

The Grand Bargain 2.0

Suggested framework and addendums

Proposal by the Grand Bargain Facilitation Group, 6 May 2021

Explanation of the process and framework

On 1 February 2021, the Eminent Person and the Facilitation Group Ministers and Principals endorsed a general direction on the future of the Grand Bargain (GB) in a [4-page Annex](#) to the meeting.

As a follow up, the Facilitation Group invited the workstreams in mid-March 2021 to take stock of the results achieved through the Grand Bargain and assess any remaining key outputs with direct relevance to the two enabling priorities of the Grand Bargain 2.0 (localisation and quality financing). The Facilitation Group Sherpas met on 26 March 2021 to discuss the proposals that the workstreams submitted and the next steps, including the Grand Bargain Annual Meeting, planned for 15-17 June 2021. As a team with vast institutional expertise including writing four Annual Independent Reviews, ODI were invited to provide their views and suggestions as independent advisors to the Facilitation Group. In parallel over the last few months, further consultations took place at constituency level.

Based on the recommendations and suggestions from these meetings and documents (workstream strategies, constituency consultations, ODI suggestions), the Facilitation Group proposes the following draft framework to operationalise the strategic direction endorsed in February, as well as elements to be further elaborated:

- **Grand Bargain 2.0 Framework**

The original overarching objective of the Grand Bargain is to improve the efficiency and effectiveness of the humanitarian system. There is wide understanding that this can be achieved only by bringing the Grand Bargain closer and more centred around the people we are committed to serve. For this reason, the Grand Bargain 2.0 reframes the overall objective to achieving ***“Better humanitarian outcomes for affected populations through enhanced efficiency, effectiveness, and greater accountability, in the spirit of Quid pro Quo as relevant to all”***.

In order to achieve this impact, two enabling priorities have been agreed to, ***(i) A critical mass of quality funding is reached that allows an effective and efficient response, ensuring visibility and accountability (ii) Greater support is provided for the leadership, delivery and capacity of local responders and the participation of affected communities in addressing humanitarian needs.***

While these enabling priorities are often summarised as “quality funding” and “localisation”, they have been carefully crafted to ensure that they integrate the other crucial elements of the Grand Bargain without which localisation and quality funding are not possible to achieve, including: efficiency and effectiveness, visibility, risk sharing, and accountability - including

accountability to affected populations. The intention of the enabling priorities is not to be exhaustive and limit reform-oriented efforts, but to channel efforts towards priorities that are relevant for all Signatories and that have potential for system-wide transformative impact of the humanitarian ecosystem.

At the June 2021 Annual Meeting, Signatories will be asked to recognise progress achieved over the past five years as described in the Annual Independent Report(s), and re-commit to the Grand Bargain 2.0, its concrete design and outputs. The Grand Bargain 2.0 Framework lays out how the Signatories will aim to achieve the overall strategic objective and the enabling priorities through four main outcome pillars: 1) **prioritisation and coordination**, 2) **flexibility, transparency, and tracking**, 3) **accountability and inclusion**, and 4) **equitable and principled partnerships**. The draft framework goes on to propose the priority outputs and more detailed activities that would contribute to achieving the four outcomes.

The purpose of the framework is to demonstrate the interconnection of the different outputs and activities; it is not exhaustive or intended to limit discussions at this stage. The FG invites Signatories to provide comments (by 19 May 2021) and suggestions for amendments and additions they consider critical to the GB 2.0 Framework over the next two years. These will be collated by the Secretariat to inform a revised Framework to be put to Principals in the lead up to the Annual Meeting in June.

- **Structural Annexes: Proposal for political caucuses and strengthened engagement of local and national actors**

One of the recommendations for the Grand Bargain 2.0, coming from all constituencies and workstreams is the need to elevate discussions and decision making to a more political, strategic level. The Facilitation Group has therefore developed **a proposal around “caucuses”**, which involves relevant and concerned Signatories - “coalitions of the willing” - that agree to monitor, drive and encourage progress on specific commitments at the Political level. Self-appointed “champions” would take up specific actions from the Grand Bargain 2.0 framework and proactively and independently recruit other key stakeholders to work together in closed format to allow for an open and frank discussion, exchange of views, analysis of bottlenecks and decision making. The results of these discussions would then be presented for further debate or adoption with the other Signatories. This idea is further elaborated in **Annex II**.

The other key recommendation coming out of the surveys conducted in September 2020 and endorsed by the Facilitation Group Principals in February 2021, is agreement to put localisation and participation revolution at the centre of the Grand Bargain 2.0. To do so effectively, it is clear that **strengthening local actor engagement**, as true strategic partners in the process, is required. **Annex III** lays out a few possible means of doing so, with the understanding that effective local actor engagement requires dedicated resources, and intentionality.

