

Grand Bargain beyond 2023

Introduction

Five years after the Grand Bargain was agreed in 2016, the priorities and structures were revised by the Signatories in 2021, with an agreement to review them again in June 2023.

While substantial progress has been achieved in many of the commitments, it is also clear that significantly more work remains to be accomplished, especially at country level. Since the last revision of the Grand Bargain in 2021, humanitarian needs have grown further. In March 2023, the requirement of the global humanitarian response stood at US\$54.2 billion, an increase compared to 2022, to target 240 million people out of 339 million requiring assistance. Humanitarian needs are driven, and exacerbated by, new crises, conflicts, climate change and natural disasters, and public health emergencies.

Many of the challenges we face today in the humanitarian sector can only be addressed through multi-stakeholder collaboration in fora such as the Grand Bargain, a unique platform that brings together all relevant humanitarian stakeholders.

Grounded in the findings of the Signatory survey and constituency consultations in 2022/2023, the Facilitation Group has proposed objectives, timeline and structure to address the current challenges. The original 51 commitments and linked 11 core commitments remain the foundational elements of the Grand Bargain.

This framework outlines:

- 1) The suggested scope and timeline for the future of the Grand Bargain beyond June 2023.
- 2) Suggestions for the governance, structure, accountability, and resourcing of the process.

The Facilitation Group hopes that the proposed scope, governance, structures, and accountability, will serve as a shared ambition to collectively work towards achieving our common goal: to address the challenges the sector faces and ensure the most efficient and effective use of resources to reduce the needs and to deliver the best outcomes for the affected populations.

The framework was endorsed by the Grand Bargain Signatories in June 2023.

Scope

Grand Bargain as an accountability mechanism and catalyst for sector-wide transformation

Background: The strategic objective of the Grand Bargain 2.0 continues to provide the foundation, but it is slightly revised to include the reference to strengthened partnerships, mirroring the existing Grand Bargain commitment 10 on the nexus. Outcomes of the next iteration of the Grand Bargain are building on results achieved so far. Within the overall objective of the Grand Bargain, two focus areas are envisioned to continue efforts to deliver on the commitments (notably localisation, quality funding and participatory revolution) with more focused attention to country level progress, and to use the unique added value of the platform as a catalyst for sector wide transformation through the Grand Bargain. As underlined in the High-Level Panel on Humanitarian Financing Report, strengthening the operationalisation of the nexus approach is necessary to reduce humanitarian needs and deliver efficiency gains at system level.

Strategic objective of the Grand Bargain

- Better humanitarian outcomes for affected populations through enhanced efficiency, effectiveness, greater accountability and strengthened partnerships, in the spirit of Quid pro Quo¹ as relevant to all constituencies.

Focus area 1: Continued support to localisation, participation of affected communities, and quality funding

1. Incentivise further actions on the Grand Bargain enabling priorities with a view to reach a critical mass of quality funding, achieve cost efficiency, increase funding and support to local actors, and ensure greater participation of affected populations in decision-making at all stages of the programme cycle. Galvanise efforts to advance implementation at country level, and strengthen the visibility of humanitarian action.
 - 1.1. Reach a critical mass of quality funding that allows an effective and efficient response, whilst ensuring visibility, transparency, and accountability.
 - 1.2. Provide greater funding and support for the leadership, delivery and capacity of local responders.
 - 1.3. Ensure greater support for the participation of affected communities in addressing humanitarian needs.²

¹ Quid Pro Quo refers to the spirit of reciprocity as both sides commit to contributing their share.

² The Facilitation Group recognises that significant technical work is underway in the Inter-Agency Standing Committee (IASC) on accountability to affected populations. Moving forward, the Grand Bargain Ambassadors and Secretariat will monitor the progress against the defined outcomes and identify opportunities for the Grand Bargain platform to bring added value in resolving challenges in this area.

Focus Area 2: Catalysing sector wide transformation through the Grand Bargain

2. As per Grand Bargain commitment 10, use existing resources and capabilities better to shrink humanitarian needs through strengthened partnerships across sectors and increasing prevention, mitigation and preparedness for early action to anticipate and mobilise resources for recovery. Secure commitment from Signatories and other stakeholders to scale-up and replicate innovative practices based on evidence, knowledge-sharing and lessons-learned.
 - 2.1. Scale up anticipatory action, better integration of technology, and more flexibility in programming to foresee and respond to future shocks.
 - 2.2. Use the convening power of the Grand Bargain as a platform to bring together all relevant stakeholders of the nexus.
 - 2.3. Map, support and scale-up existing financing mechanisms that enable cross-sector collaboration and innovative financing approaches, that are fit for purpose in protracted crises.

