

## Update on implementation of UNHCR's commitments under the "grand bargain"

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### I. INTRODUCTION

1. This note summarizes the progress made in implementing UNHCR's commitments under the "grand bargain", which the organization endorsed at the World Humanitarian Summit in Istanbul in May 2016. It also sheds light on upcoming initiatives to be carried out during the course of the year.

2. The commitments made by UNHCR at the World Humanitarian Summit were aimed at promoting greater coherence, efficiency, transparency and accountability. In order to ensure consistent follow-up, UNHCR has assigned focal points for all 10 workstreams under the "grand bargain" and designated a senior staff member for overall coordination. A detailed workplan of activities to be taken before the implementation deadline of 2020 has also been prepared.

3. In addition to the individual efforts being made to effect institutional change, UNHCR is working closely with the Government of Japan as a co-convenor of the collective action workstream on "reducing duplication and management costs with periodic functional reviews".

### II. SUMMARY OF GRAND BARGAIN IMPLEMENTATION BY WORKSTREAM

#### A. Greater transparency

4. The Global Focus website<sup>1</sup> is UNHCR's main transparency and reporting platform, providing in-depth and regularly updated information on operations, financial requirements, contributions and expenditures, along with access to the Global Appeal and Global Report and other key publications. UNHCR will continue working to enhance the functionality of Global Focus, with particular attention to more clearly demonstrating the link between plans, results and expenditures.

5. Although UNHCR is not yet a member of the International Aid Transparency Initiative (IATI), it is working on carefully analysing the relevant IATI standards against its budget and planning structures. Furthermore, UNHCR and ICRC are working together with the IATI Secretariat on how to modify some of the existing standards that were originally developed to track development funding. It should be noted that a portion of UNHCR's funding received for its programmes under inter-agency response plans are included in the financial tracking system managed by the Office for the Coordination of Humanitarian Affairs (OCHA), which is in turn reported to the IATI.

6. In January 2017, UNHCR initiated the revision of its results-based management framework, which was originally launched in 2009. The revision is aimed at ensuring greater accountability and transparency by reinforcing the link between results, impact and resource allocation.

#### 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.**

7. In 2016, UNHCR disbursed US\$ 1.4 billion to 837 partners, including nearly US\$ 1.1 billion to 673 national and international non-governmental organizations (NGOs), reflecting an increase of about US\$ 165 million compared to the previous year and representing 36 per cent of UNHCR's overall annual expenditure in 2016.<sup>2</sup> Of US\$ 1.4 billion, some US\$ 614 million was provided to local partners, including US\$ 432 million to national NGOs. In collaboration with key partners in the United Nations, UNHCR is also working to simplify and facilitate partnership arrangements, in order to foster greater collaboration with local and national responders in humanitarian operations.

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<sup>1</sup> See <http://reporting.unhcr.org/>.

<sup>2</sup> Preliminary figures, pending closure of the 2016 accounts.

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

8. UNHCR relies on the support of national partners in emergencies and in undertaking preparedness measures for high-risk operations. The Office will continue to expand opportunities for local government authorities and other national and local partners to participate in emergency trainings and inter-agency contingency planning workshops, of which 23 have taken place in various locations around the world during 2016.

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

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

9. UNHCR is making solid progress towards this commitment, in line with its new ‘‘Policy on cash-based interventions’’ and ‘‘Strategy for the institutionalization of cash-based interventions (2016-2020)’’. In 2016, CBI programming rose from US\$ 357.7 million to a record US\$ 430 million, representing a 20 per cent increase.

10. UNHCR’s financial procedures have been adjusted to take into account the growth in CBI programming. Two new CBI learning programmes have been launched, and a total of 700 UNHCR staff have been trained, to date. Over the next two years, UNHCR aims to increase the number of staff trained in CBI programming by some 30 per cent.

11. UNHCR has completed a one-year pilot of the common cash facility (CCF) in Jordan, where the largest refugee cash assistance programme worldwide is being implemented. In 2016, the CCF transferred some US\$ 110 million at a banking transfer cost as low as 1.45 per cent. The CCF concept has proven that collaboration between humanitarian organizations can result in improved efficiencies.

