



European
Commission



© European Union, 2018 (photographer: Peter Biro)

Last updated 27/06/2022

European Civil Protection and Humanitarian Aid Operations

Grand Bargain

What is it?

The world's major humanitarian donors and aid organisations adhered to the Grand Bargain during the World Humanitarian Summit in May 2016. The agreement aims to improve the way humanitarian aid is delivered by making it more effective and more efficient.

The goal is to reach more people in need and spend less money on administration and overheads, while improving the design and delivery of humanitarian action. To reach this goal, humanitarian donors and aid organisations have formulated 51 shared commitments to guide their actions.

Why is this important?

While humanitarian needs are increasing all over the world, international humanitarian funding is not growing fast enough to keep up with rising demands. The way humanitarian aid is delivered must therefore become more effective and efficient to tackle these new challenges and address humanitarian needs.

The 64 signatories to the Grand Bargain (including international humanitarian donors, UN agencies, the Red Cross and Red Crescent Movement, non-governmental organisations, and local partners) have been working together on their shared commitments to make humanitarian assistance more efficient.

The Grand Bargain covers topics that reflect long-standing demands in the humanitarian landscape and takes on board challenges faced by both donors and humanitarian organisations. These include:

- increased transparency
- scaling-up of cash programmes
- harmonised reporting to reduce bureaucracy
- multi-annual funding and reduced earmarking
- coordinated needs assessments and increased coordination with local responders as well as with development actors.

Given the limited humanitarian funding available, an improved response will ultimately result in more resources reaching people affected by man-made and natural hazards.

How are we helping?

As a major global humanitarian donor, the European Commission, through its Civil Protection and Humanitarian Aid Operations department, is at the forefront of the implementation of the Grand Bargain commitments.

From 1 October 2016 to 31 August 2017, the European Commission was a key member of the first Grand Bargain facilitation group. It became again member of the Facilitation Group from October 2019 until December 2022.

The facilitation group was established to provide continued momentum to the Grand Bargain process, including through coordination and information sharing, and by organising the annual Grand Bargain meeting.

Together with UN OCHA, the European Commission is a co-convenor of the workstream on Coordinated Needs Assessments, which aims to ensure that the needs assessment process is coordinated, impartial, collaborative, and fully transparent.

The European Commission is also actively involved in other Grand Bargain workstreams and is looking at how to make its own internal processes more effective and efficient.

For instance, the European Commission is:

- **Enhancing its engagement with development actors:** While humanitarian aid is crucial in the aftermath of an emergency, development cooperation offers long-term solutions to structural problems. By working together, humanitarian and development actors can improve the living conditions of the world's most vulnerable people, increase their resilience and thereby shrink humanitarian needs over the long term.
- **Increasing its humanitarian assistance provided in cash:** Cash transfers are increasingly seen as an acceptable and appropriate way to deliver humanitarian assistance. Not only does cash provide more flexibility to address beneficiaries' needs, it also reduces delivery costs and fuels the local economy.
- **Stepping up cooperation with local partners:** Local and national NGOs are valuable partners in crisis-affected contexts: they are often the first to respond when a disaster strikes, they are a part of the local communities, and they are more perceptive of the local cultural and political dynamics in which they operate. Increasing financial support to local partners and developing their competencies for better preparedness, faster response and resilience-building will improve the way we deliver humanitarian aid.
- **Increasing its proportion of multiyear funding:** Multiyear, and less earmarked, funding ensures predictability of funding from donors to implementing organisations, increases flexibility and decreases the administrative burden while allowing for longer-term planning. The European Commission has started piloting this approach, including Programmatic Partnerships and contributions to Country-Based Pooled Funds.

The Grand Bargain 2.0

The Grand Bargain was redesigned towards a more focused, political, simpler Grand Bargain 2.0, with high-level political priorities – in a quid pro quo context – supporting the enabling priorities, namely localisation/ participation and quality funding (understood in a wider sense, namely also quality in delivery).

Signatories endorsed the new framework at the Annual Meeting in June 2021.

Grand Bargain 2.0 introduced the concept of the political caucus, based on self-declared champions to address remaining challenges at the political level. The Eminent Person, Jan Egeland, launched 3 caucuses:

- The cascading of funding through better intermediation to enable both quality funding and locally-led humanitarian action. This has been translated into a quality funding caucus, with a closure date of 12 July 2022.
- Cash coordination, which will support the quality funding enabling priority (successfully closed). The caucus was successful in adopting a coordination model, setting out the structure, function, leadership and resourcing of cash coordination, endorsed by the Inter-Agency Standing Committee in February 2022
- Concrete steps towards quality funding for local and international actors while ensuring the accountability, transparency, and visibility required by donors. This has been translated into a caucus on the role of intermediaries, aiming at closure around the June/July 2022 annual meeting.

The European Commission participates in all 3 caucuses.

Under Grand Bargain 2.0, the workstreams evolved organically, deciding the best structure to reach outstanding commitments, which led to some closing.

Grand Bargain 2.0 also introduced the National Reference Groups (NRGs), led by local and national actors. It aims to (i) support unblocking barriers to quality funding, (ii) ensure greater support is provided for the leadership, delivery and capacity of local responders, and the participation of affected communities in addressing humanitarian needs.

Facts & figures

There are **64 signatories** to the Grand Bargain. These include international humanitarian donors, UN agencies, the Red Cross and Red Crescent Movement, non-governmental organisations, and local humanitarian partners

51 shared commitments to make humanitarian aid more effective and efficient

5 workstreams to put the commitments into practice

3 caucuses to tackle remaining challenges