



Grand Bargain: Sustain Momentum to Realise Longstanding Localisation Goals NEAR's Analysis and Recommendations for the Grand Bargain | 2021-2022

Introduction

It has been a year of transition for the Grand Bargain under its new 2.0 Framework, which adopted new ways of working in 2021 towards two priorities: the provision of quality funding in the humanitarian system; and supporting the leadership, delivery, and capacity of local responders and the participation of affected communities. The transition to this framework has offered new opportunities for the Global South Signatories to the Grand Bargain to engage in relevant processes and initiatives.

For the Network for Empowered Aid Response (NEAR), it has been a productive year with noted and appreciated political will to effect change on the localisation commitments that matter most to NEAR's local and national NGO members and Global South NGOs, more widely. NEAR has served as a member of the Facilitation Group, in two of the political caucuses organised to date, led in the development and roll out of guidance on National Reference Groups (NRGs), and improved communication with local and national NGOs to improve their access to information on the Grand Bargain. These engagements offer opportunities to realise progress in local and national NGOs' representation and influencing in decision-making fora.

It will require sustained momentum over the next year and a solid plan to seize the final year of the Grand Bargain 2.0 as an opportunity to achieve long-promised localisation commitments. Based on NEAR's experience in the Facilitation Group and Caucuses, our ongoing discussion with members and partners, as well as a specific survey of the Global South constituency's views, we recommend the following, as part of this plan:

1. Establish a political agreement between donors, UN agencies, and international NGOs on how to increase direct and "as direct as possible" investment in local and national actors.
2. Increase multiyear and flexible funding to local and national actors directly and via the cascading of quality funding and its benefits by intermediary organisations.
3. Establish a specific commitment for the provision of overheads to local and national actors, based on actuals or a minimum percentage, as part of Grand Bargain commitments, to strengthen the institutional capacity of local and national actors.

4. Join local leaders in setting up National Reference Groups by funding the coordination groups and ensuring donor, UN, Red Cross, and international NGO Signatories actively participate at the country level.
5. Ensure the continuity of Grand Bargain and its commitments beyond 2023, as it is the only global humanitarian policy space where local and national NGOs' voices are represented alongside international humanitarian organisations and donors.

Reflections from Local Leaders on the Importance of the Grand Bargain

As the Grand Bargain 2.0 launches its second and final year, NEAR is eager to see progress made on some of the long-promised and still undelivered commitments on quality funding, localisation, and participation. The momentum built this past year must be sustained and channelled into the caucus on funding for localisation, the establishment and support of NRGs, and other longstanding Grand Bargain commitments.

Looking beyond 2023, NEAR is committed to a continuation of the Grand Bargain as it is the only global policy initiative that offers a more equitable participation of Global South actors.

Sema Genel, Chair of NEAR's Leadership Council, explains "I strongly believe we need to find ways of continuing the conversation around localisation. It has gained serious attention and traction over the years, and we are just beginning to scratch the surface of changing practices."

NEAR's members and Global South constituents agree and offer conclusive support for the Grand Bargain as an essential platform. 64% of those surveyed by NEAR feel that the Grand Bargain is helping to improve the way that international humanitarian aid is provided to populations in need. One survey respondent stated that the Grand Bargain is creating "a space for local and legitimate ground through which local [organisations] can influence the humanitarian architecture and is enabling shared learning and visibility."

The last six years of the Grand Bargain prove that it is not easy for the current power holders in the humanitarian architecture to challenge their business models and change ways of working. The current political will and associated rhetoric around progressing localisation must include meaningful dialogues where donors engage directly with local and national actors (L/NAs). Such dialogues offer hope in developing alternative approaches to humanitarian response that truly centre crisis-affected communities and the L/NAs that serve them.

Alongside the push for policy change at the global level, NEAR is motivated by the promise of the NRGs, which are described below, as a mechanism to host direct dialogues between donors and L/NAs to push for changes in humanitarian practice at the country level. Here, NRGs can propose and pilot alternative approaches to aid, based on country-specific dynamics.

While the work of the Grand Bargain in 2021-2022 has taken time to build momentum for the Global South, it is not yet time to divest from this essential space. As one survey respondent noted, “We are convinced that the Grand Bargain is doing an honourable work in promoting humanitarian localisation. However, we ask the Grand Bargain to put national NGOs at the centre of all its initiatives, to develop more trust in Global South organisations, and to plan to support localisation from the bottom-up and not always from the top to the bottom as is the case since the beginning of this process.”