**D. Reduce duplication and management costs with periodic functional reviews**

**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.**

12. As highlighted above, UNHCR is a co-convenor of this workstream, together with the Government of Japan. The workstream’s five components and the efforts being made under each are described below:

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

- UNHCR and the Government of Japan are in the process of identifying an organization that could measure and quantify the impact of innovation on humanitarian actions.
- UNHCR is committed to the use of biometric technology, which brings about substantial programmatic efficiencies, in addition to protection benefits. The aim is to increase the number of operations using biometric technology from 63 in 2017 to 75 by 2020. Biometrics technology helps ensure that assistance reaches the intended beneficiaries and that duplicative disbursements and gaps are avoided. It also facilitates accurate programmatic planning, protects individuals from identity theft and ensures faster and more efficient aid distribution processes.

➤ *Harmonize partnership agreements*

- UNHCR, the United Nations Children’s Fund (UNICEF) and the World Food Programme (WFP) are focused on harmonizing engagement with partners, reducing transaction costs. Thus far, the three agencies have (1) mapped the due diligence process for partner selection in order to identify commonalities and areas for alignment and harmonization; (2) agreed on a common UN platform for partnerships based on UNHCR’s Partner Portal; (3) agreed on a common approach to auditing of partners funded by both UNHCR and UNICEF; (4) harmonized partnership agreement templates; and (5) simplified reporting templates.

- *Provide transparent and comparable cost structures*
  - UNHCR and the Government of Japan have analysed previous undertakings made by the United Nations to harmonize cost structures and have consulted with the Norwegian Refugee Council (NRC), which has mapped out different donors' cost structures. The findings will be used as a basis for recommending pragmatic solutions to harmonizing cost structures.
- *Undertake joint logistics and procurement*
  - On behalf of the UN procurement network, UNHCR contracted a consultant to analyse collaborative procurement opportunities. An initial assessment was completed in December 2016, and a report on the findings will be ready by the end of March 2017, following endorsement by the network. The second phase, including a deeper analysis of goods and services, and a review of common vendor opportunities, is expected to be completed before the end of the year. UNHCR aims to reduce its own procurement costs by 10 per cent by 2020.
- *Reduce individual donor assessment*
  - UNHCR and the Government of Japan are in the process of examining data on the number of individual donor assessments taking place, which will serve as a baseline for recommendations. Discussions on how to reduce these assessments will be held with the Good Humanitarian Donorship forum.

13. In March 2017, UNHCR and the Government of Japan will hold a technical workshop on this workstream in Geneva, in order to discuss the research conducted on the five components and to collectively agree on the way forward.

#### E. Improve joint and impartial needs assessments

14. To ensure joint needs assessments, UNHCR's new handbook on this subject makes it standard practice in all operations to conduct joint needs assessment and analysis. The handbook will be accompanied by practical tools to assist users in producing quality and transparent assessments, from planning to analysis. UNHCR is working with UN and NGO partners, including the Assessment Capacities Project, to improve transparency, credibility and coherence in multisectoral needs analysis.

15. The results of needs assessments for refugee operations are shared on UNHCR's external operational data portal.<sup>3</sup> Cluster needs assessments for operations involving internally displaced persons (IDPs), in which UNHCR either leads or participates in, are made available on a number of data-sharing websites.<sup>4</sup>

16. UNHCR is also collaborating with OCHA and the Harvard Humanitarian Initiative in this area, including through use of an open-source software tool called KoBoToolbox that allows for data collection and analysis in challenging field environments using mobile phones and other devices. The use of a common platform and standard introduces efficiencies in the needs assessment process and allows data compatibility between different needs assessments that have been undertaken using the system.

#### F. A participation revolution: include people receiving aid in making the decisions which affect their lives

**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.**

17. At the time of the World Humanitarian Summit, 48 out of 65 refugee and IDP situations reporting on the indicator were in the range of 35 per cent or above with respect to female participation.

