓
23	Sweden	✓	✓
24	Switzerland	✓	✓
25	UK	✓	✓
26	US	✓	✓
	Total	**23**	**20**

	Signatory	Self-report submitted (by 1 March 2020)	Interview conducted
	UN entities		
1	Food and Agriculture Organization (FAO)	✓	✓
2	International Labour Organization (ILO)	✓	✓
3	International Organization for Migration (IOM)	✓	✓
4	Office for the Coordination of Humanitarian Affairs (OCHA)	✓	✓
5	United Nations Development Programme (UNDP)	✓	✓
6	United Nations Population Fund (UNFPA)	✓	✓
7	United Nations High Commissioner for Refugees (UNHCR)	✓	✓
8	United Nations Children's Fund (UNICEF)	✓	✓
9	United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	✓	✓
10	United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	✓	✓
11	World Bank	✓	**
12	World Food Programme (WFP)	✓	✓
13	World Health Organization (WHO)	✓	✓
	Total	**13**	**12**
	Non-governmental organisations		
1	ActionAid	✓	✓
2	Care International	✓	✓
3	Christian Aid	✓	✓
4	Catholic Agency for Overseas Development (CAFOD)	✓	✓
5	Catholic Relief Services (CRS)	✓	✓
6	DanChurchAid	✓	✓
7	*Global Communities*		
8	InterAction	✓	✓
9	International Council of Voluntary Agencies (ICVA)	✓	✓
10	International Rescue Committee (IRC)	✓	✓
11	Médecins du Monde	✓	✓
12	Mercy Corps	✓	✓
13	Network for Empowered Aid Response (NEAR)	✓	✓
14	Norwegian Refugee Council (NRC)	✓	✓
15	Oxfam International	✓	✓
16	Relief International	✓	✓
17	Steering Committee for Humanitarian Response (SCHR)	✓	✓
18	Save the Children	✓	✓
19	Syria Relief	✓	✓
20	World Vision International	✓	✓
21	ZOA International	✓	✓
	Total	**20**	**20**

	Signatory	Self-report submitted (by 1 March 2020)	Interview conducted
	Red Cross and Red Crescent Movement		
1	International Committee of the Red Cross (ICRC)	✓	✓
2	International Federation of Red Cross and Red Crescent Societies – Secretariat (IFRC)	✓	✓
	Total	**2**	**2**
	Overall total	**58**	**54**

* Italy and the World Bank provided written answers to queries from the research team.

**France and Slovenia did not respond to requests for an interview.

*** South Korea submitted a self-report for 2019, but as it only officially became a signatory in early 2020 the report was not included in the analysis for this AIR.

Annex 2 Co-conveners' reports received and co-conveners interviewed

	Workstream	Co-convener report submitted (by 1 March 2020)	Co-convener(s) interviewed
1	Greater transparency	✓	✓
2	More support and funding for local and national responders	✓	✓
3	Increase the use and coordination of cash	✓	✓
4	Reduce duplication and management costs with periodic functional review	✓	✓
5	Improve joint and impartial needs assessments	✓	✓
6	A participation revolution	✓	✓
7+8	Enhanced quality funding through reduced earmarking and multi-year planning and funding	✓	✓
9	Harmonise and simplify reporting requirements	✓	✓
10	Enhance engagement between humanitarian and development actors	N/A	N/A*
	Total	**8**	**8**

* UNDP and Denmark – the former co-conveners of this workstream – were interviewed as signatories.

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Annex 4 Terms of reference

Overview

Presented at the first UN SG's World Humanitarian Summit in May 2016, the Grand Bargain is an agreement between donors, agencies which sets out a shared understanding, opportunities, and common vision of how to improve the effectiveness and efficiency of humanitarian aid. The GB has 61 signatories[1] including 24 states, 11 UN Agencies, 5 inter-governmental organizations and Red Cross/ Red Crescent Movements and 21 NGOs.

The Grand Bargain consists of 51 voluntary commitments organised into 9 thematic workstreams.[2] With a light overarching structure (workstream co-convenors, facilitation group, secretariat), the main mechanism to drive forward and to maintain an overview of progress towards delivering the commitments is the workstream. Each workstream is convened by two Grand Bargain signatories, one donor and one aid organisation. Making the Grand Bargain become a reality requires each signatory to take necessary steps internally, as well as signatories collaborating within and across workstreams.

As there is no mechanism to enforce implementation of the commitments, full transparency of processes and results is key to ensure accountability towards affected people, host governments, donor governments and tax payers.

