



WHEN WILL THE HUMANITARIAN AID SYSTEM CHANGE?

Five years after the Grand Bargain much remains to be done

Five years ago, at the first World Humanitarian Summit on 23 and 24 May 2016, the “Agenda for Humanity” was adopted following a global consultation process aiming to improve the humanitarian system. Within this framework, a unique agreement was reached when a total of 63 major donor countries, United Nations (UN) agencies and other inter-governmental organisations, humanitarian non-governmental organisations (NGOs) and the international Red Cross and Red Crescent movement signed the Grand Bargain. The 51 commitments of the Grand Bargain are intended to make humanitarian aid more effective and efficient in order to provide better and more targeted support to people in emergency situations.

Five years Grand Bargain: A mixed record

The Grand Bargain became an essential pillar of the international humanitarian system allowing for a differentiated exchange between the various humanitarian actors. Over the past five years, the signatories made some progress in implementing the Grand Bargain commitments.¹ For example, cash-based humanitarian action has doubled since 2016, and common standards have been further elaborated, such as the Common Donor Approach to Humanitarian Cash Programming. Tools to improve coordinated and impartial needs assessments have also been developed. In addition, a standardised format for reports to donors has been designed in

order to simplify administrative procedures for humanitarian organisations.

The progress made so far remains at the technical level. It has not yet led to fundamental changes at the systemic level. For example, only a small number of donors utilise the standardised reporting format in practice, limiting the administrative streamlining. If anything, the overall administrative burden for local and international humanitarian actors has increased, for instance in the context of counterterrorism measures and sanctions or other compliance requirements. Similarly, in other workstreams of the Grand Bargain the advances fall short of expectations and the actual potential.

Increased commitment to localisation and quality funding

Greater participation in decision-making and better instruments for funding for local organisations are key elements in the Grand Bargain. However, despite some progress, overall funding to local actors has increased only slightly. In 2019, only ten of the signatories reached the target of channelling at least 25 per cent of humanitarian funding as directly as possible to local organisations.² This includes the German government, who reported that they have provided about 26 per cent of humanitarian funding as directly as possible to local organisations in

¹ Self-reports of the signatories and the annual independent reports are published on the [official website of the Grand Bargain](#)

² Humanitarian Policy Group (2020): [Grand Bargain annual independent report 2020](#)

2019.³ "As directly as possible" usually means that funds are channelled to local partners through intermediaries, such as UN agencies or NGOs from the global North. New instruments and more political will on the part of donors are needed in order to directly fund local organisations in practice. Funding mechanisms managed by local NGOs can increase and facilitate access to funds for local actors and, thus, strengthen local responses in humanitarian crises.

Improving access to humanitarian funding must go hand in hand with recognising and strengthening the role of local organisations, and with developing the capacities of all relevant humanitarian actors.⁴ Here greater commitment from donors and international NGOs is necessary. Humanitarian actors need to rethink their roles and responsibilities and to invest in capacity development and capacity sharing in order to change the way of working.⁵ Capacity development must be based on the needs identified by local organisations. Contributions to their core budget as well as knowledge transfer and partnerships that go beyond project-based collaboration can ensure the long-term persistence of local organisations. To achieve balanced partnerships, local NGOs and actors must be involved in all international and country-based coordination mechanisms and decision-making processes, and need to take on leadership roles.

Another important component of the Grand Bargain is to improve the quality of financial support by expanding flexible, multi-year and unearmarked or softly earmarked funding. Longer-term and more flexible funding models make humanitarian action more predictable and adaptable, thereby enabling rapid, unbureaucratic responses to new emergency situations or unforeseen changes in protracted and

neglected crises. At the same time, cost efficiency can be increased, while the administrative burden for donors and humanitarian organisations is reduced. However, progress in this area still needs to be scaled-up. In 2019 only seven of the signatory donors reported that their share of multi-year funding was increasing annually.

The response to the COVID-19 pandemic showed that donors and humanitarian organisations are able to get funding and projects off the ground quickly and flexibly. These positive experiences must be maintained and expanded long-term.

Expectations for a future Grand Bargain

Since the World Humanitarian Summit and the signing of the Grand Bargain in 2016, humanitarian needs have more than doubled worldwide. The impact of the COVID-19 pandemic is exacerbating the already precarious situation of vulnerable populations. In light of these developments, the creation of a more effective and efficient humanitarian system remains an urgent task for the international community. The commitments formulated in the Grand Bargain can continue to play an important role in bringing together the different actors and uniting them behind a common goal, while greater involvement of local NGOs needs to be ensured.

Genuine systemic change is a question of political will on the part of all stakeholders. This must be reflected in the continuation of the Grand Bargain. We welcome the focus on fewer key areas as suggested by the signatories. We also strongly support the proposed prioritisation of localisation and quality funding. We need a more streamlined process engaging on a higher political level and ensuring greater inclusivity by systematically integrating the

³ ↘ [Answer of the Federal Government to a parliamentary question on the localisation of humanitarian assistance](#) (in German)

⁴ Humanitarian Coordination Committee (2018):
 ↘ [„As local as possible, as international as necessary“ – localisation in the humanitarian system. Key points for implementation by German humanitarian stakeholders](#)

⁵ VENRO (2020): ↘ [Localisation in humanitarian practice. Challenges and solutions from the perspective of German NGOs](#) (in German)

local perspective. Quantifiable commitments and indicators can contribute to a better traceability of achievements.

The German Federal Government has signed the Grand Bargain. It has reported against its own commitments and supported initiatives for local funding, cash-based programming or anticipatory action. For the Grand Bargain 2.0, we expect greater engagement for systemic change.

The Federal Government of Germany should

- increase the target for the share of humanitarian funding channelled to local actors from currently 25 per cent to 50 per cent within the next five years. In addition, alternative funding models should be developed and expanded to enable direct funding of local organisations without intermediaries;
- increase funding for the institutional strengthening of local organisations and provide more funding for projects with the sole purpose of capacity development and sharing. Capacities need to be defined by the local partners;
- counter the under-representation of local organisations in the international humanitarian system and advocate for the consistent participation of local organisations in all humanitarian coordination bodies and decision-making processes;

- expand flexible funding. The COVID-19 pandemic has shown that fast and unbureaucratic reallocations of funds are possible;
- allocate more financial resources to anticipatory and forecast-based humanitarian action. Anticipatory action that builds on local capacities can improve the humanitarian response not only in extreme weather situations but also in fragile contexts, food crises or pandemics.

The implementation of the Grand Bargain can contribute to a more effective and efficient humanitarian system. However, the international community must also intensify its joint efforts beyond the Grand Bargain. It is pivotal to prevent violent conflicts at an early stage and to tackle the climate crisis through consistent action in order to reduce humanitarian needs in the long term.

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