Cross-cutting issues

Background: Both gender and risk sharing were identified previously within the Grand Bargain framework as key cross-cutting issues that are linked to effective implementation across all areas of the Grand Bargain. They will continue to be mainstreamed and advanced through the Grand Bargain process.

- **Cross-cutting issue 1: Gender**
 - The current efforts to improve the integration of gender across the Grand Bargain will continue, thereby ensuring that gender aspects are adequately addressed in humanitarian action.
- **Cross-cutting issue 2: Risk sharing**
 - Building on the evidence generated and the good practices identified, Signatories use the Risk Sharing Framework to integrate new approaches to share risks with their partners, paying attention to the risks identified by local and national actors.

Timeline

Background: There is recognition by the Facilitation Group that there are several key factors that need to be reconciled to set an appropriate timeline for the future of the Grand Bargain, including 1) the need for achievable time-bound goals for the delivery of commitments to ensure accountability; 2) the longer-term nature of system-wide transformative objectives; 3) the limitations of individual Signatories to commit their institutions to a longer timeframe; and 4) the need for durable structures that can remain relevant, to avoid recurring consultations on the process. The proposed timeline aims to strike a balance between these factors.

- **Grand Bargain Signatories commit to a key milestone in June 2026 with the aim to:**
 - Achieve defined outcomes towards the implementation of each commitment under focus areas 1 and 2 above, through the established caucus approach, and using the pressure of time to the ten-year anniversary to further deliver ambitious and concrete results, and to achieve progress at country level;
 - Demonstrate how the Grand Bargain can be more effectively used as a catalyst for sector-wide transformation, to reduce needs through strengthened partnerships and innovative approaches, under focus area 2.
- **The high-level event in 2026** would provide the occasion for the Signatories to acknowledge the achievements and assess progress, and decide whether there is agreement to continue or not.

Governance

Background: As per recommendations of the Annual Independent Report 2023, and constituency consultations, the revised governance aims to ensure sustainable structures with clear responsibilities at the political level to drive the progress forward. The governance aims to strengthen the Grand Bargain Ambassadors and the Secretariat. The role of the Facilitation Group is changed to ensure advisory support to Ambassadors and the Secretariat.

- **Grand Bargain Ambassadors**

The Grand Bargain Ambassadors have overall responsibility for steering the process towards its strategic objective. Each of them leads on specific focus area objectives: participation, localisation, quality funding, and catalysing system-wide transformation.

Main responsibilities:

- Lead the political process to drive progress on the two focus areas as relevant, including through caucuses and bilateral engagement.
- Mobilise Signatories and stakeholders at global and country level (including through virtual visits and field missions).
- Act as a trouble shooter in the Grand Bargain delivery, including through engagement with Signatory Principals to unblock issues.
- Oversee the Secretariat and ensure accountability of the Signatories.
- Bring together the Signatories annually to take stock of progress and agree on priorities.

The Ambassadors, with the support of the Secretariat, will put in place working modalities that allow them to support each other in their individual areas of responsibilities.

- **Facilitation Group:**

To strengthen its advisory role to the Grand Bargain Ambassadors and the Secretariat, the Facilitation Group (FG) engagement is elevated at Sherpa level. It will be supported by the

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Secretariat and respective focal points. The Sherpa Group will meet regularly, and will convene constituency consultations, to ensure their views are represented.

Main responsibilities:

- Meeting quarterly to advise the Ambassadors and Secretariat; or ad hoc if needed/called by the Ambassadors/Secretariat.
- Organise regular constituency consultations at Sherpa level to ensure buy-in and solicit their views to inform the Grand Bargain Ambassadors.
- Act as advocates for the Grand Bargain process.

- **Secretariat:**

The authority, remit and capacity of the Secretariat is strengthened to provide necessary substantive as well as administrative/logistical support to Ambassadors, on condition that adequate resources are available. Links to other existing fora, such as the Inter-Agency Standing Committee (IASC) should be ensured as relevant.

