



VOICE  
GRAND BARGAIN  
project

# Simplification Workshop

The Grand Bargain:  
a vehicle for simplification?

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Monday 05 November 2018  
Médecins du Monde, Paris



## Key Messages

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- 30 months after its launch at the World Humanitarian Summit, the Grand Bargain remains a key initiative to improve effectiveness and efficiency in the humanitarian aid sector. The GB has a strong potential to foster the long-lasting call for simplification and make it a reality. By its multi-stakeholders' engagement, the gathering of international and national NGOs, donors, and international organisations, it sets a unique forum seeking for collective progress to be made.
- The Grand Bargain opened the door for simplification via its reporting work stream. NGOs welcomed this step but working on narrative reporting is not enough. There is a need to expand this work not only by advocating for other donors to join the pilot (and expand further the pilot) but also by expanding to other elements like partners' assessment, financial reporting, etc. Simplification of the administrative and contractual management is a necessary step towards localisation. It may also contribute to more transparency.
- Donors expect NGOs to support them in tracking what is happening in the field and monitoring whether the benefits of the Grand Bargain trickle down to field operations and to keep on advocating for maintaining efforts to implement the Grand Bargain. NGOs are also essential in raising further awareness at the field level on the Grand Bargain initiative.



- The initiative 'Money where it counts' initiated by NRC in partnership with Humentum, aims at launching through a pilot exercise a harmonised financial reporting template based on a common cost classification. There's a strong consensus around the benefit of working with a harmonised template and the time and resources this would save in NGOs. Using a similar cost classification would also strengthen transparency and data sharing / management and would provide solid basis for NGOs to claim fair share of direct and indirect costs while helping donors to strengthen collaboration.
- Transparency as a pre-condition to efficiency and effectiveness. Thanks to the Grand Bargain, significant work has been made to improve the IATI standard and adapt it to the humanitarian context, needs and constraints. Benefits from using IATI are multiple; beyond the fact that it increases transparency, IATI may also be used to foster project management and exchange of information between project actors (particularly in consortia). Today many NGOs use IATI and many donors are asking for partners to publish on IATI. However, it is recognised that it will require some years before IATI is comprehensively used by all. For the time being, data shared on IATI remains too limited to contribute to the objective of better informing donors' decision-making process and funding allocation.



# Panel Discussion: The Grand Bargain a Vehicle for Simplification?

## Moderator:

- Pauline Chetcuti, ACF

## Speakers:

- Françoise Sivignon, Coordination SUD
- Kathrin Schick, VOICE
- Björn Hofmann, the Netherlands



The Chair, [Pauline Chetcuti](#), in her opening remarks introduced the workshop and its agenda. In response to the increasing administrative burden NGOs are confronted with when managing humanitarian funding, several initiatives calling for simplification have been undertaken. Commitments have been made by humanitarian donors to reducing administrative work: first in 2003 within the Principles and Good Practice of Humanitarian Donorship and in 2007, as the EU Consensus for Humanitarian Aid clearly mentioned simplification:

*“97. Concretely, the Community will seek in the medium term to continue to streamline and simplify its administrative requirements so as to strengthen collaboration with partners and improve field effectiveness”*



Since then, NGOs continued collecting evidence on the effect of donors' conditions and requirements attached to humanitarian funding. Key recommendations from NGOs' relevant studies ([Exploring EU humanitarian donors' funding and conditions](#)) and collective initiative ([Less Paper More Aid](#)) were heard by the High Level Panel on Humanitarian Financing and reflected in the Grand Bargain.

30 months after its launch at the World Humanitarian Summit, the Grand Bargain remains a key initiative to improve effectiveness and efficiency in the humanitarian aid sector. The GB has a strong potential to foster this call for simplification and make it a reality. By its multi-stakeholders' engagement, the gathering of international and national NGOs, donors, and international organisations, it sets a unique forum seeking for collective progress to be made. Within the Grand Bargain many work streams relate to the humanitarian financing architecture and potential for simplification can be seen as a main thread through the different work streams focusing on donors' conditionalities.

This workshop is co-organised with Coordination SUD; it aimed at discussing the potential of the Grand Bargain in relation to simplification and exchange with French actors and how the Grand Bargain can further support their work towards more efficient humanitarian aid delivery.



In the morning panel, the Grand Bargain was presented to participants and its state of implementation was discussed.

In her opening remarks, [Françoise Sivignon](#), vice president of Coordination SUD recognised that French NGOs are little engaged in the Grand Bargain. Only Care France has signed up to it – but French NGOs adhere to the spirit of the Grand Bargain and are engaged on the matter via different ways. Coordination SUD is working on a position. In her exchange with NGOs, Françoise noted that the number of commitments and their very different nature make it difficult to sign up to the initiative. NGOs also commented on the need for greater gender consideration to be made in the GB implementation.



