



Grand Bargain Spotlight:

Harmonisation of Donor Conditions

Harmonised and simplified reporting requirements and the reduction in burdensome donor conditions will allow for a more efficient use of resources to assist people in need

Background

One of the commitments under the 'Grand Bargain' (part of the High Level Panel on Humanitarian Financing report, 2016) is to simplify and harmonise reporting requirements to increase efficiency in humanitarian response. NRC has been engaged since the early stages of the discussion to promote a reduction of burdensome donor conditionalities on humanitarian organisations, in order to free up vital resources to better target the needs of affected populations. Promoting the *Less Paper More Aid* initiative with other NGOs under the coordination of ICVA, NRC contributed by building a body of evidence on the impact of donor conditions on NGOs. The frameworks for change on reporting, partner capacity assessments and audits stemming from the *Less Paper More Aid*, all influenced the Sherpa¹ discussions around the Grand Bargain. Findings from the initiative have also been corroborated and complemented by an internal study conducted in collaboration with the Boston Consulting Group.

¹ Sherpas are thirty representatives of donors and humanitarian organisations

Why reduce donor conditions?

Humanitarian organisations must act quickly to provide efficient life-saving services. They must be flexible and capable to adapt to rapidly changing circumstances and needs and must be accountable to both donors and affected populations. Administrative requirements have increased to a degree at which the level of reporting negatively impacts NGOs' ability to provide humanitarian assistance and to some extent may hamper the implementation of principled humanitarian action.

Headquarters and field resources are mobilised for complying with reporting, Partner Capacity Assessments and audit conditions is significant. Requirements are also often disproportionate in terms of grant sizes, the project duration and the capacity of the NGO recipient.

The main challenges associated with donor conditions may be summarised as follows:

- Donor's risk analysis and risk management strategies have a strong bearing on the conditions imposed on their implementing

partners. Restrictive donor risk management approaches where NGOs are expected to deliver humanitarian assistance and protection in high risk areas, whilst also bearing most of the financial risk, are leading NGOs to become more financially risk averse, rather than more willing to work in high risk areas.

- Different formats for project documentation required by different donors cause NGOs to spend considerable amounts of time and resources on activities that create no added value. Volume, complexity, duplication and sometimes inadequate feedback to submitted documentation hamper efficiency.
- UN agencies require more frequent reports compared to institutional donors.
- Some donors are reluctant to cover their share of administration and support costs.
- Inadequate internal coordination of decentralised donors leads to a delayed onset of projects, conflicting messages and large regional variations in interpretation and enforcement of requirements.
- There is a need for donors, UN agencies as well as also any other entity managing funds, to come together to harmonise and simplify operational partner agreements including reporting.

Outcomes of WHS

Key donors and humanitarian organisations signed the Grand Bargain which includes a list of 51 humanitarian financing commitments. Commitments under point 9 “*Harmonise and simplify reporting requirements*” are listed below:

- Aid organisations and donors commit to:
 - Simplify and harmonise reporting requirements by the end of 2018 by reducing the volume, deciding on common terminology, identifying core requirements and developing a common report structure.
 - Invest in technology and reporting systems to enable better access to information.
 - Enhance the quality of reporting to better capture results, enable learning and increase efficiency.

A technical working group composed of UNHCR, UNICEF and WFP has been created to look into possible simplification and harmonisation of partnership agreements.

Next steps for NRC

Whilst not a signatory to the Grand Bargain in its entirety, NRC welcomes the outcomes of the process and is prepared to actively engage and/or lead the follow up mechanisms which will be employed in rolling out the commitments as well as other related processes such as reduced earmarking and a move to multi-year funding. NRC can add a much needed operational NGO voice to those discussions.

NRC representational office in Geneva will continue its active participation in the IASC Humanitarian Financing Task Team. The task teams work plan for 2016-2017 details many activities related to the Grand Bargain, in particular in relation to the second output to “Renegotiate restrictive donor requirements”. NRC is implementing an advocacy strategy to reduce burdensome conditions, including indicators, that tailored to the Good Humanitarian Donorship Group broadly as well as specific donors, including UN agencies. This evidence-based advocacy strategy draws from the NRC study on donor conditionalities which was done in partnership with the Boston Consulting Group.

NRC recommendations:

- Building on the NRC Donor Conditionalities Project, and the *Less Paper More Aid* initiative, humanitarian organisations should advocate for simplified and harmonised requirements included in partnership agreements, especially in relation to proposal, narrative and financial reporting.
- NGOs are invited to engage in early stage of the discussion around donor conditionalities to contribute by providing operational evidence and expertise.
- Donors and UN agencies should agree to a transparent cost structure, a common terminology and to cover a fair share of support costs.

Links to other relevant information on the Grand Bargain:

https://interagencystandingcommittee.org/system/files/the_grand_bargain_may_2016.pdf

Contact: nrcgeneva.policy@nrc.no

www.nrc.no

NORWEGIAN
REFUGEE COUNCIL