Main responsibilities:

- Coordinate and support the engagement of the Ambassadors, including through the provision of strategic counsel.
- Ensure coordination among the Ambassadors across the two priority areas.
- Steer caucuses as requested by the Ambassadors and negotiate at the political level on behalf of the Ambassadors when delegated.
- Convene meetings as needed to support unlocking blockages.
- Act as a link between the Grand Bargain Ambassadors and FG Sherpas.
- Ensure linkages with other fora (i.e. IASC) and relevant stakeholders (for example, financial institutions).
- In accordance with co-funding contributors' rules/agreement, manage the Secretariat budget.
- Preparing supporting documentation as needed.
- Provide support to the Signatories in their requests.
- Oversee annual self-reporting and assessment of the progress; manage the independent report in 2026.
- Oversee consultants as needed (to support caucuses, annual assessment, etc).
- Manage and implement internal and external communication efforts.
- Organise meetings including logistics for participants when relevant.

Structure

Background: The aim is to create agile structures, but also allow for collective engagement of all the Signatories.

- **Annual meeting**
 - The meeting brings the Signatories together to take stock and agree on the priorities moving forward, with a particular emphasis on ensuring that local actors are able to participate in the debate. To ensure ownership and continued commitment by all Signatories, additional Signatory meetings can be set up to share and endorse results.
- **Caucuses**
 - Caucuses are timebound processes that can be activated to resolve political challenges, based on clear problem statements. They can be started by the Grand Bargain Ambassadors or individual Signatories. Caucuses generally involve a limited number of participants, ideally at Sherpa level, who are necessary to resolve the specific blockages to be addressed.
 - Following successful resolution, the caucus champions and members are called upon to ensure that the caucus outcomes are shared, understood and accepted, as appropriate, in the Grand Bargain community through communication, presentation and constituency peer engagement. Implementation must be regularly monitored in the annual self-reports and followed-up.
- **Communities of Practice**
 - Communities of Practice can be established as a useful instrument to help progress on Grand Bargain commitments.
- **Engagement on the Grand Bargain at the national level**
 - The Grand Bargain achievements and commitments have not yet sufficiently reached and impacted structures and actors at national/local level.
 - Global level progress and results are regularly shared with the national level either through National Reference Groups (NRGs), virtual engagement, newsletter or other in-country coordination meetings.
 - Signatories engage at national level through NRGs or other meaningful national level initiatives led by local actors to ensure progress and results of the Grand Bargain are implemented at national level.
 - Representatives of NRGs or national initiatives take part in regular exchanges and Grand Bargain meetings to feedback and influence discussions at global level, especially around blockages and barriers at national level.

Accountability

Background: While the importance and relevance of the annual reporting was recognised, many Signatories have expressed a desire to simplify the reporting requirements. In the new iteration, it is suggested to narrow down the requirements to make them more targeted.

- **Revised annual reporting** against concrete and measurable milestones/indicators for easy comparability and follow-up.
 - Annual reporting is made more relevant by narrowing down questions/data asked. The Signatories are asked to report concrete financial data and against the commitments in a brief and concise way every year. A matrix is established with concrete measurable milestones/indicators (some existing, and where relevant, new ones could be agreed by the Signatories, particularly to reflect the outcomes from the caucuses).
 - A light analysis should facilitate comparability of the data provided and allow for follow-up on progress made and review of initiatives under both objectives and cross-cutting issues.
 - Approaches to improving how we capture progress at country level should be explored.
 - An Independent report is commissioned in 2026 to take stock of progress over the 3-year extension period.

Resourcing

Background: Financial support is necessary to ensure smooth functioning of the Secretariat, as well as to fund the Independent Report, Annual Meeting, and allow for participation of local actors at the Annual Meeting. The funding has been provided by a few donor members of the Facilitation Group in the past, but a mechanism should be proposed for more equitable burden sharing of these costs by the donor Signatories.

- Arrangements for a **co-funding mechanism** are established to encourage voluntary contributions from multiple donor Signatories.

Annex:

OUTCOMES

Focus area 1: Continued support to localisation, participation of affected communities, and quality funding

Incentivise further actions on the Grand Bargain enabling priorities with a view to reach a critical mass of quality funding, achieve cost efficiency, increase funding and support to local actors, and ensure greater participation of affected populations in decision-making at all stages of the programme cycle. Galvanise efforts to advance implementation at country level, and strengthen the visibility of humanitarian action.

1.1. Reach a critical mass of quality funding that allows an effective and efficient response, whilst ensuring visibility, transparency, and accountability.

