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A Renewed Grand Bargain: Accelerate localization and ensure quality funding for transformative change

THE GRAND BARGAIN

In May 2016, humanitarian leaders gathered at the World Humanitarian Summit and committed to strengthening the humanitarian system. With the Grand Bargain compact, governments, NGOs and the UN committed to making aid more effective and efficient, and to increase the power and participation of communities receiving assistance. Since then, there has been much progress. However, five years on, there is also agreement that more is needed to actualize the Grand Bargain vision, in particular around shifting the power towards greater local engagement, ownership and leadership, and more effective, accessible, quality funding to support effective and sustainable recovery.

As a signatory to the Grand Bargain, CRS seeks to build on the progress and lessons-learned and to call for a renewed agreement that accelerates localization, expands and deepens participation and ensures adequate quality funding.

CALL TO ACTION: ACCELERATE LOCALIZATION AND ENSURE QUALITY FUNDING

As local civil society actors have increasingly demanded a more equitable and inclusive humanitarian system, it is also increasingly clear that action and accountability by donors, policy makers and other aid actors to accelerate the movement toward more locally-led response is urgently needed. To advance progress on the Grand Bargain's vision and commitment to increase local leadership in humanitarian response, CRS urges the Grand Bargain Facilitation Group (FG) and Eminent Person (EP) and all signatories to consider the following core recommendations:

- **INCREASE INVESTMENT IN HOLISTIC CAPACITY STRENGTHENING:** Effective capacity strengthening can greatly increase opportunities for local leadership, but takes more than thin, transactional, one-off interventions. Investment in dedicated capacity strengthening that is based on a joint assessment and which recognizes existing capacity can include support for immediate implementation needs, such as financial management, but should also consider investments in

other key organizational areas that will ensure longer term response leadership and organizational sustainability, such as program design and business development, accountability, monitoring and evaluation, and organizational governance.

Quality, Multi-Year, Adaptable Funding in Action: USAID/BHA's West Africa Rapid Response Fund

With the West Africa Rapid Response Fund (RRF) project, USAID's Bureau for Humanitarian Affairs is working with CRS to provide multi-year humanitarian support in Burkina-Faso, Cameroon, Niger, and Mali. The RRF mechanism has been designed to meet unanticipated needs as they emerge, ensuring rapid, short-term, life-saving assistance through water sanitation and hygiene (WASH), multi-purpose cash, and shelter and settlement interventions. Through organizational and emergency response capacity building, the project emphasizes the use of local partner networks to deepen its sustainability and transition while meeting the needs of 120,000 individuals.

- **INCREASE MULTI-YEAR, FLEXIBLE FUNDING:** Building the kind of humanitarian system envisioned by the Grand Bargain requires adequate, appropriate, flexible and multi-year funding. Taking funding approaches that recognize evolving contexts and growing capacities, and allow flexibility in response, as well as integrate adaptive management strategies, is critical for effective and efficient responses, and can advance localization goals.
- **HOLD STAKEHOLDERS ACCOUNTABLE THROUGH REGULAR REPORTING ON MEANINGFUL INDICATORS:** Building the kind of humanitarian system envisioned by the Grand Bargain requires difficult change, and ambitious goals. The current indicator of 25% of humanitarian funding going to local actors is a key benchmark that must be retained in any future agreement, and signatories must be held accountable for reaching it. However, the 25% indicator alone is not sufficient for delivering a picture of how the aid system will transform. Additional measurements, such as the amount raised in direct funding by local organizations as a result of capacity strengthening efforts, could be very helpful in identifying progress, as well as effective methods for achieving it.
- **ENERGIZE AND INVEST IN COUNTRY-LEVEL ACTION AND FUNDING:** The Grand Bargain's ultimate success will require action at both the global *and* the national levels. This includes ensuring that local actors'

participation and leadership is valued and secured at national decision-making and coordination processes and mechanisms. It also requires that donors invest in country-level funding mechanisms, including country-based pooled funds.

- **SUPPORT EQUITABLE RISK SHARING:** Ensuring that financial, security, fiduciary and other risks are not always transferred to local actors is critical for effective and sustainable locally led humanitarian response. All actors—including local actors—require indirect cost coverage to ensure effective, efficient and sustainable implementation, as well as inclusion of funds to support mitigation actions related to risk analysis outcomes.
- **SUPPORT INCENTIVES FOR QUALITY PARTNERSHIP WITH INGOS:** INGOS can play an effective role in transitioning and supporting the growth of locally led implementation, if they are able to focus on mentorship, accompaniment and providing technical and operational assistance throughout the process of transition to priming funding. Intentional funding is needed for these activities, and encouragement for INGOS to transition their focus from implementing projects to facilitating, mentoring and accompanying local partners to do so.

Capacity Strengthening Can Open Avenues for Direct Local Funding: EMPOWER

CRS' EMPOWER project aims to shift the paradigm away from a donor-recipient and gatekeeper relationship between INGOS and local NGOs, to one where the INGO serves as a facilitator of access to information, relationships, visibility, and funding. In its first phase, EMPOWER has helped partner teams raise over \$26 million for active emergency responses, with an 82% win rate overall, and over 40% of proposals won primed directly by local partners.