Enabling Priority: Quality Funding

To address the Grand Bargain 2.0 Framework’s first enabling priority on quality funding, NEAR is participating in a caucus focused on improving the volume of multiyear and flexible funding in the humanitarian system, convened by the International Rescue Committee. This is a key priority for NEAR members, as L/NAs have frankly not received the benefits of donor increases in multiyear and flexible funding. In survey, NEAR members noted that their most pressing priority regarding quality funding is increasing their access to multiyear funding.

Donors’ multiyear humanitarian grants so far have been channelled to international responders, namely UN agencies and international NGOs¹. Data from Development Initiatives demonstrates that multiyear contributions to local and national NGOs have increased in over the past two years,¹ yet L/NAs respective share of multi-year funding remained at 1% of the total².

Multiyear flexible funding for L/NAs will ease administrative burdens by simply reducing the number of grant agreements each organisation has to manage. This in turn reduces the number of contracts to be negotiated, opened, managed, and closed. NEAR members also note that this frees up fundraising capacity to focus on securing grants from other donors instead of having to renegotiate with the same donor in the future. In addition, short-term funding to L/NAs is often tightly earmarked to specific deliverables, does not allow for investments in administrative capabilities and staff capacity. International organisations might risk retaining staff despite not having secured the necessary funds, as support from their headquarters could fill the funding gap. This is, however, almost never an option for L/NAs.

Multi-year programming enables a continued operational presence geographically and with a target population. This helps to strengthen trust with affected communities, government ministries and local authorities. A longer time frame of funding and programming also allows for a longer start-up phase, if necessary, with better baselines of the target population’s needs and greater collaboration and coordination with other local actors. Flexible multi-year funding that can be shifted between budget lines and years allows local actors to adapt programs based on learning or changing need.

NEAR welcomes the discussions underway that encourage donors to scale up multiyear and flexible financing commitments, particularly in protracted crises, as close to the frontlines as possible. However,

¹ Data from Development Initiatives states that “UN agencies received the largest portion of donors’ reported multi-year humanitarian contributions between 2016 and 2018. Multi-year grants to UN agencies grew over this period by volume – from US\$817 million to US\$2.1 billion – and as a proportion of the total, from 30% to 45%. International NGOs represent the second largest recipients of donors’ multi-year grants. Their share of total humanitarian contributions increased at a slower pace than UN agencies’, from 17% (US\$471 million) in 2016 to 19% (US\$929 million) in 2018.” Source: Development Initiatives. Multiyear Humanitarian Funding: Global Baselines and Trends. 10 March 2020. <https://devinit.org/resources/multi-year-humanitarian-funding/> Multiyear humanitarian funding: Global baselines and trends

without significantly improving L/NAs' access to quality funding, directly or via intermediaries, the bargain falls short. Every effort must be made to extend the increases in quality funding over 2023 to L/NAs.

Enabling Priority: Local Leadership and Participation

This year the Grand Bargain has made progress on supporting local leadership. Localisation is high on the political agenda, as evidenced by the USAID Administrator Samantha Power's announcement in late 2021 that 25% of all U.S. assistance will be delivered to L/NAs.

This political will is urgently needed given the meagre percentage of funding directly provided to L/NAs. In 2020, only 3.1% of the total humanitarian funds went to L/NAs².

Further, the caucus formed on the Role of Intermediaries, which was to also respond to key localisation outcomes through partnership, met serious challenges in agreeing a common way forward. Signatory representatives within the Role of Intermediaries Caucus struggled to negotiate on the right enablers to support local leadership, despite useful individual signatory shifts in policy and practice³.

But policy change takes time; while some international humanitarian organisations have started to shift their partnership models, benefits for their L/NA partners are not immediate. Without more system-wide uptake, the remaining institutional barriers and limited financial transparency hinder reaching the localisation funding and leaderships goals set within the 2.0 Framework.

We look to the localisation funding caucus, launching in the margins of this year's Annual Meeting, for greater progress on longstanding Grand Bargain commitments where other spaces have been less successful.

NEAR is hopeful that the two planned subsets of discussion, including 1) the 25% funding target for L/NAs, 2) a commitment to overhead funding for L/NAs and increased investment in L/NAs' institutional capacity, will provide a greater step change in addressing the institutional barriers that hinder the system reaching the 25% target. Co-convened by the Office of the Eminent Person and NEAR, with the support and participation of USAID, we anticipate this caucus will reach much-needed political agreements for investing in national and local leadership in crisis settings.

The other component of this enabling priority focuses on participation and accountability to affected persons (AAP). NEAR notes the wider availability of practical AAP tools for use by frontline humanitarian staff, increasing numbers of institutional AAP champions in many organisations and appreciates Workstream 6's support for the NRGs, to be discussed in the next section.

