

**73rd meeting of the Standing Committee
(19-21 September 2018)
Agenda item 4 (ii)**

Oral update on the “grand bargain”

I. Introduction

This update summarizes the progress made in implementing UNHCR’s commitments under the “grand bargain” to date. A more detailed report covering the period January to December 2017 is available on the Inter-Agency Standing Committee (IASC) grand bargain portal¹.

From September 2017 to September 2018, UNHCR was part of the grand bargain facilitation group, supporting the collective effort to implement the commitments, together with Germany, the United Kingdom of Great Britain and Northern Ireland, the International Committee of the Red Cross, InterAction and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA).

II. Overall summary of grand bargain implementation

UNHCR is steadily making progress against the commitments it made at the World Humanitarian Summit and has met some key milestones. These include publishing data according to the International Aid Transparency Initiative (IATI) standard, providing a record high amount of programme funding to local and national partners and introducing the UN Common Partner Portal, which will lead to reduced burden on partners.

III. Summary of grand bargain implementation by workstream

A. Greater transparency

An independent expert study concluded that it was possible to fully reflect the data published by UNHCR, in accordance with the IATI standard. UNHCR has therefore began publishing data in accordance with the required IATI standard in September 2018 and will continue doing so on a monthly basis. Data from January 2016 to date is now available on the IATI registry site.

B. More support and funding tools for local and national responders

UNHCR’s commitment: transfer at least 25 per cent of programme expenditures to local and national responders by 2020.

In 2017, a total of \$1.5 billion was provided to 1,035 non-governmental organizations (NGOs), of which \$699 million was allocated to 826 local and national partners. This was the highest number ever recorded both in terms of partners, as well as funding allocation. The allocation represented 21 per cent of UNHCR’s annual programme expenditure in 2017.

UNHCR’s commitment: expand investment in institutional capacity-building for national partners to support effective emergency preparedness.

In May 2018, UNHCR issued a guidance note on complementary capacity strengthening for UNHCR and its NGO partners² to improve collaboration between international organizations in capacity-building of national and local partners.

UNHCR undertook 10 preparedness missions in 2017 and four missions during the first half of 2018. These missions included consultations with local authorities, communities, partners and service providers. UNHCR also facilitated 11 situational emergency trainings (SET) in 2017, with the participation of local government and NGO partners, and added two more trainings in 2018. In addition to undertaking capacity-building, local partners have committed to developing contingency plans based on specific risk scenarios agreed upon during the SETs.

¹ See <https://interagencystandingcommittee.org/grand-bargain-hosted-iasc>.

² Available from <http://www.unhcr.org/partners/partners/5b51b0177/operational-guidance-complementary-capacity-strengthening-unhcr-its-ngo.html>.

Using the global preparedness tool, “High alert list for emergency preparedness”, UNHCR was able to conclude that, of the 21 refugee contingency plans finalized by field operations in 2018, all included participation of local governments, 90 per cent included local or national NGOs as contingency/preparedness partners and 24 per cent included local communities.

C. Increase the use and coordination of cash-based programming

UNHCR’s commitment: double the amount of funds programmed for cash-based interventions (CBIs) by the end of 2020 as a proportion of its overall assistance.

In 2017, UNHCR delivered \$502 million in cash assistance, which reached some 8 million vulnerable people. While the net value of cash decreased from \$688 million in 2016, mostly due to the reduction in the number of Afghan returnees, an increasing number of operations used cash as a mode of delivery of assistance.

Between 2015 and 2018, UNHCR invested in organizational capacity to properly implement cash activities by increasing; (i) the number of cash experts from 3 to 35 in country operations, (ii) the number of staff trained on CBIs from 12 to 4,500, and (iii) the number of operations with cash activities from 21 to 95.

UNHCR conducted a “[Mapping of social safety nets for refugees – opportunities and challenges](#)”³ to take forward alignment between humanitarian cash assistance and social safety nets in forced displacement situations.

D. Reduce duplication and management costs with periodic functional reviews

UNHCR’s commitment: Use biometrics for refugee registration in a total of 75 country operations by 2020.

UNHCR’s commitment: reduce the cost of procurement and logistics by 10 per cent by the end of 2020 through the use of shared services with partner agencies.