From Françoise's perspective, priorities remain:

- To maintain a sense of urgency generated at the WHS;
- To be focused on sustaining the political involvement and to reinforce the trust between donors and NGOs;
- To see more local actors and affected people taking part in the decision-making processes;
- To address both systemic and institutional issues and move towards more of a 'sharing perspective' approach.

Kathrin Schick, VOICE director, shared the perspective of the network and its engagement on the Grand Bargain.

Focusing only on effectiveness and efficiency is not sufficient, there is a need to equally focus on the quality of humanitarian aid and increase its funding. In that respect, implementing the two other recommendations of the report from the High Level Panel on Humanitarian Financing is critical.

As highlighted in the VOICE and ICVA joint paper developed ahead of the last annual meeting of GB signatories, maintaining engagement on the Grand Bargain is essential. Technical and institutional changes are needed (for all humanitarian actors including donors and UN agencies) to fund actions and take them forward to where it matters. Identifying synergies and articulating complementary activities between work streams is paramount: the Grand Bargain needs to be looked at globally; it was developed as a package – not a series of commitments. Last but not least, NGOs insisted on the issue of trust and risk sharing; in the recent high-level meeting Kristalina Georgieva brought the issue back into the discussion – a highly appreciated initiative from NGOs perspective.

In relation to NGOs engagement, Kathrin suggested NGOs to focus on 2-3 issues and ensure meaningful contributions. Several NGOs have also developed their own initiatives (like NRC).

NGOs can work on the three levels:

- At NGO level (including in the field);
- At national network level;
- Through regional or global networks to influence international discussion via VOICE, ICVA or InterAction.



Björn Hofmann, humanitarian advisor to the Dutch MFA, shared his perspective on the Grand Bargain. He recalled the audience of the context in which the GB was designed: an increasing discrepancy between the level of funding and humanitarian needs – a worrying trend that we still observe today. The High Level Panel on Humanitarian Financing thus proposed three priorities areas:

- Reduce humanitarian needs by having more and earlier engagement from development actors in protracted crisis;
- Explore different sources of funding to bring in the humanitarian sector: develop new partnership and innovative financing;
- The Grand Bargain: to increase the efficiency of the humanitarian funding architecture and ultimately save around 1 billion USD!

The GB has since then become the main focus and is referred to as one of the most concrete outcomes of the World Humanitarian Summit.

The Grand Bargain offers a unique platform for donors, UN agencies and NGOs to engage and deepen their partnerships. The Dutch MFA has identified three priorities: reducing earmarked funding, multiyear planning and funding and increasing transparency. Being a key donor to the CERF, the Netherlands provide large amount of multiyear and non-earmarked funding. In return the Dutch MFA expects partners to be more transparent. Together with the World Bank, the Netherlands co-convene the transparency work stream which has progressed well since the launch of the Grand Bargain.

Innovation is also at the heart of the Dutch MFA humanitarian approach. The Dutch Relief Alliance (Dutch NGO partners) is supported by the Dutch MFA not only because it is an innovative model but also because it incentivises partnership and more efficient responses through consortia.

When it comes to simplification, Björn considers the Grand Bargain has the potential to move the agenda forward. The Dutch government contributes to pooled funds of different kind (the CERF, but also blocks allocation to the Dutch Red Cross and the DRA). All this made it simpler for the Dutch MFA.



### But is simplification happening for implementing actors?

- Does it translate all the way through the system? When UN partners benefit from quality funding, is it transferred then to their implementing partners?
- From the Dutch MFA perspective, funding the DRA makes it easier to manage since the MFA deals only with one partner (i.e. the lead of the DRA) – however, it does not necessarily help all our NGOs since they then have to work together!



From Björn's perspective, simplification requires heavy investments and changes which incidentally create complex processes at first. Furthermore, as the GB focuses on system changes (such as the use of IATI), it may lead to losing people in the process. In order to avoid such situation, it is essential to take people on board during those changes.

Coordination SUD and French NGOs agree on the potential for simplification. French NGOs expect simplification via harmonisation. Harmonising donors' approach to assessment, audits, reporting would lead to significant efficiency gains and benefit NGOs and affected people. There is also a need to challenge donors' perception on NGOs and particularly regarding local NGOs being more at risk than other actors such as the private sector.