Other structural elements that have been agreed to at the Facilitation Group Principal Meeting in February include 1) the continuation of an **“Eminent Person” role**, to lead and represent the overall Grand Bargain 2.0 over a two-year term and 2) the continuation of a **Facilitation Group**, made up of representatives of all the constituency groups within the Grand Bargain.

The Facilitation Group would like to suggest that form follow function. Once there is general consensus around the Grand Bargain 2.0 Framework, it will be easier to discuss and elaborate other structural elements to support its operationalization. It is envisaged that these discussions will take place subsequently to the Annual Meeting in June.

Proposed Grand Bargain 2.0 Framework (for consultation)

Impact	Better humanitarian outcomes for affected populations through enhanced efficiency, effectiveness, and greater accountability, in the spirit of quid pro quo (QPQ) as relevant to all.							
Enabling priorities*	1. A critical mass of quality funding is reached that allows an effective and efficient response, ensuring visibility and accountability. 2. Greater support is provided for the leadership, delivery and capacity of local responders and the participation of affected communities in addressing humanitarian needs.							
Outcome pillars (Critical areas of focus to ensure that enabling priorities are fully implemented)	Prioritisation and coordination <i>Quality funding targets the most vulnerable with what they need most based on inclusive consultative processes with affected populations, and effective coordination open to local responders including Women Led Organisations</i>		Flexibility, transparency, and tracking <i>Quality funding is as flexible, predictable and timely as possible throughout the delivery chain – including for local responders – while still being clear and transparent (to an appropriate level of detail) in how it is used and where it goes and what it achieves</i>		Accountability and inclusion <i>To achieve quality, responses must understand the capacities, priorities, and views of affected people, and include people whose needs and vulnerability are heightened by gender inequality, social exclusion and marginalisation</i>		Equitable and principled partnerships <i>Quality funding and local partnerships must be based on a system-wide understanding of risk management (including risk sharing and transfer) and clear principles for partnerships</i>	
Outputs and activities (Specific areas of focus and proposed activities to ensure the outcomes are delivered)	Proposed outputs	Proposed activities	Proposed outputs	Proposed activities	Proposed outputs	Proposed activities	Proposed outputs	Proposed activities
	Coordinated, impartial, collaborative and fully transparent needs assessment process is in place to support analysis of data and the subsequent prioritization and decision-making informing funding allocations as far as possible, including a connection to collective outcomes across peace and development actors as well as their respective frameworks	e.g., Review, approval, and testing of JIAF e.g., integration of learning from review of 2020 Covid 19 response	Greater amounts of flexible funding channelled and allowing for more effective passthrough of unearmarked and flexible funds to downstream partners/ local actors	e.g., Increase in the volume and percentage of flexible (unearmarked, untargeted) and multi-year funding; e.g. improved tracking of unearmarked (and MY?) funding flows to downstream partners e.g., faster disbursements of funding to local actors e.g., greater pass through of overhead funding to downstream partners, e.g., building on UNHCR 4% commitment e.g., More funding to local actors including local women-led organisations, organisations of persons with disabilities, and those representing other marginalised people	Improved collective accountability in responses between donors, responders and affected communities	1. Support cross-cutting bodies such as CEA working groups more systematically 2. Support country leadership efforts 3 e.g., agreed donor position on collective CEA/AAP approaches and more coordinated funding approach	Simplified and harmonised due diligence, assurance, and risk management approaches, increased efficiency in delivery	1. Continued roll-out of 8+3 2. More coherent & proportionate assessment practice 3. Continued open discussion on risk-sharing
	Predictable and accountable strategic coordination of	e.g., IASC agrees predictable, accountable framework for strategic cash coordination in responses	Improved visibility of how quality funding is used and its results/ impact, greater visibility of	e.g., tracking of use of funds, on specific issues i.e., GESI through shared/common platforms e.g., visibility of donor contributions and local actors	Regular and systematic integration of affected	e.g., Perception surveys of affected populations as standard e.g., Increased integration of specific	Clear system-wide expectations about the role of	e.g., define and agree principles/ guidance for intermediary role e.g., clarity on instrument to provide

