

EXECUTIVE COMMITTEE OF THE  
HIGH COMMISSIONER'S PROGRAMME  
STANDING COMMITTEE  
79th Meeting  
16-17 September 2020

**NGO statement  
Update on the Grand Bargain**

Dear Chair,

This statement is delivered on behalf of a wide range of NGOs and aims to advocate for the protection of rights within Grand Bargain measures.

First, we want to pay attention to the **impact of COVID-19 on localisation:**

COVID-19 has changed the environment for delivering humanitarian assistance, **accelerating the need for localisation**. We have all witnessed an increased reliance on local partners driven largely by practical – not always principled – reasons, with extreme restrictions placed on global supply chains. Movement of NGO staff – whether international, national, or local – all but stopped in many places.

Even though no system-wide shift in operational practice has occurred, evidence indicates that the Grand Bargain has helped to drive progress and brought various tangible results. For example, the COVID-19 GHRP integrates key Grand Bargain commitments, such as the role of local and community-based actors, flexible funds, community engagement, and a simplified and harmonised approach to both narrative reporting and grant management.

However, NGOs are concerned that progress on localisation may ultimately be **slowed in the COVID-19 era**, because of the global recession and knock-on effect on available funds.

Second, we wish to highlight some **achievements and opportunities:**

UNHCR has met the target for providing at least 25% of humanitarian funding to local and national responders under workstream 2. NGOs would also welcome an increase in disaggregated reporting data highlighting how refugee inclusion as well as AGD inclusion has been taken into account by UNHCR in funding decisions at local level.

Further, we welcome UNHCR's decision to allocate a standard 4% of grants to local NGOs as **indirect support costs** and its advocacy for a similar approach from donors in the Syria response.

However, no comparable effort exists to **strengthen the capacities of local and national responders** to absorb international funding. Investments in strengthening the capacities of local partners remained largely static, with only limited additional support from donors. We, therefore, recommend the creation of a unified framework across UN Agencies, tailored to building local partners' capacity.

Moreover, to fulfil the Grand Bargain commitments, **compliance requirements** should be adjusted to accommodate smaller organisations with fewer resources. Indeed, it remains extremely hard for local NGOs to **partner** with UNHCR or most UN agencies.

**On cash and voucher assistance, NGOs welcome the increase in UNHCR funding for those programmes run by local actors. In taking decisions on which local organisations are eligible for cash and voucher assistance, we recommend further UNHCR transparency on the cost-effectiveness data and evidence it bases its decisions on**, including results of gender and risk assessments of cash programmes. UNHCR should also share good practices where working in partnership with local actors has built on opportunities of cash programs to strengthen their capacities.

**On Harmonisation of UN partnership agreements**, in 2019, UNHCR has instituted **two-year agreements** with its downstream partners, and currently has 34 such partnerships in place. However, receiving payments in instalments based on performance indicators, rather than in a lump sum, means multi-year framework agreements still cannot effectively support downstream partners in many cases.

We welcome UNHCR's decision to give its country representatives the discretion to institute funding for downstream partners, regardless of the availability of multi-year funding for these operations.

We also ask UNHCR to **cascade more multi-year funding to its frontline implementers** and to champion our request for a cascading target to be agreed with other UN Grand Bargain signatories by May 2021. We further encourage UNHCR to join forces with the quality funding workstream to advocate for the provision of a critical mass of flexible and predictable funding.

In contrast to improvements in cascading funds, 2019 saw a sharp increase in UNHCR country-level earmarking, though unearmarked funds remained stable at approximately 15% of total budget. We strongly recommend that **UNHCR reduces the earmarking** of its funding to NGOs, in line with its Grand Bargain commitment.

UNHCR provides 7% and 4% of grant amounts as indirect support costs for International NGOs and National NGOs, respectively. We stress, however, that these rates are in fact preventing some actors from working with UN agencies, as both simply do not cover true core costs, forcing NGOs to subsidize UNHCR funding. UNHCR should raise the percentage of indirect cost recovery for National NGOs to that it provides for International NGOs and consider a further overall **increase**.

Third, we wish to highlight **risks and challenges ahead**:

**On costs and technology efficiency**, NGOs would welcome continued progress to reduce duplication and management costs in workstream 4, which is crucial for field organisations with limited resources. As UNHCR contributed to the roll-out of the Business Operations Strategy to 131 countries, we **recommend equal engagement with NGOs for more transparent and comparable cost structures**. This can build on UNHCR's exchanges with the INGO Systematic Cost Analysis Consortium about methodologies for reporting on humanitarian assistance cost-efficiency.

**On reporting requirements**, amid **concerns about stalling efforts to roll-out simplified and harmonised reporting requirements under workstream 9**, NGOs have repeatedly said that **reducing the narrative reporting burden** is crucial to realise Grand Bargain commitments. We are grateful for UNHCR's efforts in 2020 to accelerate this work again, especially given the pandemic and need to support first responders.

**On linkages between Grand Bargain commitments**, NGOs consider that more than ever, the 11 core commitments need to be **interconnected and linked**, surpassing particular institutional priorities **to achieve system-wide change**. UNHCR has endeavoured to connect workstreams, underpinning a more localised and people-centred approach to programming, including through the Ethos document co-led with IOM. Also, noticeable, UNHCR has increased multi-sectoral needs assessments in 2019. We recommend a more systematic inclusion of gender analyses in both stand-alone and multi-sectoral needs assessment.

To conclude, we commend UNHCR for its leadership on the Grand Bargain agenda. Ahead of the agreement's 5-year mark, we must all strive for greater ambition, especially through sustained dialogue between its signatories. **NGOs stand ready to support this dialogue and a faster Grand Bargain implementation**.

Further details are available at [icvanetwork.org](http://icvanetwork.org)

Thank you.