Kathrin seconded this intervention and while France is considered as an “easy” donor for humanitarian action, the European Commission is one of the most complex. The recently newly adopted Financial Regulation offers a new framework for Member States and the European Commission to work towards harmonisation. We need to mobilise EU donors to seize this opportunity for joint reliance on audits and assessments and reduce the administrative burden on NGOs.

The Grand Bargain opened the door for simplification via its reporting work stream. NGOs welcomed this step but working on narrative reporting is not enough. There is a need to expand this work: not only by advocating for other donors to join the pilot (and further expand the pilot) but also by expanding to other elements like partners' assessment, financial reporting, etc. NGOs stand ready to provide concrete suggestion to where simplification gains can be made within the whole project cycle.





Simplification of the administrative and contractual management is for VOICE a necessary step towards localisation. It may also contribute to more transparency.

On the other hand, the political environment in which we operate, the increasing request for more accountability and the focus on counter-terrorism measures may also affect humanitarian aid delivery and the administrative demand linked to it – potentially hindering our attempt to simplify.

Nora Loozen, working with the Belgium MFA, shared her perspective about the Grand Bargain. The initiative offers a unique platform for addressing long standing issues in the humanitarian sector and has given Belgium a leverage to reform its strategy and adapt its humanitarian *decret* to implement multi-year funding, reduce earmarking and lighten the administrative burden on Belgium partners. The Grand Bargain, thanks to its shape and monitoring process, generates a healthy competition between donors but also foster cooperation. Belgium is supporting collective initiatives that have a benefit on the ground and for its partners. Nora shared then the main lines in relation to specific work streams: on reporting, Belgium has not joined the pilot since it follows ECHO approach and tool. On transparency, careful attention needs to be given to sensitive data: systematic publication of data on IATI is not possible. The same applies to cash: while Belgium has set up a target for increasing cash, it only encourages partners to consider cash in their project definition but does not impose it. There's also a need to actually track the costs inherent to setting up cash based programmes. When it comes to less earmarking, Belgium is willing to see partners' benefiting for such funding making those contributions more visible (as equally visible as earmarked ones!).

During the questions and answers session, the role of NGOs in the Grand Bargain was discussed. Donors expect NGOs to support them in tracking what is happening in the field and monitoring whether the benefits of the GB trickle down to field operations and to keep on advocating for maintaining efforts to implement the Grand Bargain.

NGOs are also essential in raising further awareness at the field level on the Grand Bargain initiative. Field actors and particularly local NGOs are very eager to see the GB translated into concrete actions – particularly around the localisation work stream. Initiatives like the present workshop and similar ones organised by VOICE in the field are essential to further engage NGOs in the process.



# Plenary Session: Workshops restitution

## Narrative Reporting work stream & piloting: where are we at?



- **Jeremy Rempel**, Coordinator Less Paper More Aid, ICVA
- **Alexander Gaus**, Project Manager, GPPI

The session on *'Narrative Reporting work stream & piloting: where are we at?'* provided participants with an update on the current status of the Grand Bargain work stream 9 on Harmonizing Donor Reporting. The facilitators explained what has been done so far and what is planned in the coming months. Key insights from the mid-term review of reporting pilot currently underway in Iraq, Myanmar, and Somalia were shared; discussing what works, what doesn't, which aspects of the harmonised reporting template require revisions, and how NGOs can contribute to them.



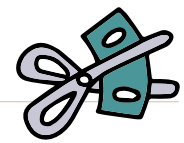
Given that France recently signed up to the Grand Bargain and identified the reporting work stream as one of its priority, the session was very timely.

Jeremy also shared its reflection around the potential tension between harmonisation and simplification. When developing the 8+3 narrative template and comparing the existing donors reporting template there was a consensus that harmonization should not be made on the basis of the most complex format but be wide enough to attract a critical mass of donors.

As mentioned in the opening panel, the narrative reporting work stream is paving the way for further work on harmonisation throughout the whole project cycle. Using the methodology of the work stream 9, more initiatives should be undertaken be it on financial reporting, partners' capacity assessments or audits.



## Financial management and reporting: a room to integrate this in the Grand Bargain?



- Luca Peciarolo, Humanitarian Financing Project Manager, NRC
- Tim Boyes-Watson, Global director Alliances & Advocacy, Humentum

The Norwegian Refugee Council (NRC) and the Boston Consulting Group (BCG) released in June 2017 a study highlighting the inefficiencies related to the myriad of different cost classification methodologies and financial reporting requirements used within the aid sector. The “Money Where It Counts” study made concrete suggestions on how to address these inefficiencies.

