

Draft proposal on a Grand Bargain political caucus on the topic of *the role of intermediaries in support of locally led action*

Problem statement: There are gaps in understanding the importance and expectations on the role of intermediaries and the associated benefits of shifting the status quo in support of locally led action. The current formulation of the intermediaries' role, in particular, the range of added values they provide needs to be revisited and their 'fit for purpose' contribution in a more localised humanitarian system (re)defined.

An organisation, network or mechanism acts as an intermediary between donors and national or local implementing organisations, providing a range of added values that may include established relationships, convening power, trusted branding, technical skills, networking, oversight, due diligence, management support, economies of scale, risk management, fund management and fund raising, capacity support or other support. When acting as intermediaries for funding to local responders, international humanitarian organisations, national organizations, and networks may either empower or disempower their local partners to make best use of the latter's comparative advantages.

The default operational mode of the international aid system is often still to immediately rely on intermediaries for implementation which undermines the approach of reaching aid to affected people 'as directly as possible'. While there is intention to change and there are already some evidence of good practices on effective intermediary role, the existing authorities, default processes and rewards are structured in a way that sustains the status quo. The shift towards international humanitarian cooperation that operates under the principle of subsidiarity and complementarity requires joint action and a political effort.

The recent Localisation Workstream report, '*Bridging the intention to action gap: the future role of intermediaries in supporting locally-led humanitarian action,*' identifies the barriers to change and provides insights on how the sector can address some of these barriers. The proposed caucus on role of intermediaries will draw from the main findings and recommendations from this report focusing on where greatest political change is needed and urgent – on opportunity and motivation of donors and intermediaries to provide space for local and national actors to lead, design and deliver principled humanitarian response in collaboration with the affected populations.

Objective / desired outcome:

- Develop cohesive understanding of what an intermediary can be, noting that it can be a national actor or network
- Build strong consensus on the vision for the future role of intermediaries, as laid out in the WS2 study on intermediaries. Analyze and implement the individual elements of the vision to achieve a more "localised" humanitarian system. This includes improving the ways and means of intermediaries to reinforce rather than replace local/national actors.
- Develop broad agreement and build particular momentum on 2-3 concrete change areas for donors, intermediaries, and local actors to accelerate shift towards the common vision

Potential activities of the Intermediaries Caucus – Oct 2021-March 2022

- Review findings and recommendations from the recent Workstream report and refine a consensus vision of the fit for purpose roles performed by intermediaries (including

international intermediaries but also local organizations and networks that act as intermediaries for other local actors)

- Consult with signatories, including WS2, on the refined vision and then submit a final version to all signatories for approval by silence procedure.
- Agree on 2-3 actions/changes on incentives, accountability and default processes that donors and intermediary agencies might take in the next two years. These may be around:
 - Risk sharing
 - Transparency/visibility
 - Capacity strengthening or sharing
 - Due diligence, compliance, and quality assurance

Caucus members: IFRC, SCHR, UNHCR, UNICEF, NEAR, A4EP, ECHO, SDC

There will also be an outer circle of caucus members who are interested in following these discussions.

Proposed duration of the caucus: October 2021-March 2022, with the ambition to circulate a finalised common vision and key actions by the end of this period.

Methodology: Three principal level meetings, with 1-2 technical level workshops organised to gather input and distil analyses.

DRAFT