	CVA, particularly multisector cash		various humanitarian actors along the supply chain from donors to local actors		communities' views in responses	objectives identified by communities following the principle of equality and non-discrimination (such as towards promoting gender equality and disability inclusion in humanitarian crises)	intermediaries (upstream and downstream partners) in supporting local leadership and delivery.	targeted resources/ support to strengthen local leadership? E.g., strong, and agreed framework for long-term capacity building of local actors
	Coordination mechanisms more open and accessible for local actors, including women and persons with disability led organisations, and improve links with nexus actors (SP, development, climate change, peacebuilding)	Strengthening linkages and support the implementation of work being done through IASC RG 1 on localisation in coordination.	Improved transparency of tracking of costs including use of overheads and unearmarked funding	e.g., Adoption of Money Where it Counts cost classifications and definitions	Strong analysis of vulnerability and different needs in response	e.g., Strong engagement with women-led groups, Organisations of Persons with Disabilities, Indigenous People, etc.		
			Improved predictability of funding	e.g., higher proportion of multi-year funding e.g., Published criteria for allocation and long term partnership e.g., clear connection to development funding cycles				

* Already agreed, not for discussion

Annex II: Proposal for political caucuses

According to [Merriam-Webster](#), a caucus usually *refers to a gathering of politicians working towards a common goal*, and is thus a useful concept as we move towards a Grand Bargain 2.0 that focuses on the political elements of driving change in how we design and deliver humanitarian aid. One of the key weaknesses of the Grand Bargain workstream approach to date is that it has treated all problems equally, creating very large groups that struggle to reach agreement on specific points.

The “caucus” approach involves relevant and concerned Signatories - “coalitions of the willing” - that agree to monitor, drive and encourage progress on specific commitments.

Self-appointed “champions”, would take up specific actions from the Grand Bargain 2.0 framework and proactively and independently recruit other key stakeholders to work together in closed format, allowing for an open and frank discussion, exchange of views, analysis of bottlenecks and decision making. The caucuses would identify solutions, under the assumption that agreements can be more easily reached between 2, 3 or 4 partners with decision making power. Once a blueprint is ready, it can be further refined by consulting other interested Signatories, in a widening concentric circle approach, ensuring that this process does not limit consultation and inclusiveness. Individual caucuses – made up of small groups of champions - would help to drive political change across the Grand Bargain, showing proof of concept among smaller groups and eventually allowing other actors to emulate and/or join the particular initiative.

Caucuses are not intended to be formal structures – they should be flexible, adaptive, informal and peer-to-peer, focused on shared interests and a common goal, which may be a specific shift or change, or something more far-reaching.

Caucuses may ensure a variety of representation - from big to small actors - who will come together and who are truly interested in a particular change. Caucuses will enable frank, transparent, honest and challenging exchange of perspectives and ideas, utilising Chatham House rules to share open perceptions without linking them explicitly to specific actors or individuals.

Caucuses would keep the Grand Bargain Secretariat, and in this way the broader Grand Bargain Signatories, **informed of their activities and members**. This is not to monitor or control them, but rather to allow a big picture overview and connections to be made where beneficial.

Once a caucus has made progress on both analysis and on proposing political solutions, they can be further refined by consulting more interested Signatories, in a widening concentric circle approach, ensuring that this process does not limit consultation and inclusiveness.

Progress can be reported at an annual meeting.

Annex III: Proposal for meaningful engagement of national and local actors

Although the humanitarian community has yet to negotiate and endorse a fully developed concept for the Grand Bargain 2.0, it is clear that localisation and community engagement will be at its heart. As such, local actor engagement in the Grand Bargain 2.0 deserves particular attention and consideration to ensure that identified solutions meet the needs of local actors, as peer, strategic partners in the humanitarian system. Local actors however are not a homogenous group and range from local governments to NGOs and community-based organisations (CBOs) to Red Cross and Red Crescent National Societies that are auxiliaries to their governments. In addition to their diversity, local actors are also numerous, with 26,000 registered local NGOs in Bangladesh alone. Finding a feasible means to engage local actors across this spectrum in a meaningful way is therefore no easy task. Nevertheless, more could and should be done to strengthen local actor representation and inclusion in strategic decision making in the Grand Bargain going forward.

A few possible means of strengthening local actor engagement in the Grand Bargain 2.0 are laid out below with the understanding that **effective local actor engagement requires dedicated resources, and intentionality**. Local actors cannot simply be expected to conform to existing structures and processes. Ideally, local actors themselves will engage according to their capacities, once a conducive, enabling platform for engagement is provided. The below suggestions attempt to offer a variety of engagement opportunities for local actors across several levels: global/political, global/technical, as Signatories and at country level.

At global/political level: 1 local actor representative to be a part of the Facilitation Group of the Grand Bargain 2.0.