➤ *Reduce costs and measure the efficiency gains with technology and innovation*

UNHCR’s biometric identity management system (BIMS) is currently used in 52 operations, and the organization is on track to meet the target of 75 country operations by 2020. More than 80 per cent of the targeted population across existing operations using biometrics has been biometrically enrolled to date.

The roll out of UNHCR’s global distribution tool (GDT) in six operations streamlined the delivery of aid using BIMS biometrics and added further integrity to the aid delivery processes. Using biometrics, BIMS and GDT ensure that beneficiaries are provided with equitable access to assistance. UNHCR has worked closely with the World Food Programme (WFP) to ensure that both agencies benefit from the integrity and efficiency that UNHCR collected data and its systems provide.

➤ *Harmonize partnership agreements*

The common partner portal, built upon the UNHCR portal and to be used by the United Nations Children’s Fund (UNICEF), WFP and UNHCR, is expected to be fully functional during the fourth quarter of 2018. In order to reduce the burden on partners, it aims to converge processes, provide a single gateway for partners and harmonize due diligence assessments. The three agencies, together with the International Council of Voluntary Agencies (ICVA), circulated a survey to NGOs to identify additional harmonization requirements, the results of which will feed into discussions between the United Nations and NGOs to be held during the fourth quarter of 2018.

UNHCR and UNICEF have harmonized the auditing approach for common partners, based on a risk-based audit established by UNHCR. This complements the engagement by UNICEF to harmonize auditing with the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA). The common audit is in its second year of application and is being introduced in stages.

➤ *Provide transparent and comparable cost structures*

A study by the Norwegian Refugee Council (NRC) captured how different financial reporting formats are required for different donors for the same project, as different costing structures are applied. UNHCR and the Government

³ See <http://www.unhcr.org/5ad5b4084>.

of Japan initially planned to use the NRC study as a starting point in harmonizing costing structures. However, in light of the United Nations reform, it was considered more appropriate to work together with the Secretariat of the Finance and Budget Network of the Chief Executives Board for Coordination (CEB) in the context of the recently-launched “UN data cube” project. With the overall goal of harmonizing reporting within the United Nations reform context, the project will address issues related to the standardized categorization of functions in United Nations development and humanitarian assistance programmes, peace-keeping operations and others. Discussions are ongoing on how to capture management support costs in a standardized and coherent manner.

➤ *Undertake joint logistics and procurement*

In 2017, there was a 3 per cent reduction in direct procurement spending⁴ compared to the 2015 baseline (\$1,017 billion). This was achieved through different measures, including the increased use of framework agreements with pre-selected vendors. UNHCR also tapped into other United Nations agencies’ framework agreements to avoid new bidding processes. The organization remains committed to reducing the cost of procurement and logistics by 10 per cent by the end of 2020.

➤ *Reduce individual donor assessments*

In line with the report of the United Nations Joint Inspection Unit⁵, UNHCR and the Government of Japan have advocated a reduction in the number of individual donor assessments. A presentation was also made to the Multilateral Organization Performance Assessment Network in April 2018 to highlight the importance of this commitment.

E. Improve joint and impartial needs assessments

UNHCR participated in over 140 joint needs assessments since the start of 2017, involving 34 different operations⁶. The majority of joint assessments are multi-sectoral, and development actors participated in almost half of the assessments. The joint needs assessments serve a variety of operational purposes, including the development of target eligibility criteria, programme design and appeals.

UNHCR’s operational data portal (<http://data.unhcr.org>) is publicly accessible and contains analytical information on refugee situations, including joint needs assessment reports and other information, including maps and dashboards. The site has an average of 49,000 monthly visitors and is widely used by humanitarian organizations and governments. For situations relating to internally displaced persons (IDPs), UNHCR disseminates joint needs assessment reports on www.humanitarianresponse.info.

UNHCR took part in OCHA-led humanitarian needs overview (HNO) analysis exercises in IDP situations to inform the content of humanitarian response plans (HRPs). To date, there are a total of 23 HRPs covering 2018, and UNHCR participated in all except for those covering Ethiopia, Haiti and the Occupied Palestinian Territory. During the HNO exercises, as global lead or co-lead for protection, camp coordination and camp management and shelter clusters, UNHCR led needs assessments for the respective clusters and facilitated the prioritization exercise.