National Reference Groups

NEAR is proud of the commitments made this year towards establishing NRGs. The concept for NRGs builds on the lessons learned from the Grand Bargain's Country-Based Dialogues, which were championed by Workstream 2. NRGs are national level, constituent based, consultative forums for humanitarian stakeholders that are led by local and national actors. They seek to convene all relevant

² Development Initiatives. Global Humanitarian Assistance Report 2021. <https://devinit.org/resources/global-humanitarian-assistance-report-2021/?nav=more-about>

³ For example, UNHCR's development of a feedback mechanism to gauge their progress against localisation benchmarks in partnership.

humanitarian actors, including L/NAs, INGOs, UN agencies, donors, national government bodies, and other relevant groups. As they will be adapted to fit the context in different crises, NRGs will not be homogenous groups. They will ideally be inclusive and have representation from diverse groups, including women's rights organisations, women-led organisations, youth groups, disabled persons organisations, and others. This initiative responds directly to a resounding message from NEAR's survey respondents to create "some sort of mechanism on the process of Grand Bargain... [at] country-level for participation and strengthening of perspective and advocacy from local and national NGOs."

The establishment of an NRG should be prompted by local stakeholders' expressed energy, capacity, and desire for a national-level consultative body and will not duplicate existing coordination structures in country. NRGs may choose to engage with the Grand Bargain at the global level and, in so doing, coordinate with the Facilitation Group, Workstream 2, Caucuses, and participate in Annual Meetings.

NEAR collaborated with OCHA in the development of guidance materials for the NRGs, which have been shared with over 200 L/NAs through direct consultations. Efforts are underway in several countries to establish NRGs, including the Philippines, Myanmar, Indonesia, Iraq, India, Somalia, South Sudan, Turkey, Uganda, The Democratic Republic of the Congo, Ethiopia, and others. The first NRG, formally launched with Grand Bargain Signatories locally, is in Northwest Syria.

While the establishment of NRGs in multiple countries is still underway, NEAR is optimistic that this initiative will constitute a meaningful mechanism to progress localisation dialogues, driven by L/NAs, in countries where crises are occurring. However, NRGs remain an *opportunity* – and requires engagement and participation of GB Signatories in-context to succeed.

Improved Engagement of Global South Actors in the Grand Bargain

One important change in the Grand Bargain's launch of its 2.0 Framework is the inclusion of a Global South Signatory in the Facilitation Group. NEAR has held this seat for the first year of the 2.0 Framework and the Alliance for Empowering Partnership (A4EP) will hold it for the second year. This seat affords an opportunity for Global South actors to directly influence Grand Bargain leadership and decision-making. NEAR's Sherpa representative in the Facilitation Group is a Global South leader, Dr. Puji Pujiono, Senior Advisor of the Pujiono Centre in Indonesia, supported by the NEAR Secretariat.

To support NEAR's engagement in the Facilitation Group, new mechanisms were created to ensure that the diverse voices and perspectives of NEAR members and other Global South actors could be better represented. To this end, NEAR collaborates with Dr. Pujiono, who leads a team of Liaison Officers who provide support to L/NAs in each region to engage with the Grand Bargain. In addition, NEAR created monthly "Local Leaders" meetings, which launched in 2021 to gather the perspectives of a group of Global South leaders on a semi-regular basis, informing NEAR's priorities and perspectives in the Facilitation Group. In addition, NEAR also maintains a listserv for Global South actors to receive monthly Grand Bargain updates. This update invites wider engagement and provides general Grand Bargain 2.0 information and links to key documents. These new methods of engagement with Global South actors are appreciated by recipients, demonstrating that understanding the work of the Grand Bargain is relevant to and useful for Global South actors. Indeed, in NEAR's annual survey, 82% of respondents are familiar

with the Grand Bargain and 52% noted that they reference the Grand Bargain in their own advocacy with international partners.

There are, however, limitations to NEAR's – and other Global South Signatories' – reach. Given the size and geographic spread of the Global South humanitarian NGO community, greater investments are necessary to increase the awareness and relevance of the Grand Bargain for our constituency. The NRGs will help, but not evenly, across all contexts. Sharing regular information on the Grand Bargain and opportunities for Global South L/NA engagement, must be the responsibility of all Signatories.

NEAR's experience in the Facilitation Group alongside views from Global South actors on the Grand Bargain's work demonstrate the unique value-add of the Grand Bargain as the sole platform where all humanitarian constituencies can speak in a common and accessible space.