At the Grand Bargain meeting in Bonn in September 2016, signatories agreed that an independent annual Grand Bargain report was necessary to provide a qualitative trend analysis to see whether signatories were on track to deliver the Bargain in the different workstream areas.[3]

DFID, on behalf of the Grand Bargain signatories, is seeking an organisation to undertake the 2020 Independent Grand Bargain report, to support ongoing accountability for the implementation of Grand Bargain commitments, by monitoring progress made collectively, and not by individual signatories. The annual iteration of the report holds the potential to add momentum for change.

DFID will commission this report through DFID's Expert Advisory Call-Down Service (EACDS) on Strengthening Resilience and Response to Crises, managed by DAI. The 2020 report will be released in June 2020, ahead of being presented at the annual Grand Bargain meeting in the margins of ECOSOC Humanitarian Affairs Segment meeting (12 June 2020).

In addition to the self-reporting against each workstream by each Grand Bargain signatory[4], the independent annual report is vital to understand to what extent progress has been made towards

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1   https://interagencystandingcommittee.org/grand-bargain/grand-bargain-signatories

2   For details on the workstreams: https://interagencystandingcommittee.org/about-the-grand-bargain

3   The 2019 independent annual report is available here: https://www.odi.org/publications/11387-grand-bargain-annual-independent-report-2019

4   Through a light and simple format, each Grand Bargain signatory will describe where they stood at the moment of signing the Grand Bargain (baseline), what concrete steps they have taken since (progress) and what is planned for in the immediate future. As far as possible, they are invited to describe the expected efficiency gains and best practices. These self-reports will be published at the same time as the independent report.

achieving the commitments. The independent report will take the information provided in the self-report as starting point for further analysis.

Objectives

- Assess what actions signatories have taken against each commitment based on self-reporting, noting that that not all commitments apply to all signatories equally.
- Collect 'best practice' for workstreams or collective actions.
- Provide an independent and impartial overview of the collective progress made four years after the endorsement of the Grand Bargain. (That means the "unit of analysis" is the collective workstream, not the individual signatory).
- Assess progress made and the level of ambition for each workstream. Provide an estimation of efficiency gains achieved as a result of the steps taken.
- Analyse to what extent the Grand Bargain has stimulated change in the narrative (or individual 'game changers') and thinking on humanitarian efficiency and effectiveness.
- Consider the extent to which recommendations of the 2019 Independent Annual Report have been taken up and/or remain relevant.
- Assess the 'Bargain of the Grand Bargain', including:
  - The state of the 'quid pro quo';
  - To what extent there is a quid pro quo between the different workstreams (e.g. between transparency and harmonized/simplified reporting, or multi-year planning and funding/reduced earmarking and reduced management costs etc.);
  - To what extent the various stakeholders (including among donors, UN organisations, Red Cross movement and NGOs) are moving forward at a similar pace and what factors are enabling or constraining progress for each stakeholder.
- Suggest synergies between initiatives, identify barriers and enablers, highlight good practice and areas which require additional effort.
- Where relevant, assess the extent to which gender has been considered by Grand Bargain workstreams.

Methodology and questions

Study questions

1. To what extent have Grand Bargain signatories made collective progress overall and specifically in relation to the core commitments?
2. Which workstreams have made the most substantial progress? What factors contributed to their progress and what factors hindered it?
3. To what degree have the commitments improved or are likely (based on progress to date) to improve the efficiency and effectiveness of humanitarian assistance?
4. What is the level of ambition in implementing the commitments of the workstreams? What are best practices and opportunities for synergies? What are the main barriers and how can they be overcome?
5. To what extent is change by individual signatories or workstreams resulting in *systemic change?*

Methodology

The independent experts should propose a methodology that they consider suitable to the scope of work, but it is expected to include the following:

- Desk study:
    - analysis of self-reports of Grand Bargain signatories and background material;
    - review of monitoring by specific stakeholder initiatives, to be suggested by workstream co-conveners;
    - review of relevant reports, e.g. annual report on WHS initiatives (PACT), relevant OECD reports, IATI reports, GHD reports, mapping done by ICVA/IASC Secretariat to highlight collective action to implement the Grand Bargain and where it connects to the IASC and other humanitarian transformation processes.

- Interviews:
    - Conduct interviews with the Eminent Person, Sherpas and representatives of signatories on their respective strategies to implement the commitments;
    - Conduct interviews with technical staff of signatories on relevant initiatives;
    - Where possible/appropriate, conduct interviews with non-signatory stakeholders.

Independence

The annual report is drafted by independent, external experts who do not belong to any of the Grand Bargain signatory organisations and are not involved directly in any of the GB workstreams (e.g. as humanitarian implementing organisations, 'Humanitarian to Humanitarian' service provider or other). Expert team shares draft report with Facilitation Group and signatories for comments and fact-checking. Factual errors and methodological weaknesses and unsubstantiated findings are to be corrected. The conclusions and recommendations represent the opinion of the experts who have the final editing rights.

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