F. A participation revolution

UNHCR’s commitment: ensuring equal (50 per cent) and meaningful participation of women and adolescent girls in all decision-making processes and structures in forced displacement contexts by 2020.

UNHCR’s global strategic priorities in 2016-2017 included female participation in leadership and management structures in refugee and IDP situations. Of the 58 operational situations which set indicators against this objective, the participation of women either improved or remained at the same level, of 53 per cent.

⁴ Purchase orders (POs) used to make cash payments are adjusted out of the overall PO spending level, and the net spending is then indexed to mirror the change in annual funding so as to derive the effective percentage change in spending (since this does not move independently of income level). No adjustments are made for inflation.

⁵ Available from https://www.unjui.org/sites/www.unjui.org/files/jiu_document_files/products/en/reports-notes/JIU%20Products/JIU_REP_2017_2_English.pdf

⁶ The criteria for counting these joint assessments was strict and does not include, for example, the dozens of joint needs analysis processes that help develop UNHCR’s country operations plans.

In March 2018, UNHCR launched an updated age, gender and diversity policy⁷. The revised policy outlined 10 mandatory actions, one of which related to participation and inclusion. UNHCR operations are required to employ participatory methodologies at all stages of the operations management cycle. The roll-out of the policy is ongoing and involves the consolidation of tools, identification of good practice, and the development of new tools and guidance, such as the operational guidelines on accountability to affected people.

G. Increase collaborative humanitarian multi-year planning and funding

In 2017, multi-year multi-partner (MYMP) planning and funding was introduced through six pilot operations. Since then, 16 additional operations have developed MYMP protection and solutions strategies for the next three to five years.

UNHCR will focus on strengthening the overall implementation of the MYMP strategies in these 22 operations and assess which institutional changes are needed. The ongoing revision of UNHCR's results-based management system will incorporate several of these changes and MYMP planning will be introduced in all field operations in 2022.

H. Reduce the earmarking of donor contributions

In 2017, UNHCR received \$589 million in unearmarked funding, including \$382 million from governmental donors and \$207 from the private sector. While this represented an increase compared to the 2016 level of \$562 million, the governmental portion decreased slightly and that of the private sector increased significantly. In June 2018, UNHCR published a report on the use of unearmarked funding in 2017⁸.

I. Harmonize and simplify reporting requirements

UNHCR is piloting the common narrative "8+3 template" in Iraq, Myanmar and Somalia, with a view to harmonize donor reporting. All partners in these countries have been requested to use the template to report on 2017 activities. The template has also been used when reporting on the 2017 German contribution for the Iraq operation.

J. Enhance engagement between humanitarian and development actors

UNHCR is engaged with partners to include refugees and host communities in development programming. Following joint field missions between UNHCR and the World Bank, nine refugee hosting countries were deemed eligible for the World Bank's International Development Association 2017-2020 sub-window for refugees and host communities. At a joint workshop held in July 2018, UNHCR and UNDP explored joint programming opportunities for seven refugee host countries in Africa.

UNHCR is also working with relevant actors to increase the access of refugees and host communities to markets, livelihood opportunities and financial services. Following the creation of the \$15 million partial credit guarantee facility, the Grameen Credit Agricole Foundation will support financial service providers in host countries, with lending expected to start in September 2018. To date, UNHCR and the International Labour Organization (ILO) have concluded market assessments and value chain analyses in 12 refugee host countries with project proposals to be developed based on these results. In Kenya, expanding the cooperation between UNHCR and the International Finance Corporation, the Kakuma Kalobeyi Challenge Fund was launched to attract private companies. Following consultations with 150 businesses, the Organisation for Economic Co-operation and Development (OECD) and UNHCR launched a 10-point action plan in April 2018 to encourage employers to hire refugees.⁹ In July 2018, UNHCR and the United Nations Capital Development Fund launched a joint programme to support financial inclusion for refugees and host communities in nine countries.

⁷ Available from <http://www.unhcr.org/protection/women/5aa13c0c7/policy-age-gender-diversity-accountability-2018.html>.

⁸ Available from <http://reporting.unhcr.org/node/20858>.

⁹ See <http://www.oecd.org/els/mig/UNHCR-OECD-Engaging-with-employers-in-the-hiring-of-refugees.pdf>.