Proposed outcomes:

- A. A quantifiable increase in the provision of flexible and multi-year funding (including 'core funds'), and promotion and expansion of the variety of 'flexibilities' provided by donors, based on an agreement of the 'critical mass' of flexible funding necessary from donors to enable a step-change in how aid organisations can maximise their efficiency and effectiveness.
- B. Comprehensive tracking and reporting (using agreed common criteria/definitions and reported to FTS/IATI on how much/what proportion of flexible and multi-year funding is allocated onwards with what flexibilities), and provision of 'real-time' data/analysis from aid organisations to their institutional donors, resulting in increased transparency of funding flows and visibility of flexible and multi-year funding.

1.2. Provide greater support for the leadership, delivery and capacity of local responders.

Proposed outcomes:

- A. Quantifiable increase in provision of funding, including multi-year and flexible funding, to local and national actors (including women-led and women's rights organisations) as directly as possible to achieve the global aggregated target of at least 25% in line with the latest caucus outcome agreement using varying modalities (e.g. Country-based Pooled Funds, local actor led pooled funds, local actor led consortia, bilateral funding, and funding via an institutional intermediary).
- B. Development/implementation of policies and procedures that enable equitable partnerships, as per intermediary caucus outcomes.
- C. Enable strong contribution of local and national actors (including women-led and women's rights organisations) in existing NRGs or national and international coordination mechanisms, including by strengthening capacities to lead/co-lead responses.

1.3. Ensure greater support for the participation of affected communities in addressing humanitarian needs.

Proposed outcomes:

- A. Expand investments in programmes and coordination platforms that allow affected people to design and deliver responses to their own needs, including in strategic level-decision making.
- B. Institute mechanisms to ensure an effective implementation of accountability processes for affected populations to hold humanitarian leaders to account.

Focus area 2: Catalysing sector wide transformation through the Grand Bargain

As per Grand Bargain commitment 10, use existing resources and capabilities better to shrink humanitarian needs through strengthened partnerships across sectors and increasing prevention, mitigation and preparedness for early action to anticipate and mobilise resources for

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recovery. Secure commitment from Signatories and other stakeholders to scale-up and replicate innovative practices based on evidence, knowledge-sharing and lessons-learned.

2.1. Scale up anticipatory action, better integration of technology, and more flexibility in programming to foresee and respond to future shocks.

Proposed outcomes:

- A. A shared conceptual understanding of anticipatory action and how it contributes to shrinking the needs is established and formally endorsed.
- B. Scale up of anticipatory action, incl. programming and funding.

2.2. Use the convening power of the Grand Bargain as a platform to bring together all relevant stakeholders of the nexus.

Proposed outcomes:

- A. Address existing institutional barriers and adapting internal systems to enable multi-stakeholder collaboration in humanitarian settings.
- B. Increased dialogue and partnerships between humanitarian / development donors and international financial institutions (IFIs) to identify opportunities to launch new initiatives and scale-up investments in protracted crises.

2.3. Map, support and scale-up existing financing mechanisms that enable cross-sector collaboration and innovative approaches, that are fit for purpose in protracted crises.

Proposed outcomes:

- A. Document/disseminate existing funding mechanisms and innovative financing approaches that enable partnerships across sectors and the deployment of more public and private capital.

- B. Foster the knowledge on innovative approaches and policies to further increase the efficiency of humanitarian action.

Cross-cutting issues

Cross-cutting issue 1: Gender

The current efforts to improve the integration of gender across the Grand Bargain will continue, thereby ensuring that gender aspects are adequately addressed in humanitarian action.

Proposed outcomes:

- A. Recommit to and invest in Gender Equality and the Empowerment of Women and Girls (GEEWG), by:
- Engaging and partnering with diverse women-led and women rights' organisations and organisations that prioritise GEEWG targeted interventions (SRH, GBV, girls' education in emergencies, women economic empowerment and livelihood, etc.) at global and country levels;
 - Enhancing accountability as Signatories by reporting against GEEWG commitments, including on funding to women-led organisations and funding for GEEWG targeted interventions.

Cross-cutting issue 2: Risk sharing

Building on the evidence generated and the good practices identified, Signatories use the Risk Sharing Framework to integrate new approaches to share risks with their partners, paying attention to the risks identified by local and national actors.

Proposed outcomes:

- A. Initiatives, including pilots, are launched, which take into account risk perspectives of local actors, and progress shared at the Grand Bargain Annual Meetings.
- B. Signatories come together to take stock and assess the outcomes of various initiatives.