Recognises that local actors have additional perspectives as compared to the wider NGO community that are usefully integrated at the earliest stages when the Facilitation Group, in partnership with the Eminent Person and the Grand Bargain Secretariat, is developing approaches and concepts for improvement and adoption by Signatories.

Similar to the other Facilitation Group members, this local actor representative would be an existing Grand Bargain Signatory and would rotate on an annual basis thus ensuring that no-one local actor dominates the discourse. Furthermore, it would be advisable that this seat be occupied by one of the local actor consortia which represents many different local actors, thus ensuring adequate representation. Local actors should agree among themselves and nominate a representative, replicating the existing practice by other constituencies.

At global/technical level: Local actors, including affected state government at the national and local level, are encouraged to engage with the Grand Bargain at the technical level, through the forthcoming structure of the Grand Bargain 2.0, the NGO and RCRC constituencies, as appropriate, and through the new enabling priorities. In this way, local actors, that are not Signatories to the Grand Bargain would have an opportunity through the above forums to influence Signatories, specifically targeting those with the most financial and institutional power to effect change, sharing perspectives that Signatories have traditionally

had less access to. In return, local actors would be expected to provide constructive critiques, make demands and provide examples of where they are not seeing the change they expected as a result of the Grand Bargain 2.0, as well as ideas and suggestions for how to make those changes happen. They should also engage in implementing Grand Bargain objectives, outcomes and outputs, contributing to the achievement of targets.

Local actors as Signatories to the Grand Bargain 2.0: Considering the sheer size and diversity of this constituency, priority membership in the Grand Bargain is given to consortia that can represent a critical mass of stakeholders, as well as NGOs and CBOs that have the effective capacity to implement the Grand Bargain commitments. An effort will be made to reach out to recipient governments to engage in the Grand Bargain 2.0.

Country level change: It is very much recognised that the Grand Bargain must move further from 'Geneva to the Front line' in order to achieve its objectives, while maintain at the same time the elevated political breath. Existing country and regional consultation initiatives driven by country level colleagues – either through Government coordination, IASC forums such as the Clusters, Inter-Cluster and HCT, or through less formal structures such as the proposed National Reference Groups (below) – all enable local actors opportunities to engage with the Grand Bargain and challenge 'traditional' humanitarians.

In addition, where there is energy, capacity and an identified need to do so, national-level stakeholders can form **National Reference Groups**, whose role could be to identify context-relevant commitments to work on and specific metrics for measuring success, feeding learning to the Facilitation Group on implementation of commitments in practice, sharing lessons across contexts, and monitoring collective progress while advocating for more movement.

By exposing those with power in the humanitarian system to a 'safe space' critique of their progress against Grand bargain Objectives, they create greater political pressure to change.

The National Reference Group should ideally be small (<10 people) and may include representatives of affected people, local civil society, engaged media, academics, National government, Local government (including municipalities), non-humanitarian multilaterals and emerging donors.

The suggested process for establishing such a group would include a simple nomination process, either by existing Signatories or self-nomination by interested stakeholders, and appointment by the Humanitarian Coordinator.

In proposing this model, the Facilitation Group recognises that country level realities mean that many stakeholders who could add value to such a group, and to wider progress on the Grand Bargain at country level, are unlikely to have the time, energy or language to engage in what can be quite technical and jargon-filled discussions.

This should not prevent the model being tried where there is energy and capacity, including through a pilot, and indicates two further points: Existing national level humanitarian structures – HCTs, HCs and others – will still need to largely drive change themselves which will require

leadership and awareness. They will also need to actively create space and enable those contributions from local actors in whatever form, language, or structure they are provided.

Although creating such space may seem an addition burden on already overstretched humanitarians, it is likely that there will be a considerable payoff in terms of better access for local actors, improved complementarity of local and international actors, and ultimately, better humanitarian outcomes.

Appendix 1 – Suggested TOR for Reference Group.

Terms of Reference

The Grand Bargain Global/National Reference Group exists to provide a platform within the Grand Bargain for those with limited power in the humanitarian ecosystem to challenge Signatories to change in a safe space, and hold them accountable for change to date.

In a spirit of shared objectives and trust, Reference Group Members are expected to provide Grand Bargain Signatories with constructive critiques, demands and provide examples of where they are not seeing the change they expected as a result of the Grand Bargain, as well as ideas and suggestions for how to make those changes happen in the global/national context.

The reference group should be small (<10 people) and may include representatives of affected people, local civil society, engaged media, academics, affected State governments, non-humanitarian multilaterals and emerging donors.

Members should be nominated by Grand Bargain Signatories or through self-nomination by interested stakeholders and will be appointed by the Eminent Person/Humanitarian Coordinator.

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