Building on the positive experience of the pilot on harmonisation of narrative reporting, NRC and Humentum have set up a small NGO working group with the aim to adopt a set of standard cost classification methodologies and financial budgeting/reporting templates. The workshop offered space to inform about this process; discuss what the challenges are for the various constituencies (NGOs, Donors, UN Agencies) and what can be done collectively to contribute to furthering harmonisation and simplification in the context of the Grand Bargain.

The initiative was launched couple of months ago and aims at launching through a pilot exercise a harmonised financial reporting template based on a common cost classification.



There's a strong consensus around the benefit of working with a harmonised template and the time and resources this would save in NGOs. Using a similar cost classification would also strengthen transparency and data sharing / management and would provide solid basis for NGOs to claim fair share of direct and indirect costs while helping donors to strengthen collaboration.



The benefits of the initiative are numerous and would be felt by all actors (donors, UN and NGOs) and definitively contribute to the simplification agenda while leveraging significant efficiency gains.

But to reach this objective the challenges are numerous:

- There is a diversity of practices within the NGO and donor communities and different views regarding the degree of accountability and financial reporting that would be necessary;
- To move the agenda forward, a significant investment needs to be made;
- Building a consensus on cost classification proves to be difficult because of the diversity of actors and approaches.

Moving ahead, NRC and Humentum are working together with a few numbers of NGOs to take the initiative forward. In the coming months, outreach to donors will be made to seek political and financial support with the objective to launch a pilot and engage more NGOs in the testing phase.



# Transparency: The IATI standard: which potential for simplification



- Sarah Johns, Transparency manager, BOND
- Daniel MacKenzie, Transparency Adviser, Compliance and Policy, IRC

The IATI open data standard provides a ready-made, simple framework for sharing data about humanitarian activities. Required by multiple bilateral and multilateral funders, it forms the cornerstone of the Grand Bargain Transparency commitment. This practical workshop offered space for participants to hear real case studies, discuss key questions and explore how IATI data may benefit NGOs and their in-country partners and the whole humanitarian community.

In the feedback session, the facilitators presented transparency as a pre-condition to efficiency and effectiveness. Thanks to the Grand Bargain, significant work has been made to improve the IATI standard and adapt it to the humanitarian context, needs and constraints. Regarding the compatibility of IATI standard with the Financial Tracking System, this is still ongoing in order to avoid duplication of systems.

Benefits from using IATI are multiple; beyond the fact that it increases transparency, IATI may also be used to foster project management and exchange of information between project actors (particularly in consortia).



Based on the experience of the facilitators, it was advised to NGOs to use the existing data before deciding to publish its own set of data in order to get familiar with the IATI standard and the platform. Identifying in the organisation a focal point responsibility for monitoring data publication is essential but for many organisations it may be also important to train many more staff to IATI and share the burden of publishing data (project manager, M&E officer, etc.).

Today many NGOs use IATI and many donors are asking for partners to publish on IATI. However, as highlighted by Björn, it is recognised that it will require some years before IATI is comprehensively used by all. For the time being, data shared on IATI remains too limited to contribute to the objective of better informing donors' decision-making process and funding allocation.



## Closing remarks

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- Eric Chevallier, Centre de Crise et de Soutien

Eric Chevallier presented first what the CDCS mandates and objectives are i.e.

- to support French citizens abroad;
- to contribute to humanitarian assistance and stabilisation efforts;
- to support victims of terrorist attacks in France.

Recently, France adopted a new humanitarian strategy – developed in consultation with the NGOs and signed up to the Grand Bargain.

The strategy meets the Grand Bargain around three priorities areas:

- localisation;
- simplification;
- nexus.

Concrete activities are being planned and include:

- the setting up of a dedicated working group to agree the definition of a marker for localisation;
- the intention to use the 8+3 template for 2019 projects;
- on the nexus: discussions between the CDCS and the Agence Française de Développement (AFD) have started – and both agreed to work on the nexus in practice through first co-funded projects.



With the EU, the CDCS is very committed to strengthening its work with ECHO. In a recent discussion with Monique Pariat, Mr Chevallier expressed the importance of minimizing the administrative burden on NGOs and donors and thus the interest to work on cross reliance of partners' assessment and audits.

In relation to financing implementing partners, the CDCS will work with the Ministry of Interior and the Finance Ministry to find a proposal.

Last but not least, France together with Germany is assessing the possibility to bring to the UN Security Council work plan a dedicated action aiming at strengthening the framework for protection of humanitarian workers and humanitarian facilities.



VOICE stands for 'Voluntary Organisations in Cooperation in Emergencies'. VOICE is a network of more than 80 non-governmental organisations (NGOs) active in humanitarian aid worldwide. VOICE is the main NGO interlocutor on EU humanitarian affairs and disaster risk reduction and it promotes the values of humanitarian NGOs.

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