18. UNHCR chaired the Inter-Agency Standing Committee group that drafted the "Guidance note on protection and accountability to affected populations in the humanitarian programme cycle". In line with goal

<sup>3</sup> See <http://data.unhcr.org>.

<sup>4</sup> See, for example, <https://www.humanitarianresponse.info> and <http://sheltercluster.org>.

five of the grand bargain – a participation revolution: include people receiving aid in making the decisions which affect their lives – UNHCR will focus on the institutionalization of measures aimed at ensuring accountability to affected populations, including at the field level through the results-based management framework, which is currently being updated.

#### G. Increase collaborative humanitarian multi-year planning and funding

19. Following the experience from six operations (Costa Rica, Ecuador, Ghana, Senegal, Uganda and the United Republic of Tanzania) that have already been implementing multi-year, multi-partner planning on a pilot basis, an additional 15 country operations will pursue this approach. These pilot initiatives are helping to refine UNHCR's policies and orient field capacities to support multi-year, multi-partner planning.

#### H. Reduce the earmarking of donor contributions

20. UNHCR relies more than ever on early, predictable and unrestricted donor funding to provide uninterrupted protection and assistance to populations of concern. The Office encourages donors to consider the use of unearmarked funding, which allows UNHCR to respond quickly to emerging challenges and also to invest in innovation. Receipt of unearmarked funding is a reflection of donor confidence in the organization, and UNHCR is fully cognisant of the accountability that comes with this. Since 2013, UNHCR has published an annual aide-memoire on how unearmarked funding was used. The Office will continue to produce these aide-memoires, the next of which is scheduled to be ready in the second half of the year, with the aim of providing increasing levels of information.

21. In 2017, UNHCR will introduce more regular reporting on the use of unrestricted funding in order to better illustrate how these resources are used throughout the year. UNHCR is also improving the Global Focus portal to provide greater visibility to donors which provide unrestricted funding.

#### I. Harmonize and simplify reporting requirements

22. UNHCR, WFP and UNICEF are working on harmonized and simplified reporting templates for partners, as described in more detail under section D, paragraph 12.

#### J. Enhance engagement between humanitarian and development actors

23. UNHCR collaborated with the World Bank on a ground-breaking study on forced displacement, which was launched at the General Assembly summit on addressing large movements of refugees and migrants, which took place in New York in September 2016. The study combines World Bank's analytical capacity with UNHCR field knowledge, providing solid evidence on the economic impact of refugees on host communities, underpinning the case for development engagement in forced displacement situations.

24. UNHCR and the World Bank are conducting a series of field missions to major refugee hosting countries during the first half of 2017 to identify opportunities for collaboration. The results will be presented at the World Bank's Governing Board later this year and will help prepare programmes to be funded under the World Bank's International Development Association 2017-2019 sub-window for refugees and host communities.

25. UNHCR and the International Labour Organization (ILO) signed a revised memorandum of understanding aimed at promoting employment possibilities for refugees, IDPs, stateless persons and other populations of concern and developing better guidance to support governments in these efforts. In the context of the comprehensive refugee response framework, is also seeking to work more closely with development partners.

26. In order to address the particular challenges refugees face in accessing business start-up capital, UNHCR has concluded a credit guarantee facility agreement with the Swedish International Development Cooperation Agency (SIDA), which has made US\$ 15 million available to support refugees and host communities. This will reduce risks for financial service providers and enable refugees and host community members to access loans for small and micro-enterprises.

27. UNHCR is leading the work of the United Nations Chief Executives Board for Coordination High-Level Committee on Management on efforts to bridge the humanitarian and development data gap. This initiative brings

together UN agencies to make recommendations for an integrated approach to data collection and the usage of humanitarian and development data, helping ensure more coherent and collaborative assessments at the programmatic and implementation stages. It will include an assessment of the usage of data exchange standards and how data collected in a humanitarian environment can serve development needs, and vice versa.

